

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission file number 1-10235

IDEX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1925 West Field Court, Lake Forest, Illinois

(Address of principal executive offices)

36-3555336

(I.R.S. Employer Identification No.)

60045

(Zip Code)

Registrant's telephone number:
(847) 498-7070

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$.01 per share	New York Stock Exchange and Chicago Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value, as of the last business day of the registrant's most recently completed second fiscal quarter, of the common stock (based on the June 30, 2015 closing price of \$78.58) held by non-affiliates of IDEX Corporation was \$6,085,231,271.

The number of shares outstanding of IDEX Corporation's common stock, par value \$.01 per share, as of February 16, 2016 was 75,929,397.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement with respect to the IDEX Corporation 2016 annual meeting of stockholders (the "2016 Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

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PART I

Cautionary Statement Under the Private Securities Litigation Reform Act

This report contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may relate to, among other things, capital expenditures, acquisitions, cost reductions, cash flow, revenues, earnings, market conditions, global economies and operating improvements, and are indicated by words or phrases such as “anticipate,” “estimate,” “plans,” “expects,” “projects,” “forecasts,” “should,” “could,” “will,” “management believes,” “the company believes,” “the company intends,” and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this report. The risks and uncertainties include, but are not limited to, the following: economic and political consequences resulting from terrorist attacks and wars; levels of industrial activity and economic conditions in the U.S. and other countries around the world; pricing pressures and other competitive factors, and levels of capital spending in certain industries - all of which could have a material impact on order rates and IDEX’s results, particularly in light of the low levels of order backlogs it typically maintains; its ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which the company operates; interest rates; capacity utilization and the effect this has on costs; labor markets; market conditions and material costs; and developments with respect to contingencies, such as litigation and environmental matters. The forward-looking statements included here are only made as of the date of this report, and management undertakes no obligation to publicly update them to reflect subsequent events or circumstances, except as may be required by law. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

Item 1. *Business.*

IDEX Corporation (“IDEX,” the “Company,” “us,” “our,” or “we”) is a Delaware corporation incorporated on September 24, 1987. The Company is an applied solutions business that sells an extensive array of pumps, flow meters and other fluidics systems and components and engineered products to customers in a variety of markets around the world. All of the Company’s business activities are carried out through wholly-owned subsidiaries.

The Company has three reportable business segments: Fluid & Metering Technologies (“FMT”), Health & Science Technologies (“HST”) and Fire & Safety/Diversified Products (“FSDP”). Within our three reportable segments, the Company maintains fifteen platforms, where we focus on organic growth and strategic acquisitions. Each of our fifteen platforms is also a reporting unit, where we annually test for goodwill impairment.

During the third quarter of 2015, the Company announced the appointment of Eric Ashleman as Chief Operating Officer. While there were no changes to the reportable segments or movement of businesses between the reportable segments, the Company no longer delineates between “platforms” and “groups” and made the following changes to how certain businesses are managed internally:

- Created the Valves platform as a result of the Alfa Valvole acquisition in June 2015.
- Eliminated the Diaphragm and Dosing Pump Technology (“DDPT”) platform.
- Created the Industrial platform from the businesses previously reported within Chemical, Food & Process (Richter, Viking, and Aegis) plus the Warren Rupp and Trebor businesses from DDPT.
- Created the Water platform from the businesses previously reported within Water Services & Technology (ADS, IETG, and iPEK) plus the Pulsafeeder and Knight businesses from DDPT.

The Fluid & Metering Technologies segment contains the Energy (comprised of Corken, Faure Herman, Liquid Controls, SAMPI and Toptech), Valves (comprised of Alfa Valvole), Water (comprised of Pulsafeeder, Knight, ADS, IETG, and iPEK), Industrial (comprised of Richter, Viking, Aegis, Warren Rupp, and Trebor), and Agriculture (comprised of Banjo) platforms. The Health & Science Technologies segment contains the Scientific Fluidics (comprised of Eastern Plastics, Rheodyne, Sapphire Engineering, Upchurch Scientific, ERC, and CiDRA Precision Services), IDEX Optics & Photonics (comprised of CVI Melles Griot, Semrock, and AT Films), Sealing Solutions (comprised of Precision Polymer Engineering, FTL Seals Technology, and Novotema), Gast, Micropump, and Material Processing Technologies (comprised of Quadro, Fitzpatrick, Microfluidics, and Matcon) platforms. The Fire & Safety/Diversified Products segment is comprised of the Fire Suppression (comprised of Class 1, Hale and Godiva), Rescue (comprised of Dinglee, Hurst Jaws of Life, Lukas, and Vetter), Band-It, and Dispensing platforms.

IDEX believes that each of its reporting units is a leader in its product and service areas. The Company also believes that its strong financial performance has been attributable to its ability to design and engineer specialized quality products, coupled with its ability to identify and successfully consummate and integrate strategic acquisitions.

FLUID & METERING TECHNOLOGIES SEGMENT

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water & wastewater, agriculture and energy industries. Fluid & Metering Technologies application-specific pump and metering solutions serve a diverse range of end markets, including industrial infrastructure (fossil fuels, refined & alternative fuels, and water & wastewater), chemical processing, agriculture, food & beverage, pulp and paper, transportation, plastics and resins, electronics and electrical, construction & mining, pharmaceutical and bio-pharmaceutical, machinery and numerous other specialty niche markets. Fluid & Metering Technologies accounted for 43%, 42% and 43% of IDEX's sales in 2015, 2014 and 2013, respectively, with approximately 44% of its 2015 sales to customers outside the U.S. The segment accounted for 43%, 43% and 47% of IDEX's operating income in 2015, 2014 and 2013, respectively.

Energy. Energy consists of the Company's Corken, Faure Herman, Liquid Controls, SAMPI and Toptech businesses. Energy is a leading supplier of flow meters, electronic registration and control products, rotary vane and turbine pumps, reciprocating piston compressors, and terminal automation control systems. Headquartered in Lake Bluff, Illinois (Liquid Controls products), Energy has additional facilities in Longwood, Florida and Zwijndrecht, Belgium (Toptech products); Oklahoma City, Oklahoma (Corken products); La Ferté Bernard, France (Faure Herman products); and Altopascio, Italy (SAMPI products). Applications for Liquid Controls and SAMPI positive displacement flow meters, electronic, registration and control products include mobile and stationary metering installations for wholesale and retail distribution of petroleum and liquefied petroleum gas, aviation refueling, and industrial metering and dispensing of liquids and gases. Corken products consist of positive-displacement rotary vane pumps, single and multistage regenerative turbine pumps, and small horsepower reciprocating piston compressors. Toptech supplies terminal automation hardware and software to control and manage inventories, as well as transactional data and invoicing, to customers in the oil, gas and refined-fuels markets. Faure Herman is a leading supplier of ultrasonic and helical turbine flow meters used in the custody transfer and control of high value fluids and gases. Approximately 44% of Energy's 2015 sales were to customers outside the U.S.

Valves. Valves consists of the Company's Alfa Valvole ("Alfa") business. Alfa is a leader in the design, manufacture and sale of specialty valve products for use in the chemical, petro-chemical, energy and sanitary markets. Located in Casorezzo, Italy, Alfa's products are used in various industrial fields for fluid control, in both gas and liquid form, in all sectors of plant engineering, cosmetics, detergents, food industry, electric energy, pharmaceutical, chemical plants, petrochemical plants, oil, heating/air conditioning and in all markets worldwide and also on ships, ferries and marine oil platforms. 100% of Alfa's 2015 sales were to customers outside the U.S.

Water. Water consists of the Company's ADS, IETG, iPEK, Knight and Pulsafeeder businesses. Water is a leading provider of metering technology, flow monitoring products and underground surveillance services for wastewater markets, alloy and non-metallic gear pumps, peristaltic pumps, transfer pumps, as well as dispensing equipment for industrial laundries, commercial dishwashing and chemical metering. ADS's products and services provide comprehensive integrated solutions that enable industry, municipalities and government agencies to analyze and measure the capacity, quality and integrity of wastewater collection systems, including the maintenance and construction of such systems. IETG's products and services enable water companies to effectively manage their water distribution and sewerage networks, while its surveillance service specializes in underground asset detection and mapping for utilities and other private companies. iPEK supplies remote controlled systems used for infrastructure inspection. Knight is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering. Pulsafeeder products (which also include OBL products) are used to introduce precise amounts of fluids into processes to manage water quality and chemical composition, as well as peristaltic pumps. Its markets include water & wastewater treatment, oil & gas, power generation, pulp & paper, chemical and hydrocarbon processing, and swimming pools. Water maintains operations in Huntsville, Alabama and various other locations in the United States and Australia (ADS products and services); Leeds, England (IETG products and services); Hirscheegg, Austria, and Sulzberg, Germany (iPEK products); Rochester, New York, Punta Gorda, Florida and Milan, Italy (Pulsafeeder products); Lake Forest, California, Mississauga, Ontario, Canada, and Lewes, England, (Knight products); and a maquiladora in Ciudad Juarez, Chihuahua, Mexico (Knight products). Approximately 40% of Water's 2015 sales were to customers outside the U.S.

Industrial. Industrial consists of the Company's Richter, Viking, Aegis, Warren Rupp, and Trebor businesses. Industrial is a producer of fluoroplastic lined corrosion-resistant magnetic drive and mechanical seal pumps, shut-off, control and safety valves for corrosive, hazardous, contaminated, pure and high-purity fluids, as well as rotary internal gear, external gear, vane and rotary lobe pumps, custom-engineered OEM pumps, strainers, gear reducers and engineered pump systems. Richter's products offer superior solutions for demanding and complex pump applications in the process industry. Viking's products consist of external gear pumps, strainers and reducers, and related controls used for transferring and metering thin and viscous liquids sold under the Viking and Wright Flow brands. Viking products primarily serve the chemical, petroleum, pulp & paper, plastics, paints, inks, tanker trucks, compressor, construction, food & beverage, personal care, pharmaceutical and biotech

markets. Aegis is a leader in the design, manufacture and sale of specialty chemical processing valves for use in the chemical, petro-chemical, chlor-alkali, pharmaceutical, semiconductor and pulp & paper industries. Warren Rupp products (which also include Pumper Parts and Versa-Matic products) are used for abrasive and semisolid materials as well as for applications where product degradation is a concern or where electricity is not available or should not be used. Warren Rupp products, which include air-operated diaphragm pumps, primarily serve the chemical, paint, food processing, electronics, construction, utilities, oil & gas, mining and industrial maintenance markets. Trebor is a leader in high-purity fluid handling products, including air-operated diaphragm pumps and deionized water-heating systems. Trebor products are used in manufacturing of semiconductors, disk drives and flat panel displays. Industrial maintains operations in Kempen, Germany and Suzhou, China (Richter products); Cedar Falls, Iowa (Viking, Wright Flow, and Richter products); Eastbourne, England (Wright Flow products); and Shannon, Ireland (Viking and Blagdon products); Geismar, Louisiana (Aegis products); Mansfield, Ohio (Warren Rupp products); Salt Lake City, Utah (Trebor products). Industrial primarily uses independent distributors to market and sell its products. Approximately 51% of Industrial's 2015 sales were to customers outside the U.S.

Agriculture. Agriculture consists of the Company's Banjo business. Banjo is a provider of special purpose, severe-duty pumps, valves, fittings and systems used in liquid handling. Banjo is based in Crawfordsville, Indiana with a facility in Didam, The Netherlands, and its products are used in agriculture and industrial applications. Approximately 15% of Banjo's 2015 sales were to customers outside the U.S.

HEALTH & SCIENCE TECHNOLOGIES SEGMENT

The Health & Science Technologies segment designs, produces and distributes a wide range of precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction and drying systems used in beverage, food processing, pharmaceutical and cosmetics, pneumatic components and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, optical components and coatings for applications in the fields of scientific research, defense, biotechnology, aerospace, telecommunications and electronics manufacturing, laboratory and commercial equipment used in the production of micro and nano scale materials, precision photonic solutions used in life sciences, research and defense markets, and precision gear and peristaltic pump technologies that meet exacting original equipment manufacturer specifications. Health & Science Technologies accounted for 36%, 35% and 35% of IDEX's sales in 2015, 2014 and 2013, respectively, with approximately 55% of its 2015 sales to customers outside the U.S. The segment accounted for 33%, 31% and 30% of IDEX's operating income in 2015, 2014 and 2013, respectively.

Scientific Fluidics. Scientific Fluidics consists of the Company's Eastern Plastics, Rheodyne, Sapphire Engineering, Upchurch Scientific, ERC, and CiDRA Precision Services ("CPS") businesses. Scientific Fluidics has facilities in Rohnert Park, California (Rheodyne products); Bristol, Connecticut (Eastern Plastics products); Middleboro, Massachusetts (Sapphire Engineering products); Oak Harbor, Washington (Upchurch Scientific products); Kawaguchi, Japan (ERC products); and Wallingford, Connecticut (CPS products). Eastern Plastics products, which consist of high-precision integrated fluidics and associated engineered manifolds, are used in a broad set of end markets including medical diagnostics, analytical instrumentation, and laboratory automation. Rheodyne products consist of injectors, valves, fittings and accessories for the analytical instrumentation market. These products are used by manufacturers of high pressure liquid chromatography ("HPLC") equipment servicing the pharmaceutical, biotech, life science, food & beverage, and chemical markets. Sapphire Engineering and Upchurch Scientific products consist of fluidic components and systems for the analytical, biotech and diagnostic instrumentation markets, such as fittings, precision-dispensing pumps and valves, tubing and integrated tubing assemblies, filter sensors and other micro-fluidic and nano-fluidic components, as well as advanced column hardware and accessories for the high performance liquid chromatography market. The products produced by Sapphire Engineering and Upchurch Scientific primarily serve the pharmaceutical, drug discovery, chemical, biochemical processing, genomics/proteomics research, environmental labs, food/agriculture, medical lab, personal care, and plastics/polymer/rubber production markets. ERC manufactures gas liquid separations and detection solutions for the life science, analytical instrumentation and clinical chemistry markets. ERC's products consist of in-line membrane vacuum degassing solutions, refractive index detectors and ozone generation systems. CPS products consist of microfluidic components serving the life science, health and industrial market. Approximately 55% of Scientific Fluidics' 2015 sales were to customers outside the U.S.

IDEX Optics and Photonics ("IOP"). IOP consists of the Company's CVI Melles Griot ("CVI MG"), Semrock, and AT Films (including Precision Photonics products) businesses. CVI MG is a global leader in the design and manufacture of precision photonic solutions used in the life sciences, research, semiconductor, security and defense markets. CVI MG's innovative products are focused on the generation, control and productive use of light for a variety of key science and industrial applications. Products consist of specialty lasers and light sources, electro-optical components, specialty shutters, opto-mechanical assemblies and components. In addition, CVI MG produces critical components for life science research, electronics manufacturing, military and other industrial applications including lenses, mirrors, filters and polarizers. These

components are utilized in a number of important applications such as spectroscopy, cytometry (cell counting), guidance systems for target designation, remote sensing, menology and optical lithography. CVI MG has manufacturing sites located in Albuquerque, New Mexico; Carlsbad, California; Rochester, New York; Leicester, England; Kyongki-Do, Korea; Tamagawa, Japan; and Didam, The Netherlands. Semrock is a provider of optical filters for biotech and analytical instrumentation in the life sciences markets. Semrock's optical filters are produced using state-of-the-art manufacturing processes which enable it to offer its customers significant improvements in instrument performance and reliability. Semrock is located in Rochester, New York. AT Films specializes in optical components and coatings for applications in the fields of scientific research, defense, aerospace, telecommunications and electronics manufacturing. AT Films' core competence is the design and manufacture of filters, splitters, reflectors and mirrors with the precise physical properties required to support their customers' most challenging and cutting-edge optical applications. The Precision Photonics portion of its business specializes in optical components and coatings for applications in the fields of scientific research, aerospace, telecommunications and electronics manufacturing. AT Films is headquartered in Boulder, Colorado. Approximately 54% of IOP's 2015 sales were to customers outside the U.S.

Sealing Solutions. Sealing Solutions consists of the Company's Precision Polymer Engineering ("PPE"), FTL Seals Technology ("FTL"), and Novotema businesses. PPE is a provider of proprietary high performance seals and advanced sealing solutions for a diverse range of global industries and applications, including hazardous duty, analytical instrumentation, semiconductor, process technologies, oil & gas, pharmaceutical, electronics, and food applications. PPE is headquartered in Blackburn, England with an additional manufacturing facility in Brenham, Texas. FTL, located in Leeds, England, specializes in the design and application of high integrity rotary seals, specialty bearings, and other custom products for the mining, power generation, and marine markets. Novotema, located in Villongo, Italy, is a leader in the design, manufacture and sale of specialty sealing solutions for use in the building products, gas control, transportation, industrial and water markets. Approximately 78% of Sealing Solutions' 2015 sales were to customers outside the U.S.

Gast. Gast consists of the Company's Gast and Jun-Air businesses. The Gast business is a leading manufacturer of air-moving products, including air motors, low-range and medium-range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast products are used in a variety of long-life applications requiring a quiet, clean source of moderate vacuum or pressure. Gast products primarily serve the medical equipment, environmental equipment, computers and electronics, printing machinery, paint mixing machinery, packaging machinery, graphic arts, and industrial manufacturing markets. The Jun-Air business is a provider of low-decibel, ultra-quiet vacuum compressors suitable for medical, dental and laboratory applications. Based in Benton Harbor, Michigan, Gast also has a logistics and commercial center in Redditch, England. Approximately 26% of Gast's 2015 sales were to customers outside the U.S.

Micropump. Micropump, headquartered in Vancouver, Washington, is a leader in small, precision-engineered, magnetically and electromagnetically driven rotary gear, piston and centrifugal pumps. Micropump products are used in low-flow abrasive and corrosive applications. Micropump products primarily serve the continuous ink-jet printing, medical equipment, chemical processing, pharmaceutical, refining, laboratory, electronics, textiles, peristaltic metering pumps, analytical process controllers and sample preparation systems markets. Approximately 72% of Micropump's 2015 sales were to customers outside the U.S.

Material Processing Technologies ("MPT"). MPT consists of the Company's Quadro, Fitzpatrick, Microfluidics and Matcon businesses. Quadro is a leading provider of particle control solutions for the pharmaceutical and bio-pharmaceutical markets. Based in Waterloo, Canada, Quadro's core capabilities include fine milling, emulsification and special handling of liquid and solid particulates for laboratory, pilot phase and production scale processing. Fitzpatrick is a global leader in the design and manufacture of process technologies for the pharmaceutical, food and personal care markets. Fitzpatrick designs and manufactures customized size reduction, roll compaction and drying systems to support their customers' product development and manufacturing processes. Fitzpatrick is headquartered in Elmhurst, Illinois. Microfluidics is a global leader in the design and manufacture of laboratory and commercial equipment used in the production of micro and nano scale materials for the pharmaceutical and chemical markets. Microfluidics is the exclusive producer of the Microfluidizer family of high shear fluid processors for uniform particle size reduction, robust cell disruption and nanoparticle creation. Microfluidics is based in Waterloo, Canada and has offices in Newton, Massachusetts. Matcon is a global leader in material processing solutions for high value powders used in the manufacture of pharmaceuticals, food, plastics, and fine chemicals. Matcon's innovative products consist of the original cone valve powder discharge system and filling, mixing and packaging systems, all of which support its customers' automation and process requirements. These products are critical to its customers' need to maintain clean, reliable and repeatable formulations of prepackaged foods and pharmaceuticals while helping them achieve lean and agile manufacturing. Matcon is located in Evesham, England. Approximately 59% of MPT's 2015 sales were to customers outside the U.S.

FIRE & SAFETY/DIVERSIFIED PRODUCTS SEGMENT

The Fire & Safety/Diversified Products segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications, and precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world. The Fire & Safety/Diversified Products segment accounted for 21%, 23% and 22% of IDEX's sales in 2015, 2014 and 2013, respectively, with approximately 52% of its 2015 sales to customers outside the U.S. The segment accounted for 24%, 26% and 23% of IDEX's operating income in 2015, 2014 and 2013, respectively.

Fire Suppression. Fire Suppression consists of the Company's Class 1, Hale and Godiva businesses, which produce truck-mounted and portable fire pumps, stainless steel valves, foam and compressed air foam systems, pump modules and pump kits, electronic controls and information systems, conventional and networked electrical systems, and mechanical components for the fire, rescue and specialty vehicle markets. Fire Suppression's customers are primarily OEMs. Fire Suppression is headquartered in Ocala, Florida (Class 1 and Hale products), with additional facilities located in Warwick, England (Godiva products). Approximately 38% of Fire Suppression's 2015 sales were to customers outside the U.S.

Rescue. Rescue consists of the Company's Dinglee, Hurst Jaws of Life, Lukas and Vetter businesses, which produce hydraulic, battery, gas and electric-operated rescue equipment, hydraulic re-railing equipment, hydraulic tools for industrial applications, recycling cutters, pneumatic lifting and sealing bags for vehicle and aircraft rescue, environmental protection and disaster control, and shoring equipment for vehicular or structural collapse. Rescue's customers are primarily public and private fire and rescue organizations. Rescue has facilities in Shelby, North Carolina (Hurst Jaws of Life products); Tianjin, China (Dinglee products); Erlangen, Germany (Lukas products); and Zulpich, Germany (Vetter products). Approximately 71% of Rescue's 2015 sales were to customers outside the U.S.

Band-It. Band-It is a leading producer of high-quality stainless steel banding, buckles and clamping systems. The BAND-IT brand is highly recognized worldwide. Band-It products are used for securing exhaust system heat and sound shields, industrial hose fittings, traffic signs and signals, electrical cable shielding, identification and bundling, and in numerous other industrial and commercial applications. Band-It products primarily serve the automotive, transportation equipment, oil & gas, general industrial maintenance, electronics, electrical, communications, aerospace, utility, municipal and subsea marine markets. Band-It is based in Denver, Colorado, with additional operations in Staveley, England. Approximately 36% of Band-It's 2015 sales were to customers outside the U.S.

Dispensing. Dispensing produces precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world. Dispensing is a global supplier of precision-designed tinting, mixing, dispensing and measuring equipment for auto refinishing and architectural paints. Dispensing products are used in retail and commercial stores, hardware stores, home centers, department stores, automotive body shops as well as point-of-purchase dispensers. Dispensing is headquartered in Sassenheim, The Netherlands with additional facilities in Wheeling, Illinois; Unanderra, Australia; and Milan, Italy, as well as IDEX shared manufacturing facilities in India and China. Approximately 61% of Dispensing's 2015 sales were to customers outside the U.S.

INFORMATION APPLICABLE TO THE COMPANY'S BUSINESS IN GENERAL AND ITS SEGMENTS

Competitors

The Company's businesses participate in highly competitive markets. IDEX believes that the principal points of competition are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution channels.

Principal competitors of the Fluid & Metering Technologies segment are the Pump Solutions Group (Maag, Blackmer and Wilden products) of Dover Corporation (with respect to pumps and small horsepower compressors used in liquified petroleum gas distribution facilities, rotary gear pumps, and air-operated double-diaphragm pumps); Milton Roy LLC (with respect to metering pumps and controls); and Tuthill Corporation (with respect to rotary gear pumps).

Principal competitors of the Health & Science Technologies segment are the Thomas division of Gardner Denver, Inc. (with respect to vacuum pumps and compressors); Thermo Scientific Dionex products (with respect to analytical instrumentation); Parker Hannifin (with respect to sealing devices); Valco Instruments Co., Inc. (with respect to fluid injectors and valves); and Gooch & Housego PLC (with respect to electro-optic and precision photonics solutions used in the life sciences market).

The principal competitors of the Fire & Safety/Diversified Products segment are Waterous Company, a unit of American Cast Iron Pipe Company (with respect to truck-mounted firefighting pumps); Holmatro, Inc. (with respect to rescue tools); CPS

Color Group Oy (with respect to dispensing and mixing equipment for the paint industry); and Panduit Corporation (with respect to stainless steel bands, buckles and clamping systems).

Customers

The principal customers for our products are discussed immediately above by product category in each segment. None of our customers in 2015 accounted for more than two percent of net sales.

Employees

At December 31, 2015, the Company had 6,801 employees. Approximately 7% of employees were represented by labor unions, with various contracts expiring through June 2020. Management believes that the Company has a positive relationship with its employees. The Company historically has been able to renegotiate its collective bargaining agreements satisfactorily, with its last work stoppage in March 1993.

Suppliers

The Company manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by the Company are available from multiple sources.

Inventory and Backlog

The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs typically are limited to one to one and a half months of production. While total inventory levels also may be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

Raw Materials

The Company uses a wide variety of raw materials which are generally available from a number of sources. As a result, shortages from any single supplier have not had, and are not likely to have a material impact on operations.

Shared Services

The Company has production facilities in Suzhou, China and Vadodara, India that support multiple business units. IDEX also has personnel in China, India, Dubai, Latin America and Singapore that provide sales and marketing, product design and engineering, and sourcing support to its business units, as well as personnel in various locations in South America, the Middle East and Japan to support sales and marketing efforts of IDEX businesses in those regions.

Segment Information

For segment financial information for the years 2015, 2014 and 2013, including financial information about foreign and domestic sales and operations, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 11 of the Notes to Consolidated Financial Statements in Part II, Item 8, “Financial Statements and Supplementary Data.”

Executive Officers of the Registrant

Set forth below are the names of the executive officers of the Company, their ages, years of service, the positions held by them, and their business experience during the past five years.

Name	Age	Years of Service	Position
Andrew K. Silvernail	45	7	Chairman of the Board and Chief Executive Officer
Heath A. Mitts	45	10	Senior Vice President and Chief Financial Officer
Eric D. Ashleman	48	7	Senior Vice President and Chief Operating Officer
Denise R. Cade	53	<1	Senior Vice President, General Counsel and Corporate Secretary
Daniel J. Salliotte	49	11	Senior Vice President-Corporate Strategy, Mergers and Acquisitions and Treasury
Michael J. Yates	50	10	Vice President and Chief Accounting Officer
Jeffrey D. Bucklew	45	4	Senior Vice President-Chief Human Resources Officer

Mr. Silvernail has served as Chief Executive Officer since August 2011 and as Chairman of the Board since January 2012. Prior to that, Mr. Silvernail was Vice President-Group Executive Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products from January 2011 to August 2011. From February 2010 to December 2010, Mr. Silvernail was Vice President-Group Executive Health & Sciences Technologies and Global Dispensing. Mr. Silvernail joined IDEX in January 2009 as Vice President-Group Executive Health & Science Technologies.

Mr. Mitts has served as Senior Vice President and Chief Financial Officer since March 2011. Mr. Mitts joined IDEX as Vice President-Corporate Finance in September 2005.

Mr. Ashleman has served as Senior Vice President and Chief Operating Officer since July 2015. Mr. Ashleman joined IDEX in 2008 as the President of Gast Manufacturing.

Ms. Cade has served as Senior Vice President, General Counsel and Corporate Secretary since joining IDEX in October 2015. Prior to joining IDEX, Ms. Cade was Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer for SunCoke Energy, Inc. from March 2011 to October 2015 and held various roles at PPG Industries before joining SunCoke.

Mr. Salliotte has served as Senior Vice President-Mergers, Acquisitions and Treasury since February 2011. Mr. Salliotte joined IDEX in October 2004 as Vice President-Strategy and Business Development.

Mr. Yates has served as Vice President and Chief Accounting Officer since February 2010. Mr. Yates joined IDEX as Vice President-Controller in October 2005.

Mr. Bucklew has served as the Senior Vice President-Chief Human Resources Officer since joining IDEX in March 2012. Prior to joining IDEX, Mr. Bucklew served as the Vice President of Human Resources for Accretive Health from March 2009 to March 2012.

The Company's executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of stockholders, and they serve until the meeting of the Board immediately following the next annual meeting of stockholders, or until their successors are duly elected and qualified or until their death, resignation or removal.

Public Filings

Copies of the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are made available free of charge at www.idexcorp.com as soon as reasonably practicable after being filed electronically with the United States Securities and Exchange Commission (the "SEC"). Our reports are also available free of charge on the SEC's website, www.sec.gov. Information on the Company's website is not incorporated into this Form 10-K.

Item 1A. Risk Factors.

For an enterprise as diverse and complex as the Company, a wide range of factors present risks to the Company and could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of our operations and the financial results of our operations elsewhere in this report, the most significant of these factors are as follows:

Changes in U.S. or International Economic Conditions Could Adversely Affect the Sales and Profitability of Our Businesses.

In 2015, 50% of the Company's sales were derived from domestic operations while 50% were derived from international operations. The Company's largest end markets include life sciences and medical technologies, fire and rescue, oil & gas, paint and coatings, chemical processing, agriculture, water & wastewater treatment and optical filters and components. A slowdown in the U.S. or global economy and, in particular, any of these specific end markets could reduce the Company's sales and profitability.

Conditions in Foreign Countries in Which We Operate Could Adversely Affect Our Business.

In 2015, approximately 50% of our total sales were to customers outside the U.S. We expect our international operations and export sales to continue to be significant for the foreseeable future. Our sales from international operations and our sales from export are both subject in varying degrees to risks inherent in doing business outside the U.S. These risks include the following:

- possibility of unfavorable circumstances arising from host country laws or regulations;
- risks of economic instability;
- currency exchange rate fluctuations and restrictions on currency repatriation;
- potential negative consequences from changes to taxation policies;
- disruption of operations from labor and political disturbances;
- changes in tariff and trade barriers and import or export licensing requirements; and,
- political instability, terrorism, insurrection or war.

Any of these events could have an adverse impact on our business and operations.

Our Inability to Continue to Develop New Products Could Limit Our Sales Growth.

The Company's sales were down 6% in 2015. Approximately 8% of our 2015 sales were derived from new products developed over the past three years. Our ability to continue to grow organically is tied in large part to our ability to continue to develop new products.

Our Growth Strategy Includes Acquisitions and We May Not be Able to Make Acquisitions of Suitable Candidates or Integrate Acquisitions Successfully.

Our historical growth has included, and our future growth is likely to continue to include, acquisitions. We intend to continue to seek acquisition opportunities both to expand into new markets and to enhance our position in existing markets throughout the world. We may not be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing needed to consummate those acquisitions, complete proposed acquisitions or successfully integrate acquired businesses into our existing operations. In addition, any acquisition, once successfully integrated, may not perform as planned, be accretive to earnings, or otherwise prove beneficial to us.

Acquisitions involve numerous risks, including the assumption of undisclosed or unindemnified liabilities, difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses.

The Markets We Serve are Highly Competitive and this Competition Could Reduce our Sales and Operating Margins.

Most of our products are sold in competitive markets. Maintaining and improving our competitive position will require continued investment by us in manufacturing, engineering, quality standards, marketing, customer service and support, and our distribution networks. We may not be successful in maintaining our competitive position. Our competitors may develop products that are superior to our products, or may develop methods of more efficiently and effectively providing products and

services or may adapt more quickly than us to new technologies or evolving customer requirements. Pricing pressures may require us to adjust the prices of our products to stay competitive. We may not be able to compete successfully with our existing competitors or with new competitors. Failure to continue competing successfully could reduce our sales, operating margins and overall financial performance.

We are Dependent on the Availability of Raw Materials, Parts and Components Used in Our Products.

While we manufacture certain parts and components used in our products, we require substantial amounts of raw materials and purchase some parts and components from suppliers. The availability and prices for raw materials, parts and components may be subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, these raw materials or parts and components could materially affect our business, financial condition, results of operations and cash flow.

Significant Movements in Foreign Currency Exchange Rates May Harm Our Financial Results.

We are exposed to fluctuations in foreign currency exchange rates, particularly with respect to the Euro, Canadian Dollar, British Pound, Indian Rupee and Chinese Renminbi. Any significant change in the value of the currencies of the countries in which we do business against the U.S. Dollar could affect our ability to sell products competitively and control our cost structure, which could have a material adverse effect on our results of operations. For additional detail related to this risk, see Part II, Item 7A, "Quantitative and Qualitative Disclosure About Market Risk."

An Unfavorable Outcome of Any of Our Pending Contingencies or Litigation Could Adversely Affect Us.

We currently are involved in legal and regulatory proceedings. Where it is reasonably possible to do so, we accrue estimates of the probable costs for the resolution of these matters. These estimates are developed in consultation with outside counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future operating results for any particular quarter or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. For additional detail related to this risk, see Item 3, "Legal Proceedings."

Our Intangible Assets, Including Goodwill, are a Significant Portion of Our Total Assets and a Write-off of Our Intangible Assets Would Adversely Impact Our Operating Results and Significantly Reduce Our Net Worth.

Our total assets reflect substantial intangible assets, primarily goodwill and identifiable intangible assets. At December 31, 2015, goodwill and intangible assets totaled \$1,396.5 million and \$287.8 million, respectively. These assets result from our acquisitions, representing the excess of cost over the fair value of the tangible net assets we have acquired. Annually, or when certain events occur that require a more current valuation, we assess whether there has been an impairment in the value of our goodwill and identifiable intangible assets. If future operating performance at one or more of our reporting units were to fall significantly below forecast levels, we could be required to reflect, under current applicable accounting rules, a non-cash charge to operating income for an impairment. Any determination requiring the write-off of a significant portion of our goodwill or identifiable intangible assets would adversely impact our results of operations and net worth. See Note 4 in Part II, Item 8, "Financial Statements and Supplementary Data" for further discussion on goodwill and intangible assets.

A Significant or Sustained Decline in Commodity Prices, Including Oil, Could Negatively Impact the Levels of Expenditures by Certain of Our Customers.

Demand for our products depends, in part, on the level of new and planned expenditures by certain of our customers. The level of expenditures by our customers is dependent on, among other factors, general economic conditions, availability of credit, economic conditions within their respective industries and expectations of future market behavior. Volatility in commodity prices, including oil, can negatively affect the level of these activities and can result in postponement of capital spending decisions or the delay or cancellation of existing orders. The ability of our customers to finance capital investment and maintenance may also be affected by the conditions in their industries. Reduced demand for our products could result in the delay or cancellation of existing orders or lead to excess manufacturing capacity, which unfavorably impacts our absorption of fixed manufacturing costs. This reduced demand could have a material adverse effect on our business, financial condition and results of operations.

Our Success Depends on Our Executive Management and Other Key Personnel.

Our future success depends to a significant degree on the skills, experience and efforts of our executive management and other key personnel and their ability to provide the Company with uninterrupted leadership and direction. The loss of the services of any of our executive officers or a failure to provide adequate succession plans for key personnel could have an adverse impact. The availability of highly qualified talent is limited, and the competition for talent is robust. However, we provide long-term equity incentives and certain other benefits for our executive officers which provide incentives for them to make a long-term commitment to our Company. Our future success will also depend on our ability to have adequate succession plans in place and to attract, retain and develop qualified personnel. A failure to efficiently replace executive management members and other key personnel and to attract, retain and develop new qualified personnel could have an adverse effect on our operations and implementation of our strategic plan.

Our Business Operations May Be Adversely Affected by Information Systems Interruptions or Intrusion.

We depend on various information technologies throughout our Company to administer, store and support multiple business activities. If these systems are damaged, cease to function properly, or are subject to cyber-security attacks, such as those involving unauthorized access, malicious software and/or other intrusions, we could experience production downtimes, operational delays, other detrimental impacts on our operations or ability to provide products and services to our customers, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems or networks, financial losses from remedial actions, loss of business or potential liability, and/or damage to our reputation. While we attempt to mitigate these risks by employing a number of measures, including employee training, technical security controls, and maintenance of backup and protective systems, our systems, networks, products and services remain potentially vulnerable to known or unknown threats, any of which could have a material adverse effect on our business, financial condition or results of operations.

Failure To Comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act or Other Applicable Anti-bribery Laws Could Have an Adverse Effect on Our Business.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity with more frequent and aggressive investigations and enforcement proceedings by both the Department of Justice and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with all anti-bribery laws. However, we operate in certain countries that are recognized as having governmental and commercial corruption. Our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. Violations of these anti-bribery laws may result in criminal or civil sanctions, which could have a material adverse effect on our business, financial condition and results of operations.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

The Company's principal plants and offices have an aggregate floor space area of approximately 4.5 million square feet, of which 2.9 million square feet (63%) is located in the U.S. and approximately 1.7 million square feet (37%) is located outside the U.S., primarily in the U.K. (8%), Germany (7%), Italy (6%), China (4%), India (3%) and The Netherlands (2%). Management considers these facilities suitable and adequate for the Company's operations. Management believes the Company can meet demand increases over the near term with its existing facilities, especially given its operational improvement initiatives that usually increase capacity. The Company's executive office occupies 36,588 square feet of leased space in Lake Forest, Illinois and 4,420 square feet of leased space in Chicago, Illinois.

Approximately 3.0 million square feet (67%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.9 million square feet (41%) of the principal plant and office floor area is held by business units in the Fluid & Metering Technologies segment; 1.4 million square feet (31%) is held by business units in the Health & Science Technologies segment; and 1.0 million square feet (21%) is held by business units in the Fire & Safety/Diversified Products segment.

Item 3. *Legal Proceedings.*

The Company and four of its subsidiaries are presently named as defendants in a number of lawsuits claiming various asbestos-related personal injuries and seeking money damages, allegedly as a result of exposure to products manufactured with components that contained asbestos. These components were acquired from third party suppliers, and were not manufactured by the Company or any of the defendant subsidiaries. To date, the majority of the Company's settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance subject to applicable deductibles. However, the Company cannot predict whether and to what extent insurance will be available to continue to cover its settlements and legal costs, or how insurers may respond to claims that are tendered to them. Claims have been filed in jurisdictions throughout the United States. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for various insignificant amounts. Only one case has been tried, resulting in a verdict for the affected business unit. No provision has been made in the financial statements of the Company for these asbestos-related claims, other than for insurance deductibles in the ordinary course, and the Company does not currently believe these claims will have a material adverse effect on it.

The Company is also party to various other legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on it.

Item 4. *Mine Safety Disclosures.*

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

The principal market for the Company's common stock is the New York Stock Exchange, but the common stock is also listed on the Chicago Stock Exchange. As of February 16, 2016, there were approximately 6,760 stockholders of record of our common stock and there were 75,929,397 shares outstanding.

The high and low sales prices of the common stock per share and the dividends paid per share during the last two years are as follows:

	2015			2014		
	High	Low	Dividends	High	Low	Dividends
First Quarter	\$ 78.85	\$ 69.44	\$ 0.28	\$ 79.27	\$ 68.58	\$ 0.23
Second Quarter	80.31	73.80	0.32	80.85	69.17	0.28
Third Quarter	79.61	66.88	0.32	81.82	72.27	0.28
Fourth Quarter	79.59	69.40	0.32	78.97	65.91	0.28

Our payment of dividends in the future will be determined by our Board of Directors and will depend on business conditions, our earnings and other factors.

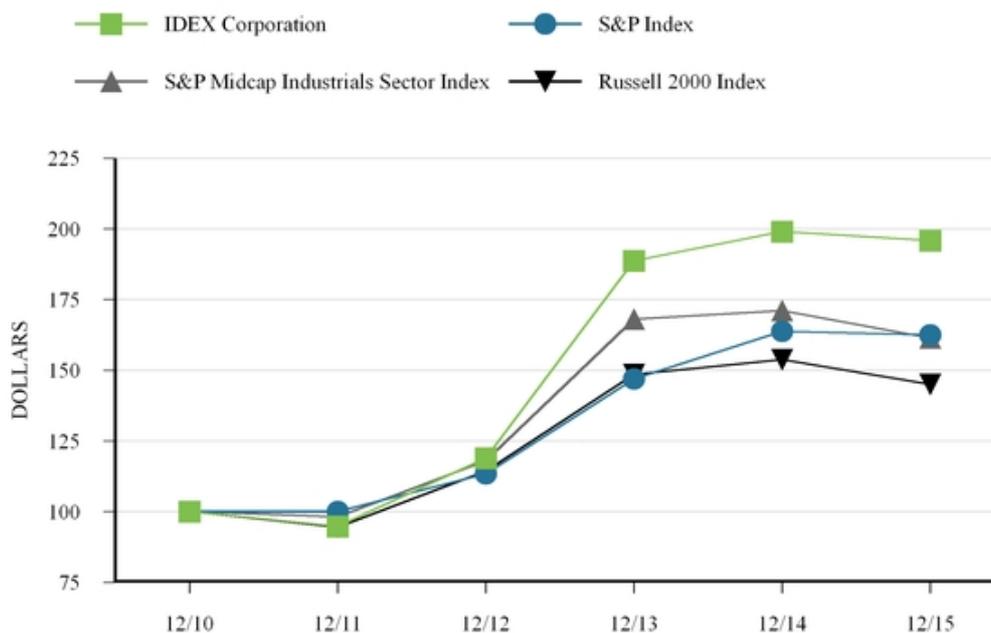
For information pertaining to securities authorized for issuance under equity compensation plans and the related weighted average exercise price, see Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

The Company's purchases of common stock during the quarter ended December 31, 2015 are as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Dollar Value that May Yet be Purchased Under the Plans or Programs(1)
October 1, 2015 to October 31, 2015	189,470	\$ 74.60	189,470	\$ 351,872,224
November 1, 2015 to November 30, 2015	—	—	—	351,872,224
December 1, 2015 to December 31, 2015	219,803	76.94	219,803	634,960,648
Total	409,273	\$ 75.86	409,273	\$ 634,960,648

- (1) On December 1, 2015, the Company's Board of Directors approved an increase of \$300.0 million in the authorized level for repurchases of common stock. This followed the prior Board of Directors approved repurchase authorization of \$400.00 million, announced by the Company on November 6, 2014. These authorizations have no expiration date.

Performance Graph. The following table compares total stockholder returns over the last five years to the Standard & Poor’s (the “S&P”) 500 Index, the S&P Midcap Industrials Sector Index and the Russell 2000 Index assuming the value of the investment in our common stock and each index was \$100 on December 31, 2010. Total return values for our common stock, the S&P 500 Index, S&P Midcap Industrials Sector Index and the Russell 2000 Index were calculated on cumulative total return values assuming reinvestment of dividends. The stockholder return shown on the graph below is not necessarily indicative of future performance.



	12/10	12/11	12/12	12/13	12/14	12/15
IDEX Corporation	\$ 100.00	\$ 94.76	\$ 118.94	\$ 188.78	\$ 198.98	\$ 195.83
S&P 500 Index	\$ 100.00	\$ 100.00	\$ 113.40	\$ 146.97	\$ 163.71	\$ 162.47
S&P Midcap 400 Industrials Sector Index	\$ 100.00	\$ 98.18	\$ 117.97	\$ 168.05	\$ 171.14	\$ 161.34
Russell 2000 Index	\$ 100.00	\$ 94.55	\$ 114.43	\$ 148.48	\$ 153.73	\$ 144.95

Item 6. Selected Financial Data.⁽¹⁾

(Dollars in thousands, except per share data)	2015		2014		2013		2012		2011	
RESULTS OF OPERATIONS										
Net sales	\$	2,020,668	\$	2,147,767	\$	2,024,130	\$	1,954,258	\$	1,838,451
Gross profit		904,315		949,315		873,364		803,700		738,673
Selling, general and administrative expenses		479,408		504,419		477,851		444,490		421,703
Gain on sale of business		(18,070)		—		—		—		—
Restructuring expenses		11,239		13,672		—		32,473		12,314
Asset impairments		—		—		—		198,519		—
Operating income		431,738		431,224		395,513		128,218		304,656
Other (income) expense — net		(2,243)		(3,111)		178		(236)		1,443
Interest expense		41,636		41,895		42,206		42,250		29,332
Provision for income taxes		109,538		113,054		97,914		48,574		80,024
Net income		282,807		279,386		255,215		37,630		193,857
Earnings per share ⁽²⁾										
— basic	\$	3.65	\$	3.48	\$	3.11	\$	0.45	\$	2.34
— diluted	\$	3.62	\$	3.45	\$	3.09	\$	0.45	\$	2.32
Weighted average shares outstanding										
— basic		77,126		79,715		81,517		82,689		82,145
— diluted		77,972		80,728		82,489		83,641		83,543
Year-end shares outstanding		76,535		78,766		81,196		82,727		83,234
Cash dividends per share	\$	1.28	\$	1.12	\$	0.89	\$	0.80	\$	0.68
FINANCIAL POSITION										
Current assets	\$	862,684	\$	1,075,791	\$	990,953	\$	881,865	\$	789,161
Current liabilities		309,597		411,968		304,609		291,427		258,278
Current ratio		2.8		2.6		3.3		3.0		3.1
Operating working capital ⁽³⁾		370,213		366,209		350,881		373,704		396,126
Total assets ⁽⁴⁾	\$	2,805,443	\$	2,903,463	\$	2,881,118	\$	2,777,821	\$	2,827,535
Total borrowings ⁽⁴⁾		840,794		859,345		767,417		779,007		800,238
Shareholders' equity		1,443,291		1,486,451		1,572,989		1,464,998		1,513,135
PERFORMANCE MEASURES AND OTHER DATA										
Percent of net sales:										
Gross profit		44.8%		44.2%		43.1%		41.1%		40.2%
Selling, general and administrative expenses		23.7%		23.5%		23.6%		22.7%		22.9%
Operating income		21.4%		20.1%		19.5%		6.6%		16.6%
Income before income taxes		19.4%		18.3%		17.4%		4.4%		14.9%
Net income		14.0%		13.0%		12.6%		1.9%		10.5%
Capital expenditures	\$	43,776	\$	47,997	\$	31,536	\$	35,520	\$	34,548
Depreciation and amortization		78,120		76,907		79,334		78,312		72,386
Return on average assets ⁽⁵⁾		9.9%		9.7%		9.0%		1.3%		13.7%
Borrowings as a percent of capitalization ⁽⁵⁾		36.8%		36.6%		32.8%		34.7%		34.6%
Return on average shareholders' equity ⁽⁵⁾		19.3%		18.3%		16.8%		2.5%		13.4%
Employees at year end		6,801		6,712		6,787		6,717		6,814
Record holders at year end		6,760		6,500		6,500		6,700		7,000
NON-GAAP MEASURES ⁽⁶⁾										
EBITDA	\$	512,101	\$	511,242	\$	474,669	\$	206,766	\$	375,599
EBITDA margin		25.3%		23.8%		23.5%		10.6%		20.4%
Adjusted EBITDA	\$	505,270	\$	524,914	\$	474,669	\$	437,758	\$	387,913
Adjusted EBITDA margin		25.0%		24.4%		23.5%		22.4%		21.1%
Adjusted operating income	\$	424,907	\$	444,896	\$	395,513	\$	359,210	\$	332,772
Adjusted operating margin		21.0%		20.7%		19.5%		18.4%		18.1%
Adjusted net income	\$	277,229	\$	288,823	\$	255,215	\$	224,067	\$	213,758
Adjusted earnings per share	\$	3.55	\$	3.57	\$	3.09	\$	2.68	\$	2.56

(1) For additional detail, see Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data."

(2) Calculated by applying the two-class method of allocating earnings to common stock and participating securities as required by ASC 260, *Earnings Per Share*.

(3) Operating working capital is defined as inventory plus accounts receivable minus accounts payable.

- (4) In the fourth quarter of fiscal year 2015, the Company adopted Accounting Standards Update 2015-03 regarding simplifying the presentation of debt issuance costs. The update was applied retrospectively to all periods presented in accordance with the provisions of the update. Refer to Note 1 for additional information related to ASU 2015-03 and Note 5 in the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data" for additional information related to the impact on the financials.
- (5) Return on average assets is calculated as: $\text{Net income} / (\text{Current year Total assets} + \text{Prior year Total assets}) / 2$; Borrowings as a percent of capitalization is calculated as: $(\text{Long-term borrowings} + \text{Short-term borrowings}) / (\text{Long-term borrowings} + \text{Short-term borrowings} + \text{Total shareholders' equity})$; Return on average shareholders' equity is calculated as $\text{Net Income} / (\text{Current year Total shareholders' equity} + \text{Prior year Total shareholders' equity}) / 2$
- (6) Set forth below are reconciliations of Adjusted operating income, Adjusted net income, Adjusted EPS, EBITDA and Adjusted EBITDA to the comparable measures of net income and operating income, as determined in accordance with U.S. GAAP. We have reconciled Adjusted operating income to Operating income; Adjusted net income to Net income; Adjusted EPS to EPS; consolidated EBITDA to net income; and segment EBITDA to segment operating income.

Management uses Adjusted operating income, Adjusted net income, and Adjusted EPS as metrics by which to measure performance of the Company since they exclude items that are not reflective of ongoing operations, such as gains on the sale of business and restructuring expenses. Management also supplements its U.S. GAAP financial statements with adjusted information to provide investors with greater insight, transparency, and a more comprehensive understanding of the information used by management in its financial and operational decision making.

EBITDA means earnings before interest, income taxes, depreciation and amortization. Given the acquisitive nature of the Company which results in a higher level of amortization expense at recently acquired businesses, management uses EBITDA as an internal operating metric to provide management with another representation of performance of businesses across our three segments and for enterprise valuation purposes. EBITDA is also used to calculate certain financial covenants, as discussed in Note 5 of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data." In addition, EBITDA has been adjusted for items that are not reflective of ongoing operations, such as gains on the sale of business and restructuring expenses to arrive at Adjusted EBITDA. Management believes that Adjusted EBITDA is useful as a performance indicator on ongoing operations. We believe that Adjusted EBITDA is also useful to some investors as an indicator of the strength and performance of the Company and its segments' ongoing business operations and a way to evaluate and compare operating performance and value companies within our industry. The definition of Adjusted EBITDA used here may differ from that used by other companies.

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP, and the financial results prepared in accordance with U.S. GAAP and the reconciliations from these results should be carefully evaluated.

Reconciliations of Consolidated EBITDA

	For the Years Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Net income	\$ 282,807	\$ 279,386	\$ 255,215	\$ 37,630	\$ 193,857
+ Provision for income taxes	109,538	113,054	97,914	48,574	80,024
+ Interest expense	41,636	41,895	42,206	42,250	29,332
+ Depreciation and amortization	78,120	76,907	79,334	78,312	72,386
EBITDA	512,101	511,242	474,669	206,766	375,599
+ Restructuring expenses	11,239	13,672	—	32,473	12,314
+ Gain on sale of business	(18,070)	—	—	—	—
+ Asset impairments	—	—	—	198,519	—
Adjusted EBITDA	\$ 505,270	\$ 524,914	\$ 474,669	\$ 437,758	\$ 387,913
Net sales	\$ 2,020,668	\$ 2,147,767	\$ 2,024,130	\$ 1,954,258	\$ 1,838,451
EBITDA margin	25.3%	23.8%	23.5%	10.6%	20.4%
Adjusted EBITDA margin	25.0%	24.4%	23.5%	22.4%	21.1%

Reconciliations of Segment EBITDA

	For the Years Ended December 31,								
	2015			2014			2013		
	FMT	HST	FSDP	FMT	HST	FSDP	FMT	HST	FSDP
	(In thousands)								
Operating income	\$ 204,506	\$ 157,948	\$ 115,745	\$ 216,886	\$ 152,999	\$ 130,494	\$ 211,256	\$ 136,707	\$ 102,730
- Other (income) expense	(840)	(178)	(1,453)	(560)	(542)	(990)	1,789	(508)	(342)
+ Depreciation and amortization	27,662	42,827	6,051	26,453	42,478	6,583	27,633	43,496	6,852
EBITDA	233,008	200,953	123,249	243,899	196,019	138,067	237,100	180,711	109,924
+ Restructuring expenses	7,090	3,408	576	6,413	4,912	1,034	—	—	—
Adjusted EBITDA	\$ 240,098	\$ 204,361	\$ 123,825	\$ 250,312	\$ 200,931	\$ 139,101	\$ 237,100	\$ 180,711	\$ 109,924
Net sales	\$ 860,792	\$ 738,996	\$ 423,915	\$ 899,588	\$ 752,021	\$ 502,749	\$ 871,814	\$ 714,650	\$ 445,049
EBITDA margin	27.1%	27.2%	29.1%	27.1%	26.1%	27.5%	27.2%	25.3%	24.7%
Adjusted	27.9%	27.7%	29.2%	27.8%	26.7%	27.7%	27.2%	25.3%	24.7%

Reconciliations of Consolidated Reported-to-Adjusted Operating Income and Margin

	For the Years Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Operating income	\$ 431,738	\$ 431,224	\$ 395,513	\$ 128,218	\$ 304,656
+ Restructuring expenses	11,239	13,672	—	32,473	12,314
+ Gain on sale of business	(18,070)	—	—	—	—
+ Asset impairments	—	—	—	198,519	—
+ CVI fair value inventory charge	—	—	—	—	15,802
Adjusted operating income	\$ 424,907	\$ 444,896	\$ 395,513	\$ 359,210	\$ 332,772
Net sales	\$ 2,020,668	\$ 2,147,767	\$ 2,024,130	\$ 1,954,258	\$ 1,838,451
Operating margin	21.4%	20.1%	19.5%	6.6%	16.6%
Adjusted operating margin	21.0%	20.7%	19.5%	18.4%	18.1%

Reconciliations of Segment Reported-to-Adjusted Operating Income and Margin

	For the Years Ended December 31,								
	2015			2014			2013		
	FMT	HST	FSDP	FMT	HST	FSDP	FMT	HST	FSDP
	(In thousands)								
Operating income	\$ 204,506	\$ 157,948	\$ 115,745	\$ 216,886	\$ 152,999	\$ 130,494	\$ 211,256	\$ 136,707	\$ 102,730
+ Restructuring expenses	7,090	3,408	576	6,413	4,912	1,034	—	—	—
Adjusted operating income	\$ 211,596	\$ 161,356	\$ 116,321	\$ 223,299	\$ 157,911	\$ 131,528	\$ 211,256	\$ 136,707	\$ 102,730
Net sales	\$ 860,792	\$ 738,996	\$ 423,915	\$ 899,588	\$ 752,021	\$ 502,749	\$ 871,814	\$ 714,650	\$ 445,049
Operating margin	23.8%	21.4%	27.3%	24.1%	20.3%	26.0%	24.2%	19.1%	23.1%
Adjusted operating margin	24.6%	21.8%	27.4%	24.8%	21.0%	26.2%	24.2%	19.1%	23.1%

Reconciliations of Reported-to-Adjusted Net Income and EPS

	For the Years Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Net income	\$ 282,807	\$ 279,386	\$ 255,215	\$ 37,630	\$ 193,857
+ Restructuring expenses, net of tax	7,653	9,437	—	22,926	8,716
+ Gain on sale of business, net of tax	(13,231)	—	—	—	—
+ Asset impairments, net of tax	—	—	—	163,511	—
+ CVI fair value inventory charge, net of tax	—	—	—	—	11,185
Adjusted net income	\$ 277,229	\$ 288,823	\$ 255,215	\$ 224,067	\$ 213,758
EPS	\$ 3.62	\$ 3.45	\$ 3.09	\$ 0.45	\$ 2.32
+ Restructuring expenses, net of tax	0.10	0.12	—	0.27	0.10
+ Gain on sale of business, net of tax	(0.17)	—	—	—	—
+ Asset impairments, net of tax	—	—	—	1.96	—
+ CVI fair value inventory charge	—	—	—	—	0.14

Adjusted EPS	\$	3.55	\$	3.57	\$	3.09	\$	2.68	\$	2.56
Diluted weighted average shares		77,972		80,728		82,489		83,641		83,543

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**2015 Overview and Outlook**

IDEX is an applied solutions company specializing in fluid and metering technologies, health and science technologies, and fire, safety and other diversified products built to customer specifications. IDEX's products are sold in niche markets to a wide range of industries throughout the world. Accordingly, our businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where we do business and by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in the industries that use our products and overall industrial activity are important factors that influence the demand for our products.

The Company has three reportable business segments: Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products. Within our three reportable segments, the Company maintains fifteen platforms, where we focus on organic growth and strategic acquisitions. Each of our fifteen platforms is also a reporting unit, where we annually test for goodwill impairment.

The Fluid & Metering Technologies segment contains the Energy (comprised of Corken, Faure Herman, Liquid Controls, SAMPI and Toptech), Valves (comprised of Alfa Valvole), Water (comprised of Pulsafeeder, Knight, ADS, IETG, and iPEK), Industrial (comprised of Richter, Viking, Aegis, Warren Rupp, and Trebor), and Agriculture (comprised of Banjo) platforms. The Health & Science Technologies segment contains the Scientific Fluidics (comprised of Eastern Plastics, Rheodyne, Sapphire Engineering, Upchurch Scientific, ERC, and CiDRA Precision Services), IDEX Optics & Photonics (comprised of CVI Melles Griot, Semrock, and AT Films), Sealing Solutions (comprised of PPE, FTL, and Novotema), Gast, Micropump, and Material Processing Technologies (comprised of Quadro, Fitzpatrick, Microfluidics, and Matcon) platforms. The Fire & Safety/Diversified Products segment is comprised of the Fire Suppression (comprised of Class 1, Hale, and Godiva), Rescue (comprised of Dinglee, Hurst Jaws of Life, Lukas, and Vetter), Band-It, and Dispensing platforms.

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, flow meters, valves, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water & wastewater, agriculture and energy industries. The Health & Science Technologies segment designs, produces and distributes a wide range of precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction and drying systems used in beverage, food processing, pharmaceutical and cosmetics, pneumatic components and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, optical components and coatings for applications in the fields of scientific research, defense, biotechnology, life sciences, aerospace, telecommunications and electronics manufacturing, laboratory and commercial equipment used in the production of micro and nano scale materials, precision photonic solutions used in life sciences, research and defense markets, and precision gear and peristaltic pump technologies that meet exacting original equipment manufacturer specifications. The Fire & Safety/Diversified Products segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, and engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications, precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world.

Our 2015 financial results are as follows:

- Sales of \$2.0 billion decreased (6)%; reflecting a 4% decrease in organic sales (excluding acquisitions and foreign currency translation), a 4% decrease due to foreign currency, and a 2% increase due to acquisitions.
- Operating income of \$431.7 million remained flat and operating margin of 21.4% was up 130 basis points from the prior year.
- Net income increased 1% to \$282.8 million.
- Diluted EPS of \$3.62 increased \$0.17 or 5% compared to 2014.

Our 2015 financial results, adjusted for \$11.2 million of restructuring costs and an \$18.1 million gain on the sale of a business, are as follows (these non-GAAP measures have been reconciled to U.S. GAAP measures in Item 6, "Selected Financial Data"):

- Adjusted operating income of \$424.9 million decreased 4% and adjusted operating margin of 21.0% was up 30 basis points from the prior year adjusted operating income of \$444.9 million and adjusted operating margin of 20.7%.
- Adjusted net income of \$277.2 million is 4% lower than the prior year of \$288.8 million.
- Adjusted EPS of \$3.55 was 1% lower than the prior year adjusted EPS of \$3.57.

Overall, we believe the current contraction of global economies will continue to pressure our end markets, creating an unstable growth environment for 2016. Based on the Company's current outlook, we anticipate organic growth to be flat in 2016 with full year EPS of \$3.60 to \$3.70.

Results of Operations

The following is a discussion and analysis of our results of operations for each of the three years in the period ended December 31, 2015. For purposes of this Item, reference is made to the Consolidated Statements of Operations in Part II, Item 8, "Financial Statements and Supplementary Data." Segment operating income excludes unallocated corporate operating expenses. Management's primary measurements of segment performance are sales, operating income, and operating margin.

In the following discussion, and throughout this report, references to organic sales, a non-GAAP measure, refers to sales from continuing operations calculated according to generally accepted accounting principles in the United States but excludes (1) the impact of foreign currency translation and (2) sales from acquired businesses during the first twelve months of ownership. The portion of sales attributable to foreign currency translation is calculated as the difference between (a) the period-to-period change in organic sales and (b) the period-to-period change in organic sales after applying prior period foreign exchange rates to the current year period. Management believes that reporting organic sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our revenue performance with prior and future periods and to our peers. The Company excludes the effect of foreign currency translation from organic sales because foreign currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. The Company excludes the effect of acquisitions because the nature, size, and number of acquisitions can vary dramatically from period to period and between the Company and its peers and can also obscure underlying business trends and make comparisons of long-term performance difficult.

Performance in 2015 Compared with 2014

(In thousands)	2015	2014	Change
Net sales	\$ 2,020,668	\$ 2,147,767	(6)%
Operating income	431,738	431,224	— %
Operating margin	21.4%	20.1%	130 bps

Sales in 2015 were \$2.0 billion, a (6)% decrease from the comparable period last year. This decrease reflects a 4% decrease in organic sales, a 4% decrease from foreign currency translation and a 2% increase from acquisitions (CiDRA Precision Services — July 2015; Alfa Valvole — June 2015; Novotema — May 2015 and Aegis — April 2014). Sales to customers outside the U.S. represented approximately 50% of total sales in both 2015 and 2014.

In 2015, Fluid & Metering Technologies contributed 43% of sales and 43% of operating income; Health & Science Technologies contributed 36% of sales and 33% of operating income; and Fire & Safety/Diversified Products contributed 21% of sales and 24% of operating income.

Gross profit of \$904.3 million in 2015 decreased \$45.0 million, or 5%, from 2014, while gross margins increased 60 basis points to 44.8% in 2015 from 44.2% in 2014. The margin increase is mainly attributable to benefits from productivity initiatives, partially offset by decreased sales volume.

SG&A expenses decreased to \$479.4 million in 2015 from \$504.4 million in 2014. The \$25.0 million decrease is mainly attributable to a reduction in volume-related expenses of \$35.1 million, partially offset by approximately \$10.1 million of incremental costs from new acquisitions. As a percentage of sales, SG&A expenses were 23.7% for 2015 and 23.5% for 2014.

During 2015, the Company recorded pre-tax restructuring expenses totaling \$11.2 million compared to \$13.7 million recorded in 2014. The restructuring expenses for both years were mainly attributable to employee severance related to head count reductions across all three segments and corporate.

Operating income of \$431.7 million in 2015 increased slightly from the \$431.2 million recorded in 2014, primarily reflecting improved productivity offset by decreased volumes. Operating margin of 21.4% in 2015 was up 130 basis points from 20.1% in 2014 primarily due to the gain on the sale of the Ismatec product line and productivity improvements.

Other (income) expense decreased \$0.9 million from other income of \$3.1 million in 2014 to \$2.2 million of income in 2015 mainly due to mark-to-market gains in available for sale securities in 2014 compared to losses in 2015.

Interest expense decreased slightly to \$41.6 million in 2015 from \$41.9 million in 2014. The decrease was primarily due to the maturation of the 2.58% Senior Euro Notes, partially offset by a higher balance on the Revolving Facility.

The provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes decreased to \$109.5 million in 2015 compared to \$113.1 million in 2014. The effective tax rate decreased to 27.9% in 2015 compared to 28.8% in 2014, due to the revaluation of the Italian deferred tax liability related to the reduction in the Italian statutory tax rate, the disposition of the Ismatec product line and the mix of global pre-tax income among jurisdictions.

Net income for the year of \$282.8 million increased from the \$279.4 million earned in 2014. Diluted earnings per share in 2015 of \$3.62 increased \$0.17 from \$3.45 in 2014 as a result of the gain on the sale of the Ismatec product line and lower share count resulting from share repurchases, partially offset by lower sales volume.

Fluid & Metering Technologies Segment

(In thousands)	2015	2014	Change	
Net sales	\$ 860,792	\$ 899,588	(4)%	
Operating income	204,506	216,886	(6)%	
Operating margin	23.8%	24.1%	(30)	bps

Sales of \$860.8 million decreased \$38.8 million, or 4%, in 2015 compared with 2014. This decrease reflected a 2% decline in organic growth, a 2% increase from acquisitions (Alfa Valvole — June 2015 and Aegis — April 2014) and 4% of unfavorable foreign currency translation. In 2015, sales decreased approximately 3% domestically and 5% internationally. Sales to customers outside the U.S. were approximately 44% of total segment sales in 2015, compared with 45% in 2014.

Sales within our Energy platform decreased compared to 2014 primarily due to the fall in oil prices and the related delay in large capital projects in Europe and the Middle East. Sales within our Industrial platform similarly decreased compared to 2014 due to the fall in oil & gas prices, but also due to the weakening of the North American industrial distribution market. This decrease was partially offset by an increase in European chemical project activity. Sales within our Agriculture platform decreased as OEM and after-market distribution sales fell significantly due to depressed commodity prices and lower farm incomes. The slight sales decrease in the Water platform was driven by weakness in North American industrial markets, offset by growth in the global municipal markets and share gains from new products. Sales in the Valves platform, which was created in the third quarter of 2015, increased as a result of the Alfa acquisition.

Operating income and operating margin of \$204.5 million and 23.8%; respectively, were lower than the \$216.9 million and 24.1%; respectively, recorded in 2014, primarily due to the lower sales volume.

Health & Science Technologies Segment

(In thousands)	2015	2014	Change	
Net sales	\$ 738,996	\$ 752,021	(2)%	
Operating income	157,948	152,999	3 %	
Operating margin	21.4%	20.3%	110	bps

Sales of \$739.0 million decreased \$13.0 million, or 2%, in 2015 compared with 2014. This decrease reflected a 1% decline in organic sales, a 2% increase from acquisitions (CiDRA Precision Services — July 2015 and Novotema — May 2015) and 3% unfavorable foreign currency translation. In 2015, sales decreased 3% domestically and 1% internationally. Sales to customers outside the U.S. were approximately 55% of total segment sales in 2015 compared with 54% in 2014.

Sales within our Scientific Fluidics platform increased as demand from the core biotech, in-vitro diagnostic and analytical instrumentation markets grew and remained consistently strong through the year. Sales within our Material Processing Technologies platform decreased compared to 2014 due to softer orders in the first half of the year, as general spending on large capital projects declined. Sales within our Sealing Solutions platform increased compared to 2014 due to the acquisition of Novotema and strong growth in the semiconductor markets, partially offset by declines in the oil & gas market. Sales within the IDEX Optics and Photonics platform decreased compared to 2014, primarily from slow demand in the industrial and laser optical end markets. Sales in our Gast platform decreased compared to 2014 due to softness in North American industrial

distribution markets. Sales in our Micropump platform decreased compared to 2014 due to softness in Asian printing markets, and declines in the North American industrial distribution market.

Operating income and operating margin of \$157.9 million and 21.4%, respectively, in 2015 were up from \$153.0 million and 20.3%, respectively, recorded in 2014, primarily due to productivity initiatives, partially offset by lower volume.

Fire & Safety/Diversified Products Segment

(In thousands)	2015	2014	Change	
Net sales	\$ 423,915	\$ 502,749	(16)%	
Operating income	115,745	130,494	(11)%	
Operating margin	27.3%	26.0%	130	bps

Sales of \$423.9 million decreased \$78.8 million, or 16%, in 2015 compared with 2014. This decrease reflected a 10% decline in organic growth and 6% unfavorable foreign currency translation. In 2015, sales decreased 12% domestically and 19% internationally. Sales to customers outside the U.S. were approximately 52% of total segment sales in 2015, compared with 54% in 2014.

Sales within our Dispensing platform decreased due to the benefit of large projects in the first half of the prior year and softness in Asian markets. The sales decrease in our Band-It platform was driven by the decline of upstream oil & gas sales, due to depressed prices, slightly offset by continued strength in the North American transportation markets. Sales within our Fire Suppression platform decreased due to prior year trailer sales for North American power production facilities, and lack of project orders in China and North America. Sales within our Rescue platform decreased, due to continued decision delays on municipal projects in Europe and Asia.

Operating income of \$115.7 million was lower than the \$130.5 million recorded in 2014, while operating margin of 27.3% was higher than the 26.0% recorded in 2014, primarily due to favorable mix within the Dispensing platform along with productivity improvements across the entire segment, partially offset by lower volume.

Performance in 2014 Compared with 2013

(In thousands)	2014	2013	Change	
Net sales	\$ 2,147,767	\$ 2,024,130	6%	
Operating income	431,224	395,513	9%	
Operating margin	20.1%	19.5%	60	bps

Sales in 2014 were \$2.1 billion, a 6% increase from the comparable period the previous year. This increase reflects a 5% increase in organic sales and 1% from acquisitions (Aegis — April 2014 and FTL — March 2013). Organic sales to customers outside the U.S. represented approximately 50% of total sales in 2014 compared with 51% in 2013.

In 2014, Fluid & Metering Technologies contributed 42% of sales and 43% of operating income; Health & Science Technologies contributed 35% of sales and 31% of operating income; and Fire & Safety/Diversified Products contributed 23% of sales and 26% of operating income.

Gross profit of \$949.3 million in 2014 increased \$76.0 million, or 9%, from 2013, while gross margins were 44.2% in 2014 and 43.1% in 2013. The increases are mainly attributable to increased sales volume, favorable net material costs as well as benefits from productivity initiatives.

SG&A expenses increased to \$504.4 million in 2014 from \$477.9 million in 2013. The \$26.6 million increase reflects approximately \$4.0 million of incremental costs from new acquisitions and \$22.6 million of volume-related expenses. As a percentage of sales, SG&A expenses were 23.5% for 2014 and 23.6% for 2013.

During 2014, the Company recorded pre-tax restructuring expenses totaling \$13.7 million. No restructuring expenses were recorded in 2013. The 2014 restructuring expenses were mainly attributable to employee severance related to head count reductions across all three segments and corporate.

Operating income of \$431.2 million in 2014 increased from the \$395.5 million recorded in 2013, primarily reflecting an increase in volume, improved productivity partially offset by the \$13.7 million of restructuring-related charges recorded in

2014. Operating margin of 20.1% in 2014 was up from 19.5% in 2013 primarily due to volume leverage and productivity partially offset by the restructuring-related charges in 2014.

Other (income) expense increased \$3.3 million from other expense of \$0.2 million in 2013 to \$3.1 million of income in 2014 mainly due to a favorable impact from foreign currency transactions and an increase in interest income.

Interest expense decreased slightly to \$41.9 million in 2014 from \$42.2 million in 2013. The decrease was principally due to lower interest rates.

The provision for income taxes is based upon estimated annual tax rates for the year applied to federal, state and foreign income. The provision for income taxes increased to \$113.1 million in 2014 compared to \$97.9 million in 2013. The effective tax rate increased to 28.8% in 2014 compared to 27.7% in 2013, due to a mix of global pre-tax income among jurisdictions and the 2012 U.S. R&D credit in 2013, which was retroactively reinstated to January 1, 2012 as a result of the the enactment of the American Taxpayer Relief Act of 2012 on January 2, 2013.

Net income for the year of \$279.4 million increased from the \$255.2 million earned in 2013. Diluted earnings per share in 2014 of \$3.45 increased \$0.36 from \$3.09 in 2013 due to higher net income and lower share count resulting from share repurchases.

Fluid & Metering Technologies Segment

(In thousands)	2014	2013	Change	
Net sales	\$ 899,588	\$ 871,814	3 %	
Operating income	216,886	211,256	3 %	
Operating margin	24.1%	24.2%	(10)	bps

Sales of \$899.6 million increased \$27.8 million, or 3%, in 2014 compared with 2013. This increase reflected 2% organic growth and 1% acquisition. The increase in organic sales was attributable to growth across all our platforms and groups within the segment. In 2014, organic sales increased approximately 4% domestically and 1% internationally. Organic sales to customers outside the U.S. were approximately 45% of total segment sales in 2014, compared with 46% in 2013.

Sales within our Energy platform increased modestly compared to 2013, due to the strength of the LPG and refined fuel markets. Sales have grown in the North American and Asian markets, while Europe and the Middle East sales have declined, due to the fall in oil prices and large project delays. Sales within our Industrial platform increased compared to 2013 on continued strength of the North American industrial distribution and chemical markets. This increase was partially offset by a decline in Industrial chemical sales in Europe due to a lack of project activity. Sales within our Agriculture platform increased slightly driven by strong aftermarket demand in North America, which was offset by weak OEM demand due to falling farm income. The sales increase in our Water platform was driven by share gains from new products and increased global project activity.

Operating income of \$216.9 million was higher than the \$211.3 million recorded in 2013, while operating margin of 24.1% was lower than the 24.2% recorded in 2013, primarily due to \$6.4 million of restructuring charges recorded in 2014, partially offset by volume leverage and productivity initiatives.

Health & Science Technologies Segment

(In thousands)	2014	2013	Change	
Net sales	\$ 752,021	\$ 714,650	5%	
Operating income (loss)	152,999	136,707	12%	
Operating margin	20.3%	19.1%	120	bps

Sales of \$752.0 million increased \$37.4 million, or 5%, in 2014 compared with 2013. This increase reflected 4% growth in organic sales and 1% favorable foreign currency translation. In 2014, organic sales increased 7% domestically and 1% internationally. Organic sales to customers outside the U.S. were approximately 54% of total segment sales in 2014 compared with 53% in 2013.

Sales within our MPT platform increased compared to 2013 due to large projects in the Asian food and pharmaceutical markets. Sales within our Scientific Fluidics platform increased after pausing in the middle part of 2014 as customers right-sized their inventory. In the latter part of 2014 we saw increased demand from the core biotech, in-vitro diagnostic and analytical instrumentation markets. Sales within our Sealing Solutions platform increased compared to 2013 due to strong growth in the semiconductor and marine diesel markets, partially offset by softness in oil & gas towards year end due to declining oil prices. Sales within our IOP platform were flat when compared to 2013, primarily from continued slow demand in the industrial and life sciences markets. Sales in our Gast platform increased compared to 2013 due to strong growth in the North American distribution markets. Sales in our Micropump platform increased compared to 2013 due to the success of new product introductions.

Operating income and operating margin of \$153.0 million and 20.3%, respectively, in 2014 were up from \$136.7 million and 19.1%, respectively, recorded in 2013, primarily due to volume leverage and productivity initiatives, partially offset by \$4.9 million of restructuring charges recorded in 2014.

Fire & Safety/Diversified Products Segment

(In thousands)	2014	2013	Change	
Net sales	\$ 502,749	\$ 445,049	13%	
Operating income	130,494	102,730	27%	
Operating margin	26.0%	23.1%	290	bps

Sales of \$502.7 million increased \$57.7 million, or 13%, in 2014 compared with 2013. This increase was driven entirely by organic growth. In 2014, organic sales increased 17% domestically and 9% internationally. Organic sales to customers outside the U.S. were approximately 54% of total segment sales in 2014, compared with 56% in 2013.

Sales within our Dispensing platform increased due to the fulfillment of a large order in the first quarter of 2014 and the strength of Asian and Western European markets. The sales increase within our Band-It platform was driven by continued strength in the transportation, cable management and industrial industries, offset by declines in oil & gas application markets to close out the year. Sales within our Fire Suppression platform increased as a result of orders for fire suppression trailers at power production facilities and stable project orders in China and North America. Sales within our Rescue platform decreased slightly, due to delayed decision making for municipal projects in Europe and Asia.

Operating income and operating margin of \$130.5 million and 26.0%, respectively, were higher than the \$102.7 million and 23.1% recorded in 2013, primarily due to volume leverage, partially offset by \$1.0 million of restructuring charges recorded in 2014.

Liquidity and Capital Resources

Operating Activities

Cash flows from operating activities decreased \$7.6 million, or 2.1%, to \$360.3 million in 2015, primarily due to lower earnings (excluding the gain on sale of business), partially offset by improved working capital performance. At December 31, 2015, working capital was \$553.1 million and the Company's current ratio was 2.79 to 1. At December 31, 2015, the Company's cash and cash equivalents totaled \$328.0 million, of which \$298.8 million was held outside of the United States.

Investing Activities

Cash flow used in investing activities increased \$138.2 million to \$210.5 million in 2015, primarily as a result of cash paid for acquisitions, partially offset by proceeds from the sale of a business.

Cash flows from operations were more than adequate to fund capital expenditures of \$43.8 million and \$48.0 million in 2015 and 2014, respectively. Capital expenditures were generally for machinery and equipment that improved productivity, although a portion was for business system technology, replacement of equipment, and construction of new facilities. Management believes that the Company has ample capacity in its plants and equipment to meet demand increases for future growth in the intermediate term.

The Company acquired Novotema in May 2015 for cash consideration of \$61.1 million (€56 million); Alfa in June 2015 for cash consideration of \$112.6 million (€99.8 million); and CPS in July 2015 for cash consideration of \$19.5 million and non-cash contingent consideration valued at \$4.7 million. The entire purchase price for all of the 2015 acquisitions were funded with cash on hand. The Company acquired Aegis in April 2014 for cash consideration of \$25.4 million and the entire purchase price was funded with borrowings under the Company's bank credit facility.

Financing Activities

Cash flow used in financing activities increased \$111.5 million, or 60.6% to \$295.5 million in 2015, primarily as a result of the Company paying off the \$88.4 million balance on the 2.58% Senior Euro Notes and increased payments, net of borrowings, of \$23 million on the Company's revolving credit facility.

The Company maintains a revolving credit facility (the "Revolving Facility"), which is a \$700.0 million unsecured, multi-currency bank credit facility expiring on June 23, 2020. At December 31, 2015, \$195.0 million was outstanding under the Revolving Facility, with \$7.2 million of outstanding letters of credit resulting in net available borrowing capacity under the Revolving Facility at December 31, 2015, was approximately \$497.8 million. Borrowings under the Revolving Facility bear interest, at either an alternate base rate or an adjusted LIBOR rate plus, in each case, an applicable margin. This applicable margin is based on the Company's senior, unsecured, long-term debt rating and can range from .005% to 1.50%. Based on the Company's credit rating at December 31, 2015, the applicable margin was 1.10% resulting in an interest rate of 1.51% at December 31, 2015. Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the maturity date of the borrowing, or quarterly from the effective date for borrowings exceeding three months. The Company may request increases in the lending commitments under the Credit Agreement, but the aggregate lending commitments pursuant to such increases may not exceed \$350.0 million. An annual Revolving Facility fee, also based on the Company's credit rating, is currently 15 basis points and is payable quarterly.

As of December 31, 2014 the Company included the outstanding balance of the 2.58% Senior Euro Notes, \$98.5 million, within Current liabilities on the Consolidated Balance Sheet as the maturity date was within twelve months. On June 9, 2015, the Company paid the balance of the 2.58% Senior Euro Notes, upon its maturity, using cash on hand.

On December 6, 2010, the Company completed a public offering of \$300.0 million 4.5% senior notes due December 15, 2020 ("4.5% Senior Notes"). The net proceeds from the offering of approximately \$295.7 million, after deducting a \$1.6 million issuance discount, a \$1.9 million underwriting commission and \$0.8 million offering expenses, were used to repay \$250.0 million of outstanding bank indebtedness, with the balance used for general corporate purposes. The 4.5% Senior Notes bear interest at a rate of 4.5% per annum, which is payable semi-annually in arrears on each June 15 and December 15. The Company may redeem all or a portion of the 4.5% Senior Notes at any time prior to maturity at the redemption prices set forth in the Note Indenture governing the 4.5% Senior Notes. The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture and 4.5% Senior Notes contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale-leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all the Company's assets. The terms of the 4.5% Senior Notes also require the Company to make an offer to repurchase the 4.5% Senior Notes upon a change of control triggering event (as defined in the Indenture) at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any.

On December 9, 2011, the Company completed a public offering of \$350.0 million 4.2% senior notes due December 15, 2021 ("4.2% Senior Notes"). The net proceeds from the offering of approximately \$346.2 million, after deducting a \$0.9 million issuance discount, a \$2.3 million underwriting commission and \$0.6 million offering expenses, were used to repay \$306.0 million of outstanding bank indebtedness, with the balance used for general corporate purposes. The 4.2% Senior Notes bear interest at a rate of 4.2% per annum, which is payable semi-annually in arrears on each June 15 and December 15. The Company may redeem all or part of the 4.2% Senior Notes at any time prior to maturity at the redemption prices set forth in the Note Indenture governing the 4.2% Senior Notes. The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture and 4.2% Senior Notes contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale-leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all the Company's assets. The terms of the 4.2% Senior Notes also require the Company to make an offer to repurchase the 4.2% Senior Notes upon a change of control triggering event (as defined in the Indenture) at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any.

There are two key financial covenants that the Company is required to maintain in connection with the Revolving Facility, which requires a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1. At December 31, 2015, the Company was in compliance with both of these financial covenants, as the Company's interest coverage ratio was 12.73 to 1 and the leverage ratio was 1.63 to 1. There are no financial covenants relating to the 4.5% Senior Notes or 4.2% Senior Notes; however, both are subject to cross-default provisions.

On December 1, 2015 the Company's Board of Directors approved an increase of \$300.0 million in the authorized level for repurchases of common stock. Repurchases under the program will be funded with future cash flow generation or borrowings available under the Revolving Facility. During 2015, the Company purchased a total of 2.8 million shares at a cost of \$210.5 million, of which \$2.3 million was settled in January 2016, compared to 3.0 million shares purchased at a cost of \$222.5 million in 2014. As of December 31, 2015, there was \$635 million of repurchase authorization remaining.

The Company believes current cash, cash from operations and cash available under the Revolving Facility will be sufficient to meet its operating cash requirements, planned capital expenditures, interest and principal payments on all borrowings, pension and postretirement funding requirements, authorized share repurchases and annual dividend payments to holders of the Company's common stock for the next twelve months. Additionally, in the event that suitable businesses are available for acquisition on acceptable terms, the Company may obtain all or a portion of the financing for these acquisitions through the incurrence of additional borrowings. As of December 31, 2015, \$195.0 million was outstanding under the Revolving Facility, with \$7.2 million of outstanding letters of credit, resulting in net available borrowing capacity under the Revolving Facility at December 31, 2015 of approximately \$497.8 million.

Contractual Obligations

Our contractual obligations include pension and postretirement medical benefit plans, rental payments under operating leases, payments under capital leases, and other long-term obligations arising in the ordinary course of business. There are no identifiable events or uncertainties, including the lowering of our credit rating, which would accelerate payment or maturity of any of these commitments or obligations.

The following table summarizes our significant contractual obligations and commercial commitments at December 31, 2015, and the future periods in which such obligations are expected to be settled in cash. In addition, the table reflects the timing of principal and interest payments on outstanding borrowings. Additional detail regarding these obligations is provided in the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data."

Payments Due by Period	Total	Less Than	1-3	3-5	More Than
		1 Year	Years	Years	5 Years
(In thousands)					
Borrowings ⁽¹⁾	\$ 1,018,228	\$ 32,782	\$ 64,504	\$ 556,855	\$ 364,087
Operating lease obligations	54,406	16,253	21,679	9,574	6,900
Capital lease obligations ⁽²⁾	1,960	601	1,350	9	—
Purchase obligations ⁽³⁾	99,299	96,878	1,570	851	—
Pension and post-retirement obligations	108,276	14,170	20,636	20,876	52,594
Total contractual obligations ⁽⁴⁾	\$ 1,282,169	\$ 160,684	\$ 109,739	\$ 588,165	\$ 423,581

(1) Includes interest payments based on contractual terms and current interest rates for variable debt.

(2) Consists primarily of tangible personal property leases.

(3) Consists primarily of inventory commitments.

(4) Comprises liabilities recorded on the balance sheet of \$918.2 million, and obligations not recorded on the balance sheet of \$364.0 million.

Critical Accounting Policies

We believe that the application of the following accounting policies, which are important to our financial position and results of operations, requires significant judgments and estimates on the part of management. For a summary of all of our accounting policies, including the accounting policies discussed below, see Note 1 of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data."

Revenue recognition — The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectibility of the sales price is reasonably assured. For product sales, delivery does not occur until the products have been shipped and risk of loss has been transferred to the customer. Revenue from services is recognized when the services are provided or ratably over the contract term. Some arrangements with customers may include multiple deliverables, including the combination of products and services. In such cases, the Company has identified these as separate elements in accordance with Accounting Standards Codification ("ASC") 605-25, *Revenue Recognition-Multiple-Element Arrangements-Recognition*, and recognizes revenue consistent with the policy for each separate element based on the relative selling price method. Revenues from some long-term contracts are recognized on the percentage-of-completion method. Percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion. Provisions for estimated losses on uncompleted long-term contracts are made in the period in which such losses are determined. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

The Company records allowances for discounts, product returns and customer incentives at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends. The Company also offers product warranties and accrues its estimated exposure for warranty claims at the time of sale based upon the length of the warranty period, warranty costs incurred and any other related information known to the Company.

Goodwill, long-lived and intangible assets — The Company evaluates the recoverability of certain noncurrent assets utilizing various estimation processes. An impairment of a long-lived asset exists when the asset's carrying amount exceeds its fair value, and is recorded when the carrying amount is not recoverable through future operations. An indefinite lived intangible asset or goodwill impairment exists when the carrying amount of intangible assets and goodwill exceeds its fair value. Assessments of possible impairments of goodwill, long-lived or intangible assets are made when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable through future operations. Additionally, testing for possible impairment of recorded goodwill and indefinite-lived intangible asset balances is performed annually. The amount and timing of impairment charges for these assets require the estimation of future cash flows and the fair value of the related assets.

The Company's business acquisitions result in recording goodwill and other intangible assets, which affect the amount of amortization expense and possible impairment expense that the Company will incur in future periods. The Company follows the guidance prescribed in ASC 350, *Goodwill and Other Intangible Assets*, to test goodwill and intangible assets for impairment. Annually, on October 31, or more frequently if triggering events occur, the Company compares the fair value of their reporting units to the carrying value of each reporting unit to determine if a goodwill impairment exists.

The Company determines the fair value of each reporting unit utilizing an income approach (discounted cash flows) weighted 50% and a market approach consisting of a comparable public company multiples methodology weighted 50%. To determine the reasonableness of the calculated fair values, the

Company reviews the assumptions to ensure that neither the income approach nor the market approach yielded significantly different valuations.

The key assumptions are updated every year for each reporting unit for the income and market methodology used to determine fair value. Various assumptions are utilized including forecasted operating results, annual operating plans, strategic plans, economic projections, anticipated future cash flows, the weighted average cost of capital, market data and market multiples. The assumptions that have the most significant effect on the fair value calculation are the weighted average cost of capital, the market multiples, forecasted EBITDA, and terminal growth rates. The 2015 and 2014 ranges for these three assumptions utilized by the Company are as follows:

Assumptions	2015 Range	2014 Range
Weighted average cost of capital	9.5% to 13.0%	10.0% to 14.0%
Market multiples	7.5x to 14.0x	7.5x to 12.5x
Terminal growth rates	3.0% to 3.5%	3.0% to 3.5%

In assessing the fair value of the reporting units, the Company considered both the market approach and income approach. Under the market approach, the fair value of the reporting unit is determined by the respective trailing twelve month EBITDA and forward looking 2016 EBITDA (50% each), based on multiples of comparable public companies. The market approach is dependent on a number of significant management assumptions including forecasted EBITDA and selected market multiples. Under the income approach, the fair value of the reporting unit is determined based on the present value of estimated future cash flows. The income approach is dependent on a number of significant management assumptions including estimates of operating results, capital expenditures, net working capital requirements, long term growth rate and discount rates. Weighting was equally attributed to both the market and income approaches (50% each) in arriving at the fair value of the reporting units.

In 2015 and 2014, there were no triggering events or changes in circumstances that would have required a review other than as of our annual test date. Based on the results of our measurement as of October 31, 2015, all reporting units had a fair value that was greater than 70% in excess of carrying value, except for our IOP and Valves reporting unit. Our IOP reporting unit had a fair value that was approximately 20% in excess of carrying value and our Valves reporting unit had a fair value near its carrying value as a result of the formation of this reporting unit in conjunction with our Alfa acquisition in June 2015.

The unamortized Banjo trade name was determined to be an indefinite lived intangible asset which is tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company uses the relief-from-royalty method, a form of the income approach. The relief-from-royalty method is dependent on a number of significant management assumptions, including estimates of revenues, royalty rates and discount rates.

In 2015 and 2014, there were no triggering events or changes in circumstances that would have required a review other than as of our annual test date. Based on the results of our measurement as of October 31, 2015, the fair value of the Banjo trade name was greater than 20% in excess of carrying value.

A long-lived asset impairment exists when the carrying amount of the asset exceeds its fair value. Assessments of possible impairments of long-lived assets are made when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable through future operations. The amount and timing of impairment charges for these assets require the estimation of future cash flows and the fair value of the related assets. In 2015 and 2014, the Company concluded that certain long lived assets had a fair value that was less than the carrying value of the assets, resulting in \$0.8 million and \$2.5 million, respectively, of impairment charges.

Defined benefit retirement plans — The plan obligations and related assets of the defined benefit retirement plans are presented in Note 15 of the Notes to Consolidated Financial Statements in Part II, Item 8, “Financial Statements and Supplementary Data.” Level 1 assets are valued using unadjusted quoted prices for identical assets in active markets. Level 2 assets are valued using quoted prices or other observable inputs for similar assets. Level 3 assets are valued using unobservable inputs, but reflect the assumptions market participants would use in pricing the assets. Plan obligations and the annual pension expense are determined by consulting with actuaries using a number of assumptions provided by the Company. Key assumptions in the determination of the annual pension expense include the discount rate, the rate of salary increases, and the estimated future return on plan assets. To the extent actual amounts differ from these assumptions and estimated amounts, results could be adversely affected.

The Society of Actuaries recently released revised mortality tables, which update life expectancy assumptions. In consideration of these tables, we modified the mortality assumptions used in determining our pension and post-retirement benefit obligations as of December 31, 2015, which will have a related impact on our annual benefit expense in future years. The new mortality tables may result in additional funding requirements dependent upon the funded status of our plans. These expectations presume all other assumptions remain constant and there are no changes to applicable funding regulations.

Changes in the discount rate assumptions will impact the (gain) loss amortization and interest cost components of the projected benefit obligation (“PBO”), which in turn, may impact the Company’s funding decisions if the PBO exceeds plan assets. Each 100 basis point increase in the discount rate will cause a corresponding decrease in the PBO of approximately \$22 million based upon the December 31, 2015 data. Each 100 basis point decrease in the discount rate will cause a corresponding increase in the PBO of approximately \$26 million based upon the December 31, 2015 data.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09 which introduces a new five-step revenue recognition model. Under ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements and have not yet determined the method by which we will adopt the standard in 2018.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company is subject to market risk associated with changes in foreign currency exchange rates and interest rates. The Company may, from time to time, enter into foreign currency forward contracts and interest rate swaps on its debt when it believes there is a financial advantage in doing so. A treasury risk management policy, adopted by the Board of Directors, describes the procedures and controls over derivative financial and commodity instruments, including foreign currency forward

contracts and interest rate swaps. Under the policy, the Company does not use financial or commodity derivative instruments for trading purposes, and the use of these instruments is subject to strict approvals by senior officers. Typically, the use of derivative instruments is limited to foreign currency forward contracts and interest rate swaps on the Company's outstanding long-term debt.

Foreign Currency Exchange Rates

The Company's foreign currency exchange rate risk is limited principally to the Euro, British Pound, Canadian Dollar, Indian Rupee and Chinese Renminbi. The Company manages its foreign exchange risk principally through invoicing customers in the same currency as the source of products. The foreign currency transaction (gains) losses for the period ending December 31, 2015, 2014 and 2013 were \$(0.1) million, \$0.9 million, and \$2.2 million, respectively, and are reported within Other (income) expense-net on the Consolidated Statements of Operations.

Interest Rate Fluctuations

The Company's interest rate exposure is primarily related to its \$847.4 million of total debt outstanding at December 31, 2015. Approximately 23% of the debt is priced at interest rates that float with the market. A 50 basis point movement in the interest rate on the floating rate debt would result in an approximate \$1.0 million annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt.

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of IDEX Corporation

We have audited the internal control over financial reporting of IDEX Corporation and subsidiaries (the “Company”) as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management’s Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Novotema SpA (Novotema), which was acquired on May 29, 2015, Alfa Valvole S.r.l. (Alfa) which was acquired on June 10, 2015, and CiDRA Precision Services (CiDRA), which was acquired on July 1, 2015. These exclusions constitute 14.1% and 8.5% of net and total assets, respectively, 1.8% of net sales, and 1.0% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2015. Accordingly, our audit did not include the internal control over financial reporting at Novotema, Alfa, or CiDRA. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2015, of the Company and our report dated February 19, 2016, expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding the Company’s adoption of Accounting Standards Update 2015-17 “*Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.*”

Deloitte & Touche LLP

Deloitte & Touche LLP

Chicago, Illinois
February 19, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of IDEX Corporation

We have audited the accompanying consolidated balance sheets of IDEX Corporation and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of IDEX Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for deferred income taxes in 2015 due to the adoption of Accounting Standards Update 2015-17 "*Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.*"

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2016, expressed an unqualified opinion on the Company's internal control over financial reporting.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chicago, Illinois
February 19, 2016

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America, and as defined in Exchange Act Rule 13a-15(f).

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting.

Management has used the framework set forth in the report entitled "Internal Control — Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess the effectiveness of the Company's internal control over financial reporting. Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2015.

The Company completed the acquisitions of Novotema SpA in May 2015, Alfa Valvole S.r.l. in June 2015 and CiDRA Precision Services in July 2015. Due to the timing of the acquisitions, management has excluded these acquisitions from our evaluation of effectiveness of internal controls over financial reporting. This exclusion represented 1.8% of net sales and 1.0% of net income as well as 14.1% of net assets and 8.5% of total assets for the year ended December 31, 2015. The effectiveness of the Company's internal control over financial reporting as of December 31, 2015, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears herein.

IDEX CORPORATION
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2015	2014
(In thousands except share and per share amounts)		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 328,018	\$ 509,137
Receivables — net	260,000	256,040
Inventories	239,124	237,631
Other current assets	35,542	72,983
Total current assets	862,684	1,075,791
Property, plant and equipment — net	240,945	219,543
Goodwill	1,396,529	1,321,277
Intangible assets — net	287,837	271,164
Other noncurrent assets	17,448	15,688
Total assets	\$ 2,805,443	\$ 2,903,463
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	\$ 128,911	\$ 127,462
Accrued expenses	153,672	163,409
Short-term borrowings	1,087	98,946
Dividends payable	25,927	22,151
Total current liabilities	309,597	411,968
Long-term borrowings	839,707	760,399
Deferred income taxes	110,483	130,368
Other noncurrent liabilities	102,365	114,277
Total liabilities	1,362,152	1,417,012
Commitments and contingencies (Note 8)		
Shareholders' equity		
Preferred stock:		
Authorized: 5,000,000 shares, \$.01 per share par value; Issued: none	—	—
Common stock:		
Authorized: 150,000,000 shares, \$.01 per share par value; Issued: 90,151,131 shares at December 31, 2015 and 89,761,305 shares at December 31, 2014	902	898
Additional paid-in capital	679,623	647,553
Retained earnings	1,666,680	1,483,821
Treasury stock at cost: 13,616,592 shares at December 31, 2015 and 10,995,361 shares at December 31, 2014	(757,416)	(553,543)
Accumulated other comprehensive loss	(146,498)	(92,278)
Total shareholders' equity	1,443,291	1,486,451
Total liabilities and shareholders' equity	\$ 2,805,443	\$ 2,903,463

See Notes to Consolidated Financial Statements.

IDEX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands except per share amounts)		
Net sales	\$ 2,020,668	\$ 2,147,767	\$ 2,024,130
Cost of sales	1,116,353	1,198,452	1,150,766
Gross profit	904,315	949,315	873,364
Selling, general and administrative expenses	479,408	504,419	477,851
Gain on sale of business	(18,070)	—	—
Restructuring expenses	11,239	13,672	—
Operating income	431,738	431,224	395,513
Other (income) expense — net	(2,243)	(3,111)	178
Interest expense	41,636	41,895	42,206
Income before income taxes	392,345	392,440	353,129
Provision for income taxes	109,538	113,054	97,914
Net income	\$ 282,807	\$ 279,386	\$ 255,215
Earnings per common share:			
Basic earnings per common share	\$ 3.65	\$ 3.48	\$ 3.11
Diluted earnings per common share	\$ 3.62	\$ 3.45	\$ 3.09
Share data:			
Basic weighted average common shares outstanding	77,126	79,715	81,517
Diluted weighted average common shares outstanding	77,972	80,728	82,489

See Notes to Consolidated Financial Statements.

IDEX CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net income	\$ 282,807	\$ 279,386	\$ 255,215
Other comprehensive income (loss)			
Reclassification adjustments for derivatives, net of tax	4,531	4,510	4,738
Pension and other postretirement adjustments, net of tax	9,415	(16,459)	21,788
Foreign currency translation adjustments			
Cumulative translation adjustment	(63,441)	(77,024)	13,572
Reclassification of foreign currency translation to earnings upon sale of business	(4,725)	—	—
Other comprehensive income (loss)	(54,220)	(88,973)	40,098
Comprehensive income	\$ 228,587	\$ 190,413	\$ 295,313

See Notes to Consolidated Financial Statements.

IDEX CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock and Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			Treasury Stock	Total Shareholders' Equity
			Cumulative Translation Adjustment	Retirement Benefits Adjustments	Cumulative Unrealized Gain (Loss) on Derivatives		
(In thousands except share and per share amounts)							
Balance, December 31, 2012	\$ 551,559	\$ 1,113,541	\$ 38,639	\$ (45,645)	\$ (36,397)	\$ (156,699)	\$ 1,464,998
Net income	—	255,215	—	—	—	—	255,215
Cumulative translation adjustment	—	—	13,572	—	—	—	13,572
Net change in retirement obligations (net of tax of \$13,085)	—	—	—	21,788	—	—	21,788
Net change on derivatives designated as cash flow hedges (net of tax of \$2,692)	—	—	—	—	4,738	—	4,738
Issuance of 1,471,568 shares of common stock from issuance of unvested shares, exercise of stock options and deferred compensation plans (net of tax of \$4,514)	43,749	—	—	—	—	—	43,749
Repurchase of 2,916,280 shares of common stock	—	—	—	—	—	(167,503)	(167,503)
Share-based compensation	13,350	—	—	—	—	—	13,350
Unvested shares surrendered for tax withholding	—	—	—	—	—	(1,902)	(1,902)
Cash dividends declared — \$.89 per common share outstanding	—	(75,016)	—	—	—	—	(75,016)
Balance, December 31, 2013	\$ 608,658	\$ 1,293,740	\$ 52,211	\$ (23,857)	\$ (31,659)	\$ (326,104)	\$ 1,572,989
Net income	—	279,386	—	—	—	—	279,386
Cumulative translation adjustment	—	—	(77,024)	—	—	—	(77,024)
Net change in retirement obligations (net of tax benefit of \$6,852)	—	—	—	(16,459)	—	—	(16,459)
Net change on derivatives designated as cash flow hedges (net of tax of \$2,713)	—	—	—	—	4,510	—	4,510
Issuance of 571,751 shares of common stock from issuance of unvested shares, exercise of stock options and deferred compensation plans (net of tax of \$3,425)	23,195	—	—	—	—	—	23,195
Repurchase of 2,970,461 shares of common stock	—	—	—	—	—	(222,487)	(222,487)
Share-based compensation	16,598	—	—	—	—	—	16,598
Unvested shares surrendered for tax withholding	—	—	—	—	—	(4,952)	(4,952)
Cash dividends declared — \$1.12 per common share outstanding	—	(89,305)	—	—	—	—	(89,305)
Balance, December 31, 2014	\$ 648,451	\$ 1,483,821	\$ (24,813)	\$ (40,316)	\$ (27,149)	\$ (553,543)	\$ 1,486,451
Net income	—	282,807	—	—	—	—	282,807
Cumulative translation adjustment	—	—	(68,166)	—	—	—	(68,166)
Net change in retirement obligations (net of tax of \$3,842)	—	—	—	9,415	—	—	9,415
Net change on derivatives designated as cash flow hedges (net of tax of \$2,499)	—	—	—	—	4,531	—	4,531
Issuance of 685,501 shares of common stock from issuance of unvested shares, exercise of stock options and deferred compensation plans (net of tax of \$3,794)	14,545	—	—	—	—	9,937	24,482
Repurchase of 2,811,002 shares of common stock	—	—	—	—	—	(210,551)	(210,551)
Share-based compensation	17,529	—	—	—	—	—	17,529
Unvested shares surrendered for tax withholding	—	—	—	—	—	(3,259)	(3,259)
Cash dividends declared — \$1.28 per common share outstanding	—	(99,948)	—	—	—	—	(99,948)
Balance, December 31, 2015	\$ 680,525	\$ 1,666,680	\$ (92,979)	\$ (30,901)	\$ (22,618)	\$ (757,416)	\$ 1,443,291

See Notes to Consolidated Financial Statements.

IDEX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cash flows from operating activities			
Net income	\$ 282,807	\$ 279,386	\$ 255,215
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of fixed assets	(114)	(351)	(96)
Gain on sale of business	(18,070)	—	—
Asset impairments	795	2,473	2,747
Depreciation and amortization	35,694	33,720	35,007
Amortization of intangible assets	42,426	43,187	44,327
Amortization of debt issuance expenses	1,612	1,723	1,703
Share-based compensation expense	20,048	20,717	16,993
Deferred income taxes	(339)	(8,593)	(3,156)
Excess tax benefit from share-based compensation	(5,265)	(6,275)	(8,560)
Non-cash interest expense associated with forward starting swaps	7,030	7,223	7,430
Changes in (net of the effect from acquisitions and divestitures):			
Receivables	8,832	(11,110)	6,195
Inventories	4,557	(7,821)	9,088
Other current assets	(2,728)	(5,201)	6,562
Trade accounts payable	(2,828)	(2,466)	15,460
Accrued expenses	(16,672)	23,760	11,790
Other — net	2,536	(2,411)	817
Net cash flows provided by operating activities	360,321	367,961	401,522
Cash flows from investing activities			
Purchases of property, plant and equipment	(43,776)	(47,997)	(31,536)
Acquisition of businesses, net of cash acquired	(195,013)	(25,443)	(36,849)
Proceeds from fixed asset disposals	894	1,460	567
Proceeds from sale of business	27,677	—	—
Other — net	(273)	(280)	(344)
Net cash flows used in investing activities	(210,491)	(72,260)	(68,162)
Cash flows from financing activities			
Borrowings under revolving credit facilities	414,032	165,014	73,101
Payment of 2.58% Senior Euro Notes	(88,420)	—	—
Payments under revolving credit facilities	(333,630)	(61,951)	(89,478)
Debt issuance costs	(1,739)	—	—
Dividends paid	(96,172)	(85,726)	(72,905)
Proceeds from stock option exercises	19,217	17,161	35,306
Excess tax benefit from share-based compensation	5,265	6,275	8,560
Purchase of common stock	(210,822)	(219,893)	(167,503)
Unvested shares surrendered for tax withholding	(3,259)	(4,952)	(1,902)
Other	—	—	(4,224)
Net cash flows used in financing activities	(295,528)	(184,072)	(219,045)
Effect of exchange rate changes on cash and cash equivalents	(35,421)	(42,121)	6,450
Net increase (decrease) in cash	(181,119)	69,508	120,765
Cash and cash equivalents at beginning of year	509,137	439,629	318,864
Cash and cash equivalents at end of period	\$ 328,018	\$ 509,137	\$ 439,629
Supplemental cash flow information			
Cash paid for:			
Interest	\$ 33,502	\$ 32,565	\$ 33,432
Income taxes	112,613	122,295	73,657
Significant non-cash activities:			
Contingent consideration for acquisition	4,705	—	—

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Business

IDEX is an applied solutions company specializing in fluid and metering technologies, health and science technologies, and fire, safety and other diversified products built to its customers' specifications. IDEX's products are sold in niche markets to a wide range of industries throughout the world. The Company's products include industrial pumps, compressors, flow meters, injectors and valves, and related controls for use in a wide variety of process applications; precision fluidics solutions, including pumps, valves, degassing equipment, corrective tubing, fittings, and complex manifolds, optical filters and specialty medical equipment and devices used in life science applications; precision-engineered equipment for dispensing, metering and mixing paints; and engineered products for industrial and commercial markets, including fire and rescue, transportation equipment, oil & gas, electronics, and communications. These activities are grouped into three reportable segments: Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products.

Principles of Consolidation

The consolidated financial statements include the Company and its subsidiaries. All intercompany transactions and accounts have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The principal areas of estimation reflected in the financial statements are revenue recognition, sales returns and allowances, allowance for doubtful accounts, inventory valuation, recoverability of long-lived assets, income taxes, product warranties, contingencies and litigation, insurance-related items, defined benefit retirement plans and purchase accounting related to acquisitions.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability of the sales price is reasonably assured. For product sales, delivery does not occur until the products have been shipped and risk of loss has been transferred to the customer. Revenue from services is recognized when the services are provided or ratably over the contract term. Some arrangements with customers may include multiple deliverables, including the combination of products and services. In such cases the Company has identified these as separate elements in accordance with Accounting Standards Codification ("ASC") 605-25, *Revenue Recognition-Multiple-Element Arrangements*, and recognizes revenue consistent with the policy for each separate element based on the relative selling price method. Revenues from certain long-term contracts are recognized on the percentage-of-completion method. Percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion. Provisions for estimated losses on uncompleted long-term contracts are made in the period in which such losses are determined. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

The Company records allowances for discounts, product returns and customer incentives at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends. The Company also offers product warranties and accrues its estimated exposure for warranty claims at the time of sale based upon the length of the warranty period, warranty costs incurred and any other related information known to the Company.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales and are recognized as a period expense during the period in which they are incurred.

Advertising Costs

Advertising costs of \$16.1 million, \$14.5 million and \$14.6 million for 2015, 2014 and 2013, respectively, are expensed as incurred within Selling, general and administrative expenses.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of 90 days or less to be cash and cash equivalents.

Allowance for Doubtful Accounts

The Company maintains allowances for doubtful accounts for estimated losses as a result of customer's inability to make required payments. Management evaluates the aging of the accounts receivable balances, the financial condition of its customers, historical trends and the time outstanding of specific balances to estimate the amount of accounts receivables that may not be collected in the future and records the appropriate provision.

Inventories

The Company states inventories at the lower of cost or market. Cost, which includes material, labor, and factory overhead, is determined on a FIFO basis. We make adjustments to reduce the cost of inventory to its net realizable value, if required, at the business unit level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in market demand, product life cycle and engineering changes.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable, as measured by comparing their net book value to the projected undiscounted future cash flows generated by their use. Impaired assets are recorded at their estimated fair value based on a discounted cash flow analysis. A long-lived asset impairment exists when the carrying amount of the asset exceeds its fair value. Assessments of possible impairments of long-lived assets are made when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable through future operations. The amount and timing of impairment charges for these assets require the estimation of future cash flows and the fair value of the related assets. In 2015, 2014 and 2013, the Company concluded that certain long lived assets had a fair value that was less than the carrying value of the assets, resulting in \$0.8 million, \$2.5 million and \$2.7 million, respectively, of long-lived asset impairment charges.

Goodwill and Indefinite-Lived Intangible Assets

In accordance with ASC 350, *Goodwill and Other Intangible Assets*, the Company reviews the carrying value of goodwill and indefinite-lived intangible assets annually on October 31, or upon the occurrence of events or changes in circumstances that indicate that the carrying value of the goodwill or intangible assets may not be recoverable. The Company evaluates the recoverability of these assets based on the estimated fair value of each of the fifteen reporting units and the indefinite-lived intangible asset. See Note 4 for a further discussion on goodwill and intangible assets.

Borrowing Expenses

Expenses incurred in securing and issuing debt are capitalized and included as a reduction of Long-term borrowings. These amounts are amortized over the life of the related borrowing and the related amortization is included in Interest expense in the Consolidated Statements of Operations. See Recently Adopted Accounting Standards within this footnote for further discussion.

Earnings per Common Share

Earnings per common share ("EPS") is computed by dividing net income by the weighted average number of shares of common stock (basic) plus common stock equivalents (diluted) outstanding during the year. Common stock equivalents consist of stock options, which have been included in the calculation of weighted average shares outstanding using the treasury stock method, restricted stock, performance share units, and shares issuable in connection with certain deferred compensation agreements ("DCUs").

ASC 260, *Earnings per Share*, concludes that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders. If awards are considered participating securities, the Company is required to apply the two-class method of computing basic and diluted earnings per share. The Company has determined that its outstanding shares of restricted stock are participating securities. Accordingly, earnings per common share were computed using the two-class method prescribed by ASC 260. Net income attributable to common shareholders was reduced by \$0.8 million, \$1.3 million and \$1.2 million in 2015, 2014 and 2013, respectively.

Basic weighted average shares outstanding reconciles to diluted weighted average shares outstanding as follows:

	2015	2014	2013
	(In thousands)		
Basic weighted average common shares outstanding	77,126	79,715	81,517
Dilutive effect of stock options, restricted stock, performance share units and DCUs	846	1,013	972
Diluted weighted average common shares outstanding	77,972	80,728	82,489

Options to purchase approximately 0.9 million, 0.5 million and zero shares of common stock in 2015, 2014 and 2013, respectively, were not included in the computation of diluted EPS because the effect of their inclusion would have been antidilutive.

Share-Based Compensation

The Company accounts for share-based payments in accordance with ASC 718, *Compensation-Stock Compensation*. Accordingly, the Company expenses the fair value of awards made under its share-based compensation plans. That cost is recognized in the consolidated financial statements over the requisite service period of the grants. See Note 13 for further discussion on share-based compensation.

Depreciation and Amortization

Property and equipment are stated at cost, with depreciation and amortization provided using the straight-line method over the following estimated useful lives:

Land improvements	8 to 12 years
Buildings and improvements	8 to 30 years
Machinery, equipment and other	3 to 12 years
Office and transportation equipment	3 to 10 years

Certain identifiable intangible assets are amortized over their estimated useful lives using the straight-line method. The estimated useful lives used in the computation of amortization of identifiable intangible assets are as follows:

Patents	5 to 17 years
Trade names	10 to 20 years
Customer relationships	5 to 20 years
Non-compete agreements	3 years
Unpatented technology and other	5 to 20 years

Research and Development Expenditures

Costs associated with research and development are expensed in the period incurred and are included in Cost of sales within the Consolidated Statements of Operations. Research and development expenses, which include costs associated with developing new products and major improvements to existing products, were \$33.6 million, \$36.8 million and \$33.0 million in 2015, 2014 and 2013, respectively.

Foreign Currency

The functional currency of substantially all operations outside the United States is the respective local currency. Accordingly, those foreign currency balance sheet accounts have been translated using the exchange rates in effect as of the balance sheet date. Income statement amounts have been translated using the average exchange rate for the year. The gains and losses resulting from changes in exchange rates from year to year have been reported in Accumulated other comprehensive loss in the Consolidated Balance Sheets. The foreign currency transaction losses (gains) for the period ending December 31, 2015, 2014 and 2013 were \$(0.1) million, \$0.9 million, and \$2.2 million, respectively, and are reported within Other (income) expense-net on the Consolidated Statements of Operations.

Income Taxes

Income tax expense includes United States, state, local and international income taxes. Deferred tax assets and liabilities are recognized for the tax consequences of temporary differences between the financial reporting and the tax basis of existing assets and liabilities and for loss carryforwards. The tax rate used to determine the deferred tax assets and liabilities is the enacted tax rate for the year and manner in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets to the amount that will more likely than not be realized.

Concentration of Credit Risk

The Company is not dependent on a single customer as its largest customer accounted for less than 2% of net sales for all years presented.

Recently Adopted Accounting Standards

In November 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as noncurrent on the balance sheet. The classification change for all deferred taxes as noncurrent simplifies entities’ processes as it eliminates the need to separately identify the net current and net noncurrent deferred tax asset or liability in each jurisdiction and allocate valuation allowances. This standard is effective for fiscal years beginning after December 15, 2016. The Company elected to prospectively adopt the accounting standard in the beginning of the fourth quarter of fiscal year 2015. Prior periods in our Consolidated Financial Statements were not adjusted.

In September 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*, that eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. This standard is effective for fiscal years beginning after December 15, 2015. The Company elected to adopt this guidance early, effective in the fourth quarter of fiscal year 2015. The impact of the early adoption did not impact the consolidated financial position, results of operations or cash flows of the Company.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which simplifies the presentation of debt issuance costs. Under ASU 2015-03, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. This standard is effective for fiscal years beginning after December 15, 2015. The Company elected to early adopt this guidance effective in the fourth quarter of fiscal year 2015. The retroactive impact of the early adoption resulted in a decrease to Other noncurrent assets and Long-term debt of \$4.6 million on the Consolidated Balance Sheet as of December 31, 2014.

In April 2014, the FASB issued ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which includes amendments that change the requirements for reporting discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations with a major effect on the organization’s operations and financial results should be presented as discontinued operations. Additionally, the ASU requires expanded disclosures about disposal transactions that do not meet the discontinued operations criteria. The Company adopted the standard effective January 1, 2015 and the adoption did not impact the consolidated financial position, results of operations or cash flows of the Company. The Company concluded that the divestiture of the Ismatec product line did not qualify for reporting as discontinued operations; however, the Company did include required disclosures in Note 2.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which introduces a new five-step revenue recognition model. Under ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect

of initially adopting ASU 2014-09 recognized at the date of adoption. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements and have not yet determined the method by which we will adopt the standard in 2018.

2. Acquisitions and Divestitures

All of the Company's acquisitions have been accounted for under ASC 805, *Business Combinations*. Accordingly, the accounts of the acquired companies, after adjustments to reflect fair values assigned to assets and liabilities, have been included in the consolidated financial statements from their respective dates of acquisition. The results of operations of the acquired companies have been included in the Company's consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on the Company's consolidated results of operations individually or in aggregate.

2015 Acquisitions

On May 29, 2015, the Company acquired the stock of Novotema, SpA ("Novotema"), a leader in the design, manufacture and sale of specialty sealing solutions for use in the building products, gas control, transportation, industrial and water markets. The business was acquired to complement and create synergies with our existing Sealing Solutions platform. Located in Villongo, Italy, Novotema has annual revenues of approximately \$33 million and operates within our Health & Science Technologies segment. Novotema was acquired for cash consideration of \$61.1 million (€56 million). The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$33.9 million and \$20.0 million, respectively. The \$33.9 million of goodwill is not deductible for tax purposes.

On June 10, 2015, the Company acquired the stock of Alfa Valvole, S.r.l ("Alfa"), a leader in the design, manufacture and sale of specialty valve products for use in the chemical, petro-chemical, energy and sanitary markets. The business was acquired to expand our valve capabilities. Located in Casorezzo, Italy, Alfa has annual revenues of approximately \$33 million and operates within our Fluid & Metering Technologies segment. Alfa was acquired for cash consideration of \$112.6 million (€99.8 million). The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$71.2 million and \$32.1 million, respectively. The \$71.2 million of goodwill is not deductible for tax purposes.

On July 1, 2015, the Company acquired the membership interests of CiDRA Precision Services, LLC ("CPS"), a leader in the design, manufacture and sale of microfluidic components serving the life science, health and industrial markets. The business was acquired to provide a critical building block to our emerging microfluidic and nanofluidics capabilities. Located in Wallingford, Connecticut, CPS has annual revenues of approximately \$9 million and operates within our Health & Sciences Technologies segment. CPS was acquired for an aggregate purchase price of \$24.2 million, consisting of \$19.5 million in cash and contingent consideration valued at \$4.7 million as of the opening balance sheet date. The contingent consideration is based on the achievement of EBITDA targets during the 12-month period following the close. Based on potential outcomes, the undiscounted amount of all the future payments that the Company could be required to make under the contingent consideration arrangement is between \$0 and \$5.5 million. The entire purchase price was funded with cash on hand. Goodwill and intangible assets recognized as part of this transaction were \$9.6 million and \$12.3 million, respectively. The \$9.6 million of goodwill is deductible for tax purposes.

On December 1, 2015, the Company acquired the assets of a complementary product line within our Fluid & Metering Technologies segment. The purchase price and goodwill associated with this transaction was \$1.9 million and \$0.7 million, respectively.

The Company made an initial allocation of the purchase price for the Novotema, Alfa, and CPS acquisitions as of the date of acquisition based on its understanding of the fair value of the acquired assets and assumed liabilities. These nonrecurring fair value measurements are classified as Level 3 in the fair value hierarchy. As the Company obtains additional information about these assets and liabilities, including tangible and intangible asset appraisals, and learns more about the newly acquired businesses, we will refine the estimates of fair value and more accurately allocate the purchase price. Only items identified as of the acquisition date are considered for subsequent adjustment. The Company is continuing to evaluate the valuation of inventory and accounts receivable associated with the Alfa acquisition and is in the process of finalizing purchase price allocations for the Novotema, Alfa, and CPS acquisitions. The Company will make appropriate adjustments to the purchase price allocations prior to the completion of the measurement period, as required.

The allocation of the acquisition costs to the assets acquired and liabilities assumed, based on their estimated fair values, is as follows:

	<u>Novotema</u>	<u>Alfa</u>	<u>CPS</u>	<u>Other</u>	<u>Total</u>
(In thousands)					
Accounts receivable	\$ 8,029	\$ 13,487	\$ 945	\$ —	\$ 22,461
Inventory	2,886	11,036	442	1,102	15,466
Other assets, net of cash acquired	1,484	3,367	79	—	4,930
Property, plant and equipment	11,844	8,395	1,084	—	21,323
Goodwill	33,934	71,191	9,575	748	115,448
Intangible assets	20,011	32,058	12,290	—	64,359
Total assets acquired	78,188	139,534	24,415	1,850	243,987
Total liabilities assumed	(17,090)	(26,944)	(235)	—	(44,269)
Net assets acquired	<u>\$ 61,098</u>	<u>\$ 112,590</u>	<u>\$ 24,180</u>	<u>\$ 1,850</u>	<u>\$ 199,718</u>

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisitions reflects the strategic fit and revenue and earnings growth potential of these businesses.

The acquired intangible assets and weighted average amortization periods are as follows:

(In thousands, except weighted average life)	Total	Weighted Average Life
Trade names	\$ 9,247	15
Customer relationships	44,401	12
Unpatented technology	10,711	8
Total acquired intangible assets	<u>\$ 64,359</u>	

The Company incurred \$2.6 million of acquisition-related transaction costs in 2015. These costs were recorded in selling, general and administrative expense and were related to completed transactions, pending transactions and potential transactions, including transactions that ultimately were not completed. The Company also incurred \$3.4 million of non-cash acquisition fair value inventory charges in 2015. These charges were recorded in cost of sales.

2014 Acquisitions

On April 28, 2014, the Company acquired the stock of Aegis Flow Technologies (“Aegis”), a leader in the design, manufacture and sale of specialty chemical processing valves for use in the chemical, petro-chemical, chlor-alkali, pharmaceutical, semiconductor and pulp/paper industries. Located in Geismar, Louisiana, Aegis operates within our Fluid & Metering Technologies segment. Aegis was acquired for cash consideration of approximately \$25 million. The entire purchase price was funded with borrowings under the Company’s Revolving Facility. Goodwill and intangible assets recognized as part of this transaction were \$7.7 million and \$8.8 million, respectively. The \$7.7 million of goodwill is deductible for tax purposes.

The purchase price for Aegis has been allocated to the assets acquired and liabilities assumed based on estimated fair values at the date of the acquisition.

The allocation of the acquisition costs to the assets acquired and liabilities assumed, based on their estimated fair values, is as follows:

(In thousands)		
Accounts receivable		\$ 1,147
Inventory		6,230
Other current assets, net of cash acquired		232
Property, plant and equipment		2,988
Goodwill		7,711
Intangible assets		8,770
Total assets acquired		<u>27,078</u>
Total liabilities assumed		<u>(1,633)</u>
Net assets acquired		<u>\$ 25,445</u>

Acquired intangible assets consist of trade names, customer relationships and unpatented technology. The goodwill recorded for the acquisitions reflects the strategic fit and revenue and earnings growth potential of these businesses.

The acquired intangible assets and weighted average amortization periods are as follows:

(In thousands, except weighted average life)	Total	Weighted Average Life
Trade names	\$ 3,304	15
Customer relationships	4,393	14
Unpatented technology	1,073	8
Total acquired intangible assets	<u>\$ 8,770</u>	

The Company incurred \$1.7 million of acquisition-related transaction costs in 2014. These costs were recorded in selling, general and administrative expense and were related to completed transactions, pending transactions and potential transactions, including transactions that ultimately were not completed. The Company incurred \$1.3 million of non-cash acquisition fair value inventory charges in 2014. These charges were recorded in cost of sales.

2013 Acquisitions

On March 18, 2013, the Company acquired the stock of FTL Seals Technology, Ltd. (“FTL”). FTL specializes in the design and application of high integrity rotary seals, specialty bearings, and other custom products for the oil & gas, mining, power generation, and marine markets. Located in Leeds, England, FTL, along with Precision Polymer Engineering (“PPE”), operates within the Health & Science Technologies segment as part of the Sealing Solutions group and will expand the range of PPE’s technology expertise and markets served. FTL was acquired for an aggregate purchase price of \$34.5 million (£23.1 million) in cash. The entire purchase price was funded with borrowings under the Revolving Facility. Goodwill and intangible assets recognized as part of this transaction were \$18.0 million and \$13.0 million, respectively. The \$18.0 million of goodwill is not deductible for tax purposes.

The purchase price for FTL has been allocated to the assets acquired and liabilities assumed based on estimated fair values at the date of the acquisition.

The allocation of the acquisition costs to the assets acquired and liabilities assumed, based on their estimated fair values, is as follows:

(In thousands)	
Accounts receivable	\$ 3,454
Inventory	4,524
Other current assets, net of cash acquired	131
Property, plant and equipment	1,357
Goodwill	17,994
Intangible assets	13,016
Total assets acquired	40,476
Total liabilities assumed	(5,939)
Net assets acquired	<u>\$ 34,537</u>

Acquired intangible assets consist of trade names, non-compete agreements, customer relationships and unpatented technology. The goodwill recorded for the acquisitions reflects the strategic fit and revenue and earnings growth potential of these businesses.

The acquired intangible assets and weighted average amortization periods are as follows:

(In thousands, except weighted average life)	Total	Weighted Average Life
Trade names	\$ 1,005	15
Non-compete agreements	224	3
Customer relationships	10,950	9
Unpatented technology	837	8
Total acquired intangible assets	<u>\$ 13,016</u>	

The Company incurred \$1.4 million of acquisition-related transaction costs in 2013. These costs were recorded in selling, general and administrative expense and were related to completed transactions, pending transactions and potential transactions, including transactions that ultimately were not completed. The Company incurred \$1.8 million of non-cash acquisition fair value inventory charges in 2013. These charges were recorded in cost of sales.

2015 Divestiture

The Company periodically reviews its operations for businesses which may no longer be aligned with its strategic objectives and focus on core business and customers. On July 31, 2015, the Company completed the sale of its Ismatec product line to Cole-Palmer Instruments Company for \$27.7 million in cash, resulting in a pre-tax gain on the sale of \$18.1 million. The Company recorded \$4.8 million of income tax expense associated with this transaction during the three months ended September 30, 2015. The results of the Ismatec product line were reported within the Health & Science Technologies segment through the date of sale.

3. Balance Sheet Components

	December 31,	
	2015	2014
(In thousands)		
RECEIVABLES		
Customers	\$ 262,304	\$ 260,412
Other	5,508	2,589
Total	267,812	263,001
Less allowance for doubtful accounts	7,812	6,961
Total receivables — net	\$ 260,000	\$ 256,040
INVENTORIES		
Raw materials and components parts	\$ 141,671	\$ 137,584
Work in process	32,387	37,178
Finished goods	65,066	62,869
Total	\$ 239,124	\$ 237,631
PROPERTY, PLANT AND EQUIPMENT		
Land and improvements	\$ 34,343	\$ 31,121
Buildings and improvements	157,946	148,749
Machinery, equipment and other	331,146	311,036
Office and transportation equipment	97,250	98,279
Construction in progress	13,377	14,335
Total	634,062	603,520
Less accumulated depreciation and amortization	393,117	383,977
Total property, plant and equipment — net	\$ 240,945	\$ 219,543
ACCRUED EXPENSES		
Payroll and related items	\$ 67,209	\$ 64,124
Management incentive compensation	12,599	21,567
Income taxes payable	3,836	9,305
Insurance	9,505	10,058
Warranty	7,936	7,196
Deferred revenue	9,885	11,813
Restructuring	6,636	6,056
Liability for uncertain tax positions	3,498	2,084
Accrued interest	1,230	1,738
Contingent consideration for acquisition	4,705	—
Other	26,633	29,468
Total accrued expenses	\$ 153,672	\$ 163,409
OTHER NONCURRENT LIABILITIES		
Pension and retiree medical obligations	\$ 76,190	\$ 90,584
Liability for uncertain tax positions	4,252	2,471
Deferred revenue	3,763	4,612
Other	18,160	16,610
Total other noncurrent liabilities	\$ 102,365	\$ 114,277

The valuation and qualifying account activity for the years ended December 31, 2015, 2014 and 2013 is as follows:

	2015	2014	2013
	(In thousands)		
ALLOWANCE FOR DOUBTFUL ACCOUNTS ⁽¹⁾			
Beginning balance January 1	\$ 6,961	\$ 5,841	\$ 5,596
Charged to costs and expenses, net of recoveries	1,556	2,643	2,288
Utilization	(1,009)	(1,195)	(1,921)
Currency translation and other	304	(328)	(122)
Ending balance December 31	<u>\$ 7,812</u>	<u>\$ 6,961</u>	<u>\$ 5,841</u>

(1) Includes provision for doubtful accounts, sales returns and sales discounts granted to customers.

4. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for 2015 and 2014, by business segment, were as follows:

	Fluid & Metering Technologies	Health & Science Technologies	Fire & Safety/ Diversified Products	Total
	(In thousands)			
Goodwill	\$ 548,765	\$ 721,495	\$ 279,827	\$ 1,550,087
Accumulated goodwill impairment losses	(20,721)	(149,820)	(30,090)	(200,631)
Balance at January 1, 2014	528,044	571,675	249,737	1,349,456
Acquisitions (Note 2)	7,711	—	—	7,711
Foreign currency translation	(11,606)	(8,210)	(16,074)	(35,890)
Balance at December 31, 2014	524,149	563,465	233,663	1,321,277
Acquisitions (Note 2)	71,939	43,508	—	115,447
Foreign currency translation	(11,318)	(6,155)	(12,509)	(29,982)
Divestiture (Note 2)	—	(10,213)	—	(10,213)
Balance at December 31, 2015	<u>\$ 584,770</u>	<u>\$ 590,605</u>	<u>\$ 221,154</u>	<u>\$ 1,396,529</u>

ASC 350 requires that goodwill be tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. Goodwill represents the purchase price in excess of the net amount assigned to assets acquired and liabilities assumed.

Goodwill and other acquired intangible assets with indefinite lives were tested for impairment as of October 31, 2015, the Company's annual impairment date. In assessing the fair value of the reporting units, the Company considers both the market approach and income approach. Under the market approach, the fair value of the reporting unit is determined by the respective trailing twelve month EBITDA and forward looking 2016 EBITDA (50% each), based on multiples of comparable public companies. The market approach is dependent on a number of significant management assumptions including forecasted EBITDA and selected market multiples. Under the income approach, the fair value of the reporting unit is determined based on the present value of estimated future cash flows. The income approach is dependent on a number of significant management assumptions including estimates of operating results, capital expenditures, net working capital requirements, long-term growth rate and discount rates. Weighting was equally attributed to both the market and income approaches (50% each) in arriving at the fair value of the reporting units.

There were no triggering events or changes in circumstances that would have required a review other than as of our annual test date, in 2015 or 2014. Based on the results of our measurement at October 31, 2015, all reporting units had a fair value that was greater than 70% in excess of carrying value, except for our IOP and Valves reporting unit. Our IOP reporting

unit had a fair value that was approximately 20% in excess of carrying value and our Valves reporting unit had a fair value near its carrying value as a result of the formation of this reporting unit in conjunction with our Alfa acquisition in June 2015.

The gross carrying value and accumulated amortization for each major class of intangible asset at December 31, 2015 and 2014 is as follows:

	At December 31, 2015			Weighted Average Life	At December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net		Gross Carrying Amount	Accumulated Amortization	Net
	(In thousands)				(In thousands)		
Amortizable intangible assets							
Patents	\$ 10,202	\$ (6,175)	\$ 4,027	11	\$ 10,016	\$ (5,313)	\$ 4,703
Trade names	110,658	(38,696)	71,962	16	104,118	(32,881)	71,237
Customer relationships	257,071	(144,134)	112,937	11	222,486	(126,193)	96,293
Non-compete agreements	794	(775)	19	3	840	(636)	204
Unpatented technology	78,562	(42,745)	35,817	10	69,760	(35,165)	34,595
Other	6,554	(5,579)	975	10	7,034	(5,002)	2,032
Total amortizable intangible assets	463,841	(238,104)	225,737		414,254	(205,190)	209,064
Unamortized intangible assets							
Banjo trade name	62,100	—	62,100		62,100	—	62,100
Total intangible assets	\$ 525,941	\$ (238,104)	\$ 287,837		\$ 476,354	\$ (205,190)	\$ 271,164

The unamortized Banjo trade name was determined to be an indefinite lived intangible asset which is tested for impairment on an annual basis in accordance with ASC 350 or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company uses the relief-from-royalty method, a form of the income approach. The relief-from-royalty method is dependent of a number of significant management assumptions, including estimates of revenues, royalty rates and discount rates.

In 2015 and 2014, there were no triggering events or changes in circumstances that would have required a review other than as of our annual test date. Based on the results of our measurement as of October 31, 2015, the fair value of the Banjo trade name was greater than 20% in excess of carrying value.

Amortization of intangible assets was \$42.4 million, \$43.2 million and \$44.3 million in 2015, 2014 and 2013, respectively. Based on intangible asset balances as of December 31, 2015, amortization expense is expected to approximate \$42.9 million in 2016, \$34.4 million in 2017, \$24.3 million in 2018, \$19.8 million in 2019 and \$18.6 million in 2020.

5. Borrowings

Borrowings at December 31, 2015 and 2014 consisted of the following:

	2015	2014
	(In thousands)	
Revolving Facility	\$ 195,000	\$ 115,000
2.58% Senior Euro Notes, due June 2015	—	98,456
4.5% Senior Notes, due December 2020	300,000	300,000
4.2% Senior Notes, due December 2021	350,000	350,000
Other borrowings	2,436	2,170
Total	847,436	865,626
Less current portion	1,087	98,946
Less deferred debt issuance costs	5,203	4,607
Less unaccreted debt discount	1,439	1,674
Total long-term borrowings	\$ 839,707	\$ 760,399

On June 23, 2015, the Company entered into a credit agreement (the “Credit Agreement”) along with certain of its subsidiaries, as borrowers (the “Borrowers”), Bank of America, N.A., as administrative agent, swing line lender and an issuer of letters of credit, with other agents party thereto, which provided for a new revolving credit facility (the “Revolving Facility”). The Revolving Facility replaced the Company’s existing five-year, \$600.0 million credit facility, dated as of June 27, 2011, which was due to expire on June 27, 2016.

The Revolving Facility is in an aggregate principal amount of \$700.0 million with a maturity date of June 23, 2020. The maturity date may be extended under certain conditions for an additional one-year term. Up to \$75.0 million of the Revolving Facility is available for the issuance of letters of credit. Additionally, up to \$50.0 million of the Revolving Facility is available to the Company for swing line loans, available on a same-day basis.

Proceeds of the Revolving Facility are available for use by the Borrowers for working capital and other general corporate purposes, including refinancing existing debt of the Company and its subsidiaries. The Company may request increases in the lending commitments under the Credit Agreement, but the aggregate lending commitments pursuant to such increases may not exceed \$350.0 million. The Company has the right, subject to certain conditions set forth in the Credit Agreement, to designate certain foreign subsidiaries of the Company as borrowers under the Credit Agreement. In connection with any such designation, the Company is required to guarantee the obligations of any such subsidiaries. Under the Credit Agreement, Fast & Fluid Management B.V. and IDEX UK Ltd. were approved by the lenders as designated borrowers. At December 31, 2015 neither subsidiary had borrowings under the Revolving Facility.

Borrowings under the Revolving Facility bear interest at either an alternate base rate or an adjusted LIBOR rate plus, in each case, an applicable margin. Such applicable margin is based on the Company’s senior, unsecured, long-term debt rating and can range from .005% to 1.50%. Based on the Company’s credit rating at December 31, 2015, the applicable margin was 1.10% resulting in an interest rate of 1.51% at December 31, 2015. Interest is payable (a) in the case of base rate loans, quarterly, and (b) in the case of LIBOR rate loans, on the maturity date of the borrowing, or quarterly from the effective date for borrowings exceeding three months.

The Credit Agreement requires payment to the lenders of a facility fee based upon (a) the amount of the lenders’ commitments under the credit facility from time to time and (b) the applicable corporate credit ratings of the Company. Voluntary prepayments of any loans and voluntary reductions of the unutilized portion of the commitments under the Revolving Facility are permissible without penalty, subject to break funding payments and minimum notice and minimum reduction amount requirements.

The Credit Agreement contains affirmative and negative covenants that the Company believes are usual and customary for senior unsecured credit agreements, including a financial covenant requiring a maximum leverage ratio of 3.50 to 1.0, which is the ratio of the Company’s consolidated total debt to its consolidated EBITDA, each as defined in the Credit Agreement.

The negative covenants include, among other things, limitations (each of which is subject to customary exceptions for

financings of this type) on our ability to grant liens; enter into transactions resulting in fundamental changes (such as mergers or sales of all or substantially all of the assets of the Company); restrict subsidiary dividends or other subsidiary distributions; enter into transactions with the Company's affiliates; and incur certain additional subsidiary debt.

The Credit Agreement also contains customary events of default (subject to grace periods, as appropriate) including among others: nonpayment of principal, interest or fees; breach of the representations or warranties in any material respect; breach of the financial, affirmative or negative covenants; payment default on, or acceleration of, other material indebtedness; bankruptcy or insolvency; material judgments entered against the Company or any of its subsidiaries; certain specified events under the Employee Retirement Income Security Act of 1974, as amended; certain changes in control of the Company; and the invalidity or unenforceability of the Credit Agreement or other documents associated with the Credit Agreement.

At December 31, 2015, \$195.0 million was outstanding under the Revolving Facility, with \$7.2 million of outstanding letters of credit, resulting in net available borrowing capacity under the Revolving Facility at December 31, 2015 of approximately \$497.8 million.

As of December 31, 2014 the Company included the outstanding balance of the 2.58% Senior Euro Notes, \$98.5 million, within Current liabilities on the Consolidated Balance Sheet as the maturity date was within twelve months. In June 2015, the Company paid the balance of the 2.58% Senior Euro Notes, upon its maturity, using cash on hand.

On December 6, 2010 the Company completed a public offering of \$300.0 million 4.5% senior notes due December 15, 2020 ("4.5% Senior Notes"). The net proceeds from the offering of \$295.7 million, after deducting a \$1.6 million issuance discount, a \$1.9 million underwriting commission and \$0.8 million offering expenses, were used to repay \$250.0 million of outstanding bank indebtedness, with the balance used for general corporate purposes. The 4.5% Senior Notes bear interest at a rate of 4.5% per annum, which is payable semi-annually in arrears on each June 15th and December 15th. The Company may redeem all or a portion of the 4.5% Senior Notes at any time prior to maturity at the redemption prices set forth in the Note Indenture governing the 4.5% Senior Notes. The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture and 4.5% Senior Notes contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale-leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all the Company's assets. The terms of the 4.5% Senior Notes also require the Company to make an offer to repurchase the 4.5% Senior Notes upon a change of control triggering event (as defined in the Indenture) at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any.

On December 9, 2011 the Company completed a public offering of \$350.0 million 4.2% senior notes due December 15, 2021 ("4.2% Senior Notes"). The net proceeds from the offering of \$346.2 million, after deducting a \$0.9 million issuance discount, a \$2.3 million underwriting commission and \$0.6 million offering expenses, were used to repay \$306.0 million of outstanding bank indebtedness, with the balance used for general corporate purposes. The 4.2% Senior Notes bear interest at a rate of 4.2% per annum, which is payable semi-annually in arrears on each June 15th and December 15th. The Company may redeem all or a portion of the 4.2% Senior Notes at any time prior to maturity at the redemption prices set forth in the Note Indenture governing the 4.2% Senior Notes. The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture and 4.2% Senior Notes contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale-leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all the Company's assets. The terms of the 4.2% Senior Notes also require the Company to make an offer to repurchase the 4.2% Senior Notes upon a change of control triggering event (as defined in the Indenture) at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any.

Other borrowings of \$2.4 million at December 31, 2015 consisted primarily of debt at international locations maintained for working capital purposes. Interest is payable on the outstanding debt balances at the international locations at rates ranging from 0.2% to 2.8% per annum.

There are two key financial covenants that the Company is required to maintain in connection with the Revolving Facility, which requires a minimum interest coverage ratio of 3.0 to 1 and a maximum leverage ratio of 3.50 to 1. At December 31, 2015 the Company was in compliance with both of these financial covenants. There are no financial covenants relating to the 4.5% Senior Notes or 4.2% Senior Notes; however, both are subject to cross-default provisions.

Total borrowings at December 31, 2015 have scheduled maturities as follows:

(In thousands)	
2016	\$ 1,087
2017	1,115
2018	225
2019	9
2020	495,000
Thereafter	350,000
Total borrowings	\$ 847,436

6. Derivative Instruments

As of December 31, 2015 and 2014 the Company did not have any interest rate or foreign exchange contracts outstanding. The type of cash flow hedges the Company has entered into includes interest rate exchange agreements that effectively convert a portion of floating-rate debt to fixed-rate debt and are designed to reduce the impact of interest rate changes on future interest expense.

The effective portion of gains or losses on interest rate exchange agreements is reported in accumulated other comprehensive income (loss) in shareholders' equity and reclassified into net income in the same period or periods in which the hedged transaction affects net income. The remaining gain or loss in excess of the cumulative change in the present value of future cash flows or the hedged item, if any, is recognized into net income during the period of change.

Fair values relating to derivative financial instruments reflect the estimated amounts that the Company would receive or pay to sell or buy the contracts based on quoted market prices of comparable contracts at each balance sheet date.

On April 15, 2010 the Company entered into a forward starting interest rate contract with a notional amount of \$300.0 million with a settlement date in December 2010. This contract was entered into in anticipation of the issuance of the 4.5% Senior Notes and was designed to lock in the market interest rate as of April 15, 2010. In December 2010, the Company settled and paid this interest rate contract for \$31.0 million. The \$31.0 million is being amortized into interest expense over the 10 year term of the 4.5% Senior Notes, which results in an effective interest rate of 5.8%.

On July 12, 2011 the Company entered into a forward starting interest rate contract with a notional amount of \$350.0 million and a settlement date of September 30, 2011. This contract was entered into in anticipation of the issuance of the 4.2% Senior Notes and was designed to lock in the market interest rate as of July 12, 2011. On September 29, 2011, the Company settled this interest rate contract for \$34.7 million with a payment made on October 3, 2011. Simultaneously, the Company entered into a separate interest rate contract with a notional amount of \$350.0 million and a settlement date of February 28, 2012. The contract was entered into in anticipation of the expected issuance of the 4.2% Senior Notes and was designed to maintain the market rate as of July 12, 2011. In December 2011, the Company settled and paid the September interest rate contract for \$4.0 million, resulting in a total settlement of \$38.7 million. Of the \$38.7 million, \$0.8 million was recognized as other expense in 2011 and the balance of \$37.9 million is being amortized into interest expense over the 10 year term of the 4.2% Senior Notes, which results in an effective interest rate of 5.3%.

The amount of expense reclassified into interest expense for interest rate contracts for the years ended December 31, 2015, 2014 and 2013 is \$7.0 million, \$7.2 million and \$7.4 million, respectively.

Approximately \$6.8 million of the pre-tax amount included in accumulated other comprehensive loss in shareholders' equity at December 31, 2015 will be recognized to net income over the next 12 months as the underlying hedged transactions are realized.

7. Fair Value Measurements

ASC 820 "Fair Value Measurements and Disclosures" defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service

capacity of an asset or replacement cost). The standard utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The basis used to measure the Company's financial assets (liabilities) at fair value on a recurring basis in the balance sheet at December 31, 2015 and 2014 is summarized as follows:

	Basis of Fair Value Measurements			
	Balance at December 31, 2015	Level 1	Level 2	Level 3
	(In thousands)			
Money market investments	\$ 21,931	\$ 21,931	\$ —	\$ —
Available for sale securities	4,794	4,794	—	—
Contingent consideration	4,705	—	—	4,705
	(In thousands)			
	Balance at December 31, 2014	Level 1	Level 2	Level 3
Money market investments	\$ 21,094	\$ 21,094	\$ —	\$ —
Available for sale securities	4,513	4,513	—	—

There were no transfers of assets or liabilities between Level 1 and Level 2 in 2015 or 2014.

The contingent consideration is based on the achievement of EBITDA targets during the 12-month period following the close. In determining the fair value of the contingent consideration due in conjunction with the acquisition of CPS, the Company used probability weighted estimates of potential EBITDA outcomes during the earn-out period. The CPS contingent consideration liability was valued at \$4.7 million as of the acquisition date. The Company assesses the fair value of the contingent consideration quarterly based upon actual EBITDA, forecasted EBITDA, and other factors known to management. There have been no changes to the value of the contingent consideration liability and the \$4.7 million is included in Accrued expenses in the Consolidated Balance Sheet at December 31, 2015.

The carrying value of our cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates their fair values because of the short term nature of these instruments. At December 31, 2015, the fair value of our Revolving Facility, 4.5% Senior Notes and 4.2% Senior Notes, based on quoted market prices and current market rates for debt with similar credit risk and maturity, was approximately \$859.0 million compared to the carrying value of \$843.6 million. This fair value measurement is classified as Level 2 within the fair value hierarchy since it is determined based upon significant inputs observable in the market, including interest rates on recent financing transactions to entities with a credit rating similar to ours.

8. Commitments and Contingencies

The Company leases certain office facilities, warehouses and data processing equipment under operating leases. Rental expense totaled \$18.9 million, \$19.2 million and \$18.9 million in 2015, 2014 and 2013, respectively.

The aggregate future minimum lease payments for operating and capital leases as of December 31, 2015 were as follows:

	Operating	Capital
	(In thousands)	
2016	\$ 16,253	\$ 601
2017	12,123	1,123
2018	9,556	227
2019	5,540	9
2020	4,034	—
2021 and thereafter	6,900	—
	\$ 54,406	\$ 1,960

Warranty costs are provided for at the time of sale. The warranty provision is based on historical costs and adjusted for specific known claims. A rollforward of the warranty reserve is as follows:

	2015	2014	2013
	(In thousands)		
Beginning balance January 1	\$ 7,196	\$ 4,888	\$ 4,875
Provision for warranties	4,788	6,220	3,845
Claim settlements	(3,864)	(3,823)	(3,865)
Other adjustments, including acquisitions and currency translation	(184)	(89)	33
Ending balance December 31	\$ 7,936	\$ 7,196	\$ 4,888

The Company is party to various legal proceedings arising in the ordinary course of business, none of which are expected to have a material effect on its business, financial condition, results of operations or cash flow.

9. Common and Preferred Stock

On December 1, 2015 the Company's Board of Directors approved an increase in the authorized level for repurchases of common stock by \$300.0 million. Repurchases under the program will be funded with future cash flow generation or borrowings available under the Revolving Facility. During 2015 the Company purchased a total of 2.8 million shares at a cost of \$210.5 million, of which \$2.3 million was settled in January 2016, compared to 3.0 million shares purchased at a cost of \$222.5 million in 2014, of which \$2.6 million was settled in January 2015. As of December 31, 2015, there was \$635 million of repurchase authorization remaining.

At December 31, 2015 and 2014 the Company had 150 million shares of authorized common stock, with a par value of \$.01 per share and five million shares of authorized preferred stock with a par value of \$.01 per share. No preferred stock was issued as of December 31, 2015 and 2014.

10. Income Taxes

Pretax income for 2015, 2014 and 2013 was taxed in the following jurisdictions:

	2015	2014	2013
	(In thousands)		
Domestic	\$ 285,399	\$ 275,334	\$ 233,530
Foreign	106,946	117,106	119,599
Total	\$ 392,345	\$ 392,440	\$ 353,129

The provision (benefit) for income taxes for 2015, 2014 and 2013, was as follows:

	2015	2014	2013
	(In thousands)		
Current			
U.S.	\$ 73,059	\$ 77,454	\$ 59,707
State and local	6,188	7,133	8,123
Foreign	30,630	37,060	33,240
Total current	<u>109,877</u>	<u>121,647</u>	<u>101,070</u>
Deferred			
U.S.	7,125	(3,176)	1,500
State and local	(1,017)	(1,708)	(55)
Foreign	(6,447)	(3,709)	(4,601)
Total deferred	<u>(339)</u>	<u>(8,593)</u>	<u>(3,156)</u>
Total provision for income taxes	<u>\$ 109,538</u>	<u>\$ 113,054</u>	<u>\$ 97,914</u>

Deferred tax assets (liabilities) at December 31, 2015 and 2014 were:

	2015	2014
	(In thousands)	
Employee and retiree benefit plans	\$ 37,393	\$ 38,871
Depreciation and amortization	(185,321)	(172,766)
Inventories	12,615	11,229
Allowances and accruals	12,528	14,552
Interest rate exchange agreement	12,948	15,448
Other	2,800	4,626
Total	<u>\$ (107,037)</u>	<u>\$ (88,040)</u>

The deferred tax assets and liabilities recognized in the Company's Consolidated Balance Sheets as of December 31, 2015 and 2014 were:

	2015	2014
	(In thousands)	
Deferred tax asset — other current assets	\$ —	\$ 39,305
Deferred tax asset — other noncurrent assets	3,446	3,080
Total deferred tax assets	<u>3,446</u>	<u>42,385</u>
Deferred tax liability — accrued expenses	—	(57)
Noncurrent deferred tax liability — deferred income taxes	(110,483)	(130,368)
Total deferred tax liabilities	<u>(110,483)</u>	<u>(130,425)</u>
Net deferred tax liabilities	<u>\$ (107,037)</u>	<u>\$ (88,040)</u>

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to pretax income. The computed amount and the differences for 2015, 2014 and 2013 are as follows:

	2015	2014	2013
	(In thousands)		
Pretax income	\$ 392,345	\$ 392,440	\$ 353,129
Provision for income taxes			
Computed amount at statutory rate of 35%	\$ 137,321	\$ 137,354	\$ 123,595
State and local income tax (net of federal tax benefit)	5,033	4,875	4,382
Taxes on non-U.S. earnings-net of foreign tax credits	(11,663)	(9,378)	(9,683)
Effect of flow-through entities	(8,358)	(9,018)	(7,267)
U.S. business tax credits	(1,273)	(1,680)	(1,516)
Domestic activities production deduction	(6,521)	(7,489)	(6,217)
Deferred tax effect of foreign tax rate change	(2,636)	—	—
Other	(2,365)	(1,610)	(5,380)
Total provision for income taxes	\$ 109,538	\$ 113,054	\$ 97,914

The Company has \$715 million and \$683 million of undistributed earnings of non-U.S. subsidiaries as of December 31, 2015 and 2014, respectively. No deferred U.S. income taxes have been provided on these earnings as they are considered to be reinvested for an indefinite period of time or will be repatriated when it is tax effective to do so. If these amounts were distributed to the U.S., in the form of dividends or otherwise, the Company would be subject to additional U.S. income taxes, which could be material. Determination of the amount of unrecognized deferred income tax liabilities on these earnings is not practicable because of the complexities with the hypothetical calculation, and the amount of liability, if any, is dependent on circumstances if and when remittance occurs. During the years ended December 31, 2015, 2014 and 2013, the Company repatriated \$14.3 million, \$6.5 million and \$11.7 million of foreign earnings, respectively, resulting in \$0.3 million of incremental tax expense, \$0.2 million of incremental tax benefit and \$0.9 million of incremental income tax expense, respectively. These repatriations represent distributions of current year earnings and distributions from liquidating subsidiaries and do not impact our representation that the undistributed earnings are permanently invested.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for 2015, 2014 and 2013 is as follows:

	2015	2014	2013
	(In thousands)		
Beginning balance January 1	\$ 3,619	\$ 5,124	\$ 6,506
Gross increase due to non-U.S. acquisitions	3,772	—	—
Gross increases for tax positions of prior years	1,256	834	1,357
Gross decreases for tax positions of prior years	—	(51)	(99)
Settlements	(667)	(2,057)	(1,219)
Lapse of statute of limitations	(752)	(231)	(1,421)
Ending balance December 31	\$ 7,228	\$ 3,619	\$ 5,124

We recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2015, 2014 and 2013, we had approximately \$0.2 million, \$0.7 million and \$0.5 million, respectively, of accrued interest related to uncertain tax positions. As of December 31, 2015, 2014 and 2013, we had approximately \$0.3 million, \$0.3 million and \$0.2 million, respectively, of accrued penalties related to uncertain tax positions.

The total amount of unrecognized tax benefits that would affect our effective tax rate if recognized is \$3.0 million, \$2.9 million and \$4.5 million as of December 31, 2015, 2014 and 2013, respectively. The tax years 2009-2014 remain open to examination by major taxing jurisdictions. Due to the potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits balance may change within the next 12 months by a range of zero to \$3.5 million.

The Company had net operating loss carry forwards related to prior acquisitions for U.S. federal purposes at December 31, 2015 and 2014 of \$4.8 million and \$7.1 million, respectively. For non-U.S. purposes the Company had net operating loss carry forwards at December 31, 2015 and 2014 of \$1.6 million and \$5.0 million, respectively. The federal net operating loss carry forwards are available for use against the Company's consolidated federal taxable income and expire between 2018 and 2031. The entire balance of the non-U.S. net operating losses is available to be carried forward.

At December 31, 2015 and 2014, the Company had a foreign capital loss carry forward of approximately \$0.9 million and \$1.0 million, respectively. The foreign capital loss can be carried forward indefinitely. At both December 31, 2015 and 2014 the Company has a valuation allowance against the deferred tax asset attributable to the foreign capital loss of \$0.2 million. At December 31, 2015 and 2014, the Company had state net operating loss and credit carry forwards of approximately \$27.0 million and \$23.7 million, respectively. If unutilized, the state net operating loss will expire between 2019 and 2035. At December 31, 2015 and 2014, the Company recorded a valuation allowance against the deferred tax asset attributable to the state net operating loss of \$1.0 million and \$0.8 million, respectively.

11. Business Segments and Geographic Information

IDEX has three reportable business segments: Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products.

The Fluid & Metering Technologies segment designs, produces and distributes positive displacement pumps, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the food, chemical, general industrial, water & wastewater, agriculture and energy industries. The Health & Science Technologies segment designs, produces and distributes a wide range of precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction and drying systems used in beverage, food processing, pharmaceutical and cosmetics, pneumatic components and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, optical components and coatings for applications in the fields of scientific research, defense, biotechnology, aerospace, telecommunications and electronics manufacturing, laboratory and commercial equipment used in the production of micro and nano scale materials, precision photonic solutions used in life sciences, research and defense markets, and precision gear and peristaltic pump technologies that meet exacting original equipment manufacturer specifications. The Fire & Safety/Diversified Products segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications, and precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world.

Information on the Company's business segments is presented below based on the nature of products and services offered. The Company evaluates performance based on several factors, of which sales and operating income are the primary financial measures. Intersegment sales are accounted for at fair value as if the sales were to third parties.

	2015	2014	2013
	(In thousands)		
NET SALES			
Fluid & Metering Technologies			
External customers	\$ 859,945	\$ 898,530	\$ 870,720
Intersegment sales	847	1,058	1,094
Total segment sales	860,792	899,588	871,814
Health & Science Technologies			
External customers	737,011	747,186	708,940
Intersegment sales	1,985	4,835	5,710
Total segment sales	738,996	752,021	714,650
Fire & Safety/Diversified Products			
External customers	423,712	502,051	444,470
Intersegment sales	203	698	579
Total segment sales	423,915	502,749	445,049
Intersegment eliminations	(3,035)	(6,591)	(7,383)
Total net sales	\$ 2,020,668	\$ 2,147,767	\$ 2,024,130
OPERATING INCOME (LOSS) ⁽¹⁾			
Fluid & Metering Technologies	\$ 204,506	\$ 216,886	\$ 211,256
Health & Science Technologies	157,948	152,999	136,707
Fire & Safety/Diversified Products	115,745	130,494	102,730
Corporate office ⁽²⁾	(46,461)	(69,155)	(55,180)
Total operating income	431,738	431,224	395,513
Interest expense	41,636	41,895	42,206
Other (income) expense - net	(2,243)	(3,111)	178
Income before taxes	\$ 392,345	\$ 392,440	\$ 353,129
	2015	2014	2013
	(In thousands)		
ASSETS			
Fluid & Metering Technologies	\$ 1,125,266	\$ 1,026,238	\$ 1,025,352
Health & Science Technologies	1,108,302	1,101,155	1,113,546
Fire & Safety/Diversified Products	448,867	510,841	484,139
Corporate office ⁽³⁾	123,008	265,229	258,081
Total assets	\$ 2,805,443	\$ 2,903,463	\$ 2,881,118
DEPRECIATION AND AMORTIZATION ⁽⁴⁾			
Fluid & Metering Technologies	\$ 27,662	\$ 26,453	\$ 27,633
Health & Science Technologies	42,827	42,478	43,496
Fire & Safety/Diversified Products	6,051	6,583	6,852
Corporate office and other	1,580	1,393	1,353
Total depreciation and amortization	\$ 78,120	\$ 76,907	\$ 79,334
CAPITAL EXPENDITURES			
Fluid & Metering Technologies	\$ 22,846	\$ 18,215	\$ 11,581
Health & Science Technologies	13,104	19,161	12,280
Fire & Safety/Diversified Products	5,804	6,761	5,040
Corporate office and other	2,022	3,860	2,635
Total capital expenditures	\$ 43,776	\$ 47,997	\$ 31,536

- (1) Segment operating income (loss) excludes net unallocated corporate operating expenses.
- (2) 2015 includes an \$18.1 million gain on sale of business.
- (3) 2014 balance has been reclassified to conform to the current presentation.
- (4) Excludes amortization of debt issuance expenses.

Information about the Company's operations in different geographical regions for the years ended December 31, 2015, 2014 and 2013 is shown below. Net sales were attributed to geographic areas based on location of the customer and no country outside the U.S. was greater than 10% of total revenues.

	2015	2014	2013
	(In thousands)		
NET SALES			
U.S.	\$ 1,015,277	\$ 1,068,758	\$ 983,791
North America, excluding U.S.	85,852	95,917	88,213
Europe	490,435	527,975	521,491
Asia	325,507	337,668	306,466
Other	103,597	117,449	124,169
Total net sales	<u>\$ 2,020,668</u>	<u>\$ 2,147,767</u>	<u>\$ 2,024,130</u>
LONG-LIVED ASSETS — PROPERTY, PLANT AND EQUIPMENT			
U.S.	\$ 144,508	\$ 139,702	\$ 124,880
North America, excluding U.S.	643	814	901
Europe	69,082	54,088	63,018
Asia	26,498	24,912	24,590
Other	214	27	99
Total long-lived assets — net	<u>\$ 240,945</u>	<u>\$ 219,543</u>	<u>\$ 213,488</u>

12. Restructuring

During the third and fourth quarters of 2015 and the fourth quarter of 2014, the Company recorded restructuring costs as a part of restructuring initiatives that support the implementation of key strategic efforts designed to facilitate long-term, sustainable growth through cost reduction actions, primarily consisting of employee reductions and facility rationalization. The costs incurred related to these initiatives were included in Restructuring expenses in the Consolidated Statements of Operations while the related accruals were included in Accrued expenses in the Consolidated Balance Sheets. Severance costs primarily consisted of severance benefits through payroll continuation, COBRA subsidies, outplacement services, conditional separation costs and employer tax liabilities, while exit costs primarily consisted of asset disposals or impairments and lease exit costs.

2015 Initiative

During 2015 the Company recorded pre-tax restructuring expenses totaling \$11.2 million related to the 2015 restructuring initiative. These expenses consisted of employee severance related to employee reductions across various functional areas. The 2015 restructuring initiative included severance benefits for 208 employees. Severance payments are expected to be substantially paid by the end of 2016 using cash from operations.

Pre-tax restructuring expenses, comprised solely of severance costs, by segment for 2015 are as follows:

	Total Restructuring Costs
	(In thousands)
Fluid & Metering Technologies	\$ 7,090
Health & Science Technologies	3,408
Fire & Safety/Diversified Products	576
Corporate/Other	165
Total restructuring costs	\$ 11,239

2014 Initiative

During 2014 the Company recorded pre-tax restructuring expenses in the fourth quarter totaling \$13.7 million related to the 2014 restructuring initiative. These expenses consisted of employee severance related to employee reductions across various functional areas as well as exit costs and asset impairments. The 2014 restructuring initiative included severance benefits for 217 employees. Severance payments were fully paid by the end of 2015 using cash from operations.

Pre-tax restructuring expenses by segment for 2014 were as follows:

	Severance Costs	Exit Costs and Asset Impairments	Total
	(In thousands)		
Fluid & Metering Technologies	\$ 6,413	\$ —	\$ 6,413
Health & Science Technologies	3,520	1,392	4,912
Fire & Safety/Diversified Products	908	126	1,034
Corporate/Other	1,313	—	1,313
Total restructuring costs	\$ 12,154	\$ 1,518	\$ 13,672

Restructuring accruals of \$6.6 million and \$6.1 million at December 31, 2015 and 2014, respectively, are reflected in Accrued expenses in our Consolidated Balance Sheets as follows:

	Restructuring Initiatives
	(In thousands)
Balance at January 1, 2014	\$ —
Restructuring expenses	13,672
Payments, utilization and other	(7,616)
Balance at December 31, 2014	6,056
Restructuring expenses	11,239
Payments, utilization and other	(10,659)
Balance at December 31, 2015	\$ 6,636

13. Share-Based Compensation

The Company maintains two share-based compensation plans for executives, non-employee directors and certain key employees that authorize the granting of stock options, restricted stock, performance share units, and other types of awards consistent with the purpose of the plans. The number of shares authorized for issuance under the Company's plans as of December 31, 2015 totaled 15.6 million, of which 6.7 million shares were available for future issuance. The Company's policy is to recognize compensation cost on a straight-line basis, assuming forfeitures, over the requisite service period for the entire award.

Stock Options

Stock options granted under IDEX plans are generally non-qualified and are granted with an exercise price equal to the market price of the Company's stock at the date of grant. The majority of the options issued to employees become exercisable in four equal installments, beginning one year from the date of grant, and generally expire 10 years from the date of grant. Stock options granted to non-employee directors cliff vest after one year.

Weighted average option fair values and assumptions for the period are as follows:

	Years Ended December 31,		
	2015	2014	2013
Weighted average fair value of grants	\$20.32	\$19.52	\$12.97
Dividend yield	1.45%	1.27%	1.57%
Volatility	29.90%	30.36%	30.92%
Risk-free interest rate	0.24% - 2.82%	0.12% - 4.65%	0.17% - 4.12%
Expected life (in years)	5.93	5.89	5.86

The assumptions are as follows:

- The Company estimated volatility using its historical share price performance over the contractual term of the option.
- The Company uses historical data to estimate the expected life of the option. The expected life assumption for the years ended December 31, 2015, 2014 and 2013 is an output of the Binomial lattice option-pricing model, which incorporates vesting provisions, rate of voluntary exercise and rate of post-vesting termination over the contractual life of the option to define expected employee behavior.
- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the contractual life of the option. For the years ended December 31, 2015, 2014 and 2013, we present the range of risk-free one-year forward rates, derived from the U.S. treasury yield curve, utilized in the Binomial lattice option-pricing model.
- The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the contractual life of the option.

A summary of the Company's stock option activity as of December 31, 2015, and changes during the year ended December 31, 2015 is presented as follows:

Stock Options	Shares	Weighted Average Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2015	2,378,559	\$ 46.91	6.69	\$ 73,561,785
Granted	525,255	78.22		
Exercised	(469,497)	40.73		
Forfeited/Expired	(167,884)	65.82		
Outstanding at December 31, 2015	2,266,433	\$ 54.05	6.58	\$ 51,918,028
Vested and expected to vest at December 31, 2015	2,169,134	\$ 53.17	6.48	\$ 51,531,931
Exercisable at December 31, 2015	1,201,889	\$ 41.72	5.13	\$ 41,942,569

The intrinsic value for stock options outstanding and exercisable is defined as the difference between the market value of the Company's common stock as of the end of the period and the grant price. The total intrinsic value of options exercised in 2015, 2014 and 2013 was \$16.9 million, \$20.0 million and \$34.3 million, respectively. In 2015, 2014 and 2013 cash received from options exercised was \$19.2 million, \$17.2 million and \$35.3 million, respectively, while the actual tax benefit realized for the tax deductions from stock options exercised totaled \$6.1 million, \$7.3 million and \$12.5 million, respectively.

Total compensation cost for stock options is as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cost of goods sold	\$ 543	\$ 581	\$ 479
Selling, general and administrative expenses	6,488	6,245	5,789
Total expense before income taxes	7,031	6,826	6,268
Income tax benefit	(2,208)	(2,194)	(2,016)
Total expense after income taxes	\$ 4,823	\$ 4,632	\$ 4,252

As of December 31, 2015 there was \$10.5 million of total unrecognized compensation cost related to stock options that is expected to be recognized over a weighted-average period of 1.4 years.

Restricted Stock

Restricted stock awards generally cliff vest after three years for employees and non-employee directors. Unvested restricted stock carries dividend and voting rights and the sale of the shares is restricted prior to the date of vesting. A summary of the Company's restricted stock activity as of December 31, 2015, and changes during the year ending December 31, 2015 is as follows:

Restricted Stock	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2015	359,269	\$ 53.68
Granted	99,130	78.20
Vested	(136,310)	44.05
Forfeited	(49,334)	62.00
Unvested at December 31, 2015	272,755	\$ 65.90

Dividends are paid on restricted stock awards and their fair value is equal to the market price of the Company's stock at the date of the grant.

Total compensation cost for restricted stock is as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cost of goods sold	\$ 341	\$ 369	\$ 319
Selling, general and administrative expenses	5,213	6,182	5,890
Total expense before income taxes	5,554	6,551	6,209
Income tax benefit	(1,604)	(1,630)	(1,801)
Total expense after income taxes	\$ 3,950	\$ 4,921	\$ 4,408

As of December 31, 2015 there was \$8.5 million of total unrecognized compensation cost related to restricted stock that is expected to be recognized over a weighted-average period of 1.0 year.

Cash-Settled Restricted Stock

The Company also maintains a cash-settled share based compensation plan for certain employees. Cash-settled restricted stock awards generally cliff vest after three years. A summary of the Company's unvested cash-settled restricted stock activity as of December 31, 2015, and changes during the year ending December 31, 2015 is as follows:

<u>Cash-Settled Restricted Stock</u>	Shares	Weighted-Average Fair Value
Unvested at January 1, 2015	119,395	\$ 77.84
Granted	46,495	76.56
Vested	(41,640)	77.90
Forfeited	(13,390)	76.59
Unvested at December 31, 2015	110,860	\$ 76.61

Dividend equivalents are paid on certain cash-settled restricted stock awards. Total compensation cost for cash-settled restricted stock is as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cost of goods sold	\$ 753	\$ 1,384	\$ 1,061
Selling, general and administrative expenses	1,765	2,735	2,581
Total expense before income taxes	2,518	4,119	3,642
Income tax benefit	(355)	(603)	(495)
Total expense after income taxes	\$ 2,163	\$ 3,516	\$ 3,147

At December 31, 2015 and 2014, the Company has \$3.2 million and \$3.5 million, respectively, included in Accrued expenses in the Consolidated Balance Sheets and \$1.8 million and \$2.5 million, respectively, included in Other non-current liabilities.

Performance Share Units

Beginning in 2013 the Company granted performance share units to selected key employees that may be earned based on IDEX total shareholder return over the three-year period following the date of grant. Performance share units are expected to be made annually and are paid out at the end of a three-year period based on the Company's performance. Performance is measured by determining the percentile rank of the total shareholder return of IDEX common stock in relation to the total shareholder return of the S&P Midcap 400 Industrial Group for the three-year period following the date of grant. The payment of awards following

the three-year award period will be based on performance achieved in accordance with the scale set forth in the plan agreement and may range from 0 percent to 250 percent of the initial grant. A target payout of 100 percent is earned if total shareholder return is equal to the 50th percentile of the S&P Midcap 400 Industrial Group. Performance share units earn dividend equivalents for the award period, which will be paid to participants with the award payout at the end of the period based on the actual number of performance share units that are earned. Payments made at the end of the award period will be in the form of stock for performance share units and will be in cash for dividend equivalents. The Company's performance share awards are considered performance condition awards and the grant date fair value of the awards, based on a Monte Carlo simulation model, is expensed ratably over the three-year term of the awards. The Company granted approximately \$0.1 million performance share units in each of 2015, 2014 and 2013.

Weighted average performance share unit fair values and assumptions for the period specified are as follows:

	Years Ended December 31,		
	2015	2014	2013
Weighted average fair value of grants	\$95.07	\$94.55	\$59.58
Dividend yield	—%	—%	—%
Volatility	19.14%	26.41%	28.99%
Risk-free interest rate	1.01%	0.65%	0.40%
Expected life (in years)	2.86	2.88	2.87

The assumptions are as follows:

- The Company estimated volatility using its historical share price performance over the remaining performance period as of the grant date.
- The Company uses a Monte Carlo simulation model that uses an expected life commensurate with the performance period. As a result, the expected life of the performance share units was assumed to be the period from the grant date to the end of the performance period.
- The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term commensurate with the remaining performance period.
- Total Shareholder Return is determined assuming that dividends are reinvested in the issuing entity over the performance period, which is mathematically equivalent to utilizing a 0% dividend yield.

A summary of the Company's performance share unit activity as of December 31, 2015, and changes during the year ending December 31, 2015 are as follows:

<u>Performance Share Units</u>	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2015	135,540	\$ 81.87
Granted	79,710	95.07
Vested	(43,800)	59.58
Forfeited	(25,175)	87.28
Unvested at December 31, 2015	146,275	\$ 94.80

Awards that vested in 2015 will result in 87,600 shares being issued in 2016.

Total compensation cost for performance share units is as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cost of goods sold	\$ —	\$ —	\$ —
Selling, general and administrative expenses	4,946	3,220	873
Total expense before income taxes	4,946	3,220	873
Income tax benefit	(1,670)	(1,081)	(280)
Total expense after income taxes	\$ 3,276	\$ 2,139	\$ 593

As of December 31, 2015 there was \$5.7 million of total unrecognized compensation cost related to performance shares that is expected to be recognized over a weighted-average period of 0.9 years.

14. Other Comprehensive Income (Loss)

The components of Other comprehensive income (loss) are as follows:

	For the Year Ended December 31, 2015			For the Year Ended December 31, 2014		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
	(In thousands)					
Foreign currency translation adjustments						
Cumulative translation adjustment	\$ (63,441)	\$ —	\$ (63,441)	\$ (77,024)	\$ —	\$ (77,024)
Reclassification of foreign currency translation to earnings upon sale of business	(4,725)	—	(4,725)	—	—	—
Pension and other postretirement adjustments						
Net gain (loss) arising during the year	8,318	(2,411)	5,907	(26,424)	7,767	(18,657)
Amortization/settlement recognition of net loss	4,939	(1,431)	3,508	3,113	(915)	2,198
Pension and other postretirement adjustments, net	13,257	(3,842)	9,415	(23,311)	6,852	(16,459)
Reclassification adjustments for derivatives	7,030	(2,499)	4,531	7,223	(2,713)	4,510
Total other comprehensive income (loss)	\$ (47,879)	\$ (6,341)	\$ (54,220)	\$ (93,112)	\$ 4,139	\$ (88,973)

	For the Year Ended December 31, 2013		
	Pre-tax	Tax	Net of tax
	(In thousands)		
Foreign currency translation adjustments			
Cumulative translation adjustment	\$ 13,572	\$ —	\$ 13,572
Pension and other postretirement adjustments			
Net gain (loss) arising during the year	26,274	(9,859)	16,415
Amortization or settlement recognition of net loss	8,599	(3,226)	5,373
Pension and other postretirement adjustments, net	34,873	(13,085)	21,788
Reclassification adjustments for derivatives	7,430	(2,692)	4,738
Total other comprehensive income (loss)	\$ 55,875	\$ (15,777)	\$ 40,098

Amounts reclassified from accumulated other comprehensive income (loss) to net income are summarized as follows:

	<u>For the Years Ended December 31,</u>			<u>Income Statement Caption</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Foreign currency translation:				
Reclassification upon sale of business	\$ (4,725)	\$ —	\$ —	Gain on sale of business
Total before tax	(4,725)	—	—	
Provision for income taxes	—	—	—	
Total net of tax	<u>\$ (4,725)</u>	<u>\$ —</u>	<u>\$ —</u>	
Pension and other postretirement plans:				
Amortization of service cost	\$ 4,939	\$ 3,113	\$ 8,599	Selling, general and administrative expense
Total before tax	4,939	3,113	8,599	
Provision for income taxes	(1,431)	(915)	(3,226)	
Total net of tax	<u>\$ 3,508</u>	<u>\$ 2,198</u>	<u>\$ 5,373</u>	
Derivatives:				
Reclassification adjustments	\$ 7,030	\$ 7,223	\$ 7,430	Interest expense
Total before tax	7,030	7,223	7,430	
Provision for income taxes	(2,499)	(2,713)	(2,692)	
Total net of tax	<u>\$ 4,531</u>	<u>\$ 4,510</u>	<u>\$ 4,738</u>	

15. Retirement Benefits

The Company sponsors several qualified and nonqualified pension plans and other postretirement plans for its employees. The Company uses a measurement date of December 31 for its defined benefit pension plans and post retirement medical plans. The Company employs the measurement date provisions of ASC 715, *Compensation-Retirement Benefits*, which require the measurement date of plan assets and liabilities to coincide with the sponsor's year end.

The following table provides a reconciliation of the changes in the benefit obligations and fair value of plan assets over the two-year period ended December 31, 2015, and a statement of the funded status at December 31 for both years.

	Pension Benefits				Other Benefits			
	2015		2014		2015		2014	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
(In thousands)								
CHANGE IN BENEFIT OBLIGATION								
Obligation at January 1	\$ 102,312	\$ 69,488	\$ 92,839	\$ 60,471	\$ 22,855	\$ 21,354		
Service cost	1,279	1,506	1,162	1,331	673	714		
Interest cost	3,770	1,734	4,037	2,345	833	932		
Plan amendments	113	—	—	(150)	—	—		
Benefits paid	(3,985)	(2,448)	(6,230)	(2,955)	(622)	(691)		
Actuarial loss (gain)	(5,013)	(6,909)	10,540	15,092	(2,966)	728		
Currency translation	—	(5,308)	—	(6,646)	(373)	(182)		
Curtailments/settlements	—	—	(36)	—	—	—		
Obligation at December 31	\$ 98,476	\$ 58,063	\$ 102,312	\$ 69,488	\$ 20,400	\$ 22,855		
CHANGE IN PLAN ASSETS								
Fair value of plan assets at January 1	\$ 79,687	\$ 22,152	\$ 81,957	\$ 22,334	\$ —	\$ —		
Actual return on plan assets	(2,587)	205	2,385	1,738	—	—		
Employer contributions	4,460	1,837	1,611	2,424	622	691		
Benefits paid	(3,985)	(2,448)	(6,230)	(2,955)	(622)	(691)		
Currency translation	—	(1,101)	—	(1,389)	—	—		
Settlements	—	—	(36)	—	—	—		
Fair value of plan assets at December 31	\$ 77,575	\$ 20,645	\$ 79,687	\$ 22,152	\$ —	\$ —		
Funded status at December 31	\$ (20,901)	\$ (37,418)	\$ (22,625)	\$ (47,336)	\$ (20,400)	\$ (22,855)		
COMPONENTS ON THE CONSOLIDATED BALANCE SHEETS								
Current liabilities	\$ (743)	\$ (875)	\$ (522)	\$ (805)	\$ (911)	\$ (905)		
Other noncurrent liabilities	(20,158)	(36,543)	(22,103)	(46,531)	(19,489)	(21,950)		
Net liability at December 31	\$ (20,901)	\$ (37,418)	\$ (22,625)	\$ (47,336)	\$ (20,400)	\$ (22,855)		

The accumulated benefit obligation (“ABO”) for all defined benefit pension plans was \$150.4 million and \$163.3 million at December 31, 2015 and 2014, respectively.

The weighted average assumptions used in the measurement of the Company’s benefit obligation at December 31, 2015 and 2014 were as follows:

	U.S. Plans		Non-U.S. Plans	
	2015	2014	2015	2014
Discount rate	4.12%	3.78%	2.99%	2.66%
Rate of compensation increase	4.00%	4.00%	2.98%	3.00%

The pretax amounts recognized in Accumulated other comprehensive income (loss) as of December 31, 2015 and 2014 were as follows:

	Pension Benefits				Other Benefits	
	2015		2014		2015	2014
	U.S.	Non-U.S.	U.S.	Non-U.S.		
	(In thousands)					
Prior service cost (credit)	\$ 135	\$ (38)	\$ 86	\$ (40)	\$ (1,215)	\$ (1,580)
Net loss	33,461	15,330	34,337	25,275	(2,197)	655
Total	\$ 33,596	\$ 15,292	\$ 34,423	\$ 25,235	\$ (3,412)	\$ (925)

The amounts in Accumulated other comprehensive income (loss) as of December 31, 2015, that are expected to be recognized as components of net periodic benefit cost during 2016 are as follows:

	U.S. Pension Benefit Plans	Non-U.S. Pension Benefit Plans	Other Benefit Plans	Total
	(In thousands)			
Prior service cost (credit)	\$ 24	\$ (15)	\$ (366)	\$ (357)
Net loss	3,285	1,028	(249)	4,064
Total	\$ 3,309	\$ 1,013	\$ (615)	\$ 3,707

The components of, and the weighted average assumptions used to determine, the net periodic benefit cost for the plans in 2015, 2014 and 2013 are as follows:

	Pension Benefits					
	2015		2014		2013	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
	(In thousands)					
Service cost	\$ 1,279	\$ 1,506	\$ 1,162	\$ 1,331	\$ 1,526	\$ 1,388
Interest cost	3,770	1,734	4,037	2,345	3,766	2,146
Expected return on plan assets	(4,910)	(1,114)	(5,430)	(1,297)	(5,318)	(1,055)
Net amortization	3,422	1,931	2,187	1,400	7,621	955
Net periodic benefit cost	\$ 3,561	\$ 4,057	\$ 1,956	\$ 3,779	\$ 7,595	\$ 3,434

	Other Benefits		
	2015	2014	2013
	(In thousands)		
Service cost	\$ 673	\$ 714	\$ 968
Interest cost	833	932	906
Net amortization	(414)	(474)	24
Net periodic benefit cost	\$ 1,092	\$ 1,172	\$ 1,898

	U.S. Plans			Non-U.S. Plans		
	2015	2014	2013	2015	2014	2013
Discount rate	3.78%	4.61%	3.56%	2.66%	4.03%	3.91%
Expected return on plan assets	6.50%	7.00%	7.50%	5.19%	5.83%	5.53%
Rate of compensation increase	4.00%	4.00%	3.94%	3.00%	3.14%	2.99%

The pretax change recognized in Accumulated other comprehensive income (loss) in 2015 is as follows:

	Pension Benefits		Other Benefits
	U.S.	Non-U.S.	
	(In thousands)		
Net gain (loss) in current year	\$ (2,483)	\$ 6,000	\$ 2,967
Prior service cost	(113)	—	—
Amortization of prior service cost (credit)	64	(15)	(365)
Amortization of net loss	3,359	1,946	(48)
Exchange rate effect on amounts in OCI	—	2,012	(67)
Total	<u>\$ 827</u>	<u>\$ 9,943</u>	<u>\$ 2,487</u>

The discount rates for our plans are derived by matching the plan's cash flows to a yield curve that provides the equivalent yields on zero-coupon bonds for each maturity. The discount rate selected is the rate that produces the same present value of cash flows.

In selecting the expected rate of return on plan assets, the Company considers the historical returns and expected returns on plan assets. The expected returns are evaluated using asset return class, variance and correlation assumptions based on the plan's target asset allocation and current market conditions.

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation or the market value of assets are amortized over the average remaining service period of active participants.

Costs of defined contribution plans were \$10.3 million, \$9.1 million and \$8.4 million for 2015, 2014 and 2013, respectively.

The Company, through its subsidiaries, participates in certain multi-employer pension plans covering approximately 398 participants under U.S. collective bargaining agreements. None of these plans are considered individually significant to the Company as contributions to these plans totaled \$1.0 million, \$1.0 million, and \$1.1 million for 2015, 2014 and 2013, respectively.

For measurement purposes, a 6.94% weighted average annual rate of increase in the per capita cost of covered health care benefits was assumed for 2015. The rate was assumed to decrease gradually each year to a rate of 4.50% for 2027, and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A 1% increase in the assumed health care cost trend rates would increase the service and interest cost components of the net periodic benefit cost by \$0.2 million and the health care component of the accumulated postretirement benefit obligation by \$1.6 million. A 1% decrease in the assumed health care cost trend rate would decrease the service and interest cost components of the net periodic benefit cost by \$0.1 million and the health care component of the accumulated postretirement benefit obligation by \$1.3 million.

Plan Assets

The Company's pension plan weighted average asset allocations at December 31, 2015 and 2014, by asset category, were as follows:

	2015	2014
Equity securities	46%	51%
Fixed income securities	48%	49%
Cash/Other	6%	—%
Total	100%	100%

The basis used to measure the defined benefit plans' assets at fair value at December 31, 2015 and 2014 is summarized as follows:

	Basis of Fair Value Measurement			
	Outstanding Balances	Level 1	Level 2	Level 3
(In thousands)				
As of December 31, 2015				
Equity				
U.S. Large Cap	\$ 23,465	\$ 23,465	\$ —	\$ —
U.S. Small / Mid Cap	10,184	7,482	2,702	—
International	11,986	7,786	4,200	—
Fixed Income				
U.S. Intermediate	15,000	15,000	—	—
U.S. Short Duration	8,935	8,935	—	—
U.S. High Yield	7,758	6,922	836	—
International	15,249	7,241	8,008	—
Cash and Equivalents	1,829	1,829	—	—
Other	3,836	—	3,836	—
	<u>\$ 98,242</u>	<u>\$ 78,660</u>	<u>\$ 19,582</u>	<u>\$ —</u>

	Basis of Fair Value Measurement			
	Outstanding Balances	Level 1	Level 2	Level 3
(In thousands)				
As of December 31, 2014				
Equity				
U.S. Large Cap	\$ 26,787	\$ 26,787	\$ —	\$ —
U.S. Small / Mid Cap	7,950	7,950	—	—
International	14,797	8,275	6,522	—
Fixed Income				
U.S. Intermediate	14,906	14,906	—	—
U.S. Short Duration	8,817	8,817	—	—
U.S. High Yield	5,270	5,270	—	—
International	20,776	6,679	14,097	—
Cash and Equivalents	2,329	2,329	—	—
Other	284	—	284	—
	<u>\$ 101,916</u>	<u>\$ 81,013</u>	<u>\$ 20,903</u>	<u>\$ —</u>

Equities that are valued using quoted prices are valued at the published market prices. Equities in a common collective trust or a registered investment company that are valued using significant other observable inputs are valued at the net asset value (“NAV”) provided by the fund administrator. The NAV is based on the value of the underlying assets owned by the fund minus its liabilities. Fixed income securities that are valued using significant other observable inputs are valued at prices obtained from independent financial service industry-recognized vendors.

Investment Policies and Strategies

The investment objective of the plan, consistent with prudent standards for preservation of capital and maintenance of liquidity, is to earn the highest possible total rate of return consistent with the plan’s tolerance for risk. The general asset allocation guidelines for plan assets are that “equities” will constitute from 40% to 60% of the market value of total fund assets with a target of 50%, and “fixed income” obligations, including cash, will constitute from 40% to 60% with a target of 50%. The term “equities” includes common stock, convertible bonds and convertible stock. The term “fixed income” includes preferred stock and/or contractual payments with a specific maturity date. The Company strives to maintain asset allocations within the designated ranges by conducting periodic reviews of fund allocations and plan liquidity needs, and rebalancing the portfolio accordingly. Diversification of assets is employed to ensure that adverse performance of one security or security class does not have an undue detrimental impact on the portfolio as a whole. Diversification is interpreted to include diversification by type, characteristic and number of investments, as well as by investment style of designated investment fund managers. No restrictions are placed on the selection of individual investments by the investment fund managers. The total fund performance and the performance of the investment fund managers is reviewed on a regular basis, using appointed professional independent advisors. As of December 31, 2015 and 2014, there were no shares of the Company’s stock held in plan assets.

Cash Flows

The Company expects to contribute approximately \$6.1 million to its defined benefit plans and \$0.9 million to its other postretirement benefit plans in 2016. The Company also expects to contribute approximately \$20.8 million to its defined contribution plan and \$8.1 million to its 401(k) savings plan in 2016.

Estimated Future Benefit Payments

The future estimated benefit payments for the next five years and the five years thereafter are as follows: 2016 — \$14.2 million; 2017 — \$10.0 million; 2018 — \$10.6 million; 2019 — \$10.3 million; 2020 — \$10.6 million; 2021 to 2025 — \$52.6 million.

16. Quarterly Results of Operations (Unaudited)

The unaudited quarterly results of operations for the years ended December 31, 2015 and 2014 are as follows:

	2015 Quarters				2014 Quarters			
	First	Second	Third	Fourth	First	Second	Third	Fourth
	(In thousands, except per share amounts)							
Net sales	\$ 502,198	\$ 514,881	\$ 503,791	\$ 499,798	\$ 543,996	\$ 546,693	\$ 533,179	\$ 523,899
Gross profit	226,041	231,615	223,260	223,399	244,420	241,132	234,646	229,117
Operating income	101,757	109,909	121,813	98,259	113,835	112,088	110,847	94,454
Net income	65,954	69,585	79,505	67,763	74,548	71,777	71,441	61,620
Basic EPS	\$ 0.84	\$ 0.89	\$ 1.03	\$ 0.89	\$ 0.92	\$ 0.89	\$ 0.89	\$ 0.78
Diluted EPS	\$ 0.84	\$ 0.89	\$ 1.02	\$ 0.88	\$ 0.91	\$ 0.88	\$ 0.88	\$ 0.77
Basic weighted average shares outstanding	77,996	77,466	76,831	76,211	80,527	80,106	79,558	78,669
Diluted weighted average shares outstanding	78,856	78,297	77,646	77,091	81,575	81,149	80,561	79,632

17. Subsequent Events

On February 4, 2016 the Company entered into a definitive agreement to acquire Akron Brass Holding Corp. (“ABHC”), a global leader in the manufacturing of safety equipment and emergency response equipment, for cash consideration of \$224.2 million, subject to customary adjustments. Operating under the Akron Brass and Weldon brand names, ABHC produces a large array of engineered life-safety products for the safety and emergency response markets, including apparatus valves, monitors, nozzles, specialty lighting, electronic vehicle-control systems and firefighting hand tools.

Located in Wooster, Ohio, ABHC had revenues of approximately \$120 million for the trailing twelve months ended December 31, 2015 and will operate within the Fire and Safety/Diversified Products segment. The transaction is conditioned upon the approval of ABHC’s parent company’s shareholders, and is expected to close within 60 days, subject to regulatory approvals and customary closing conditions.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

None.

Item 9A. *Controls and Procedures.*

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by SEC Rule 13a-15(b), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2015.

Management's Report on Internal Control Over Financial Reporting appearing on page 32 of this report is incorporated into this Item 9A by reference.

There has been no change in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. *Other Information.*

None.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

Information under the headings “Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance,” and the information under the subheading “Information Regarding the Board of Directors and Committees,” in the 2016 Proxy Statement is incorporated into this Item 10 by reference. Information regarding executive officers of the Company is located in Part I, Item 1, of this report under the caption “Executive Officers of the Registrant.”

The Company has adopted a Code of Business Conduct and Ethics applicable to the Company’s directors, officers (including the Company’s principal executive officer, principal financial officer and principal accounting officer) and employees. The Code of Business Conduct and Ethics, along with the Audit Committee Charter, Nominating and Corporate Governance Committee Charter, Compensation Committee Charter and Corporate Governance Guidelines are available on the Company’s website at www.idexcorp.com under “Investor Relations.” In the event we amend or waive any of the provisions of the Code of Business Conduct and Ethics applicable to our principal executive officer, principal financial officer or principal accounting officer, we intend to disclose the same on the Company’s website.

Item 11. Executive Compensation.

Information under the heading “Executive Compensation” in the 2016 Proxy Statement is incorporated into this Item 11 by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information under the heading “Security Ownership” in the 2016 Proxy Statement is incorporated into this Item 12 by reference.

Equity Compensation Plan Information

Information with respect to the Company’s equity compensation plans as of December 31, 2015 is as follows:

<u>Plan Category</u>	<u>Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(1)</u>
Equity compensation plans approved by the Company’s stockholders	2,727,588	\$ 54.05	6,672,094

(1) Includes an indeterminate number of shares underlying deferred compensation units (“DCUs”) granted under the Directors Deferred Compensation Plan and Deferred Compensation Plan for Non-officer Presidents which are issuable under the Company’s Incentive Award Plan. Also includes an indeterminate number of shares underlying DCUs granted under the Deferred Compensation Plan for Officers, which shares are issuable under the Incentive Award Plan. The number of DCUs granted under these plans is determined by dividing the amount deferred by the closing price of the common stock the day before the date of deferral. The DCUs are entitled to receive dividend equivalents which are reinvested in DCUs based on the same formula for investment of a participant’s deferral.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information under the heading “Information Regarding the Board of Directors and Committees” in the 2016 Proxy Statement is incorporated into this Item 13 by reference.

Item 14. Principal Accountant Fees and Services.

Information under the heading “Principal Accountant Fees and Services” in the 2016 Proxy Statement is incorporated into this Item 14 by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(A) 1. Financial Statements

Consolidated financial statements filed as part of this report are listed under Part II, Item 8. “Financial Statements and Supplementary Data.”

2. Financial Statement Schedules

Financial statement schedules are omitted because they are not applicable, not required, or because the required information is included in the Consolidated Financial Statements of the Company or the Notes thereto.

3. Exhibits

The exhibits filed with this report are listed on the “Exhibit Index.”

(B) Exhibit Index

Reference is made to the Exhibit Index beginning on page 76 hereof.

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.

IDEX CORPORATION

By: /s/ HEATH A. MITTS

Heath A. Mitts

Senior Vice President and Chief Financial Officer

Date: February 19, 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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ ANDREW K. SILVERNAIL</u> Andrew K. Silvernail	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 19, 2016
<u>/s/ HEATH A. MITTS</u> Heath A. Mitts	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 19, 2016
<u>/s/ MICHAEL J. YATES</u> Michael J. Yates	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 19, 2016
<u>/s/ WILLIAM M. COOK</u> William M. Cook	Director	February 19, 2016
<u>/s/ KATRINA L. HELMKAMP</u> Katrina L. Helmkamp	Director	February 19, 2016
<u>/s/ GREGORY F. MILZCIK</u> Gregory F. Milzcik	Director	February 19, 2016
<u>/s/ ERNEST J. MROZEK</u> Ernest J. Mrozek	Director	February 19, 2016
<u>/s/ DAVID C. PARRY</u> David C. Parry	Director	February 19, 2016
<u>/s/ LIVINGSTON L. SATTERTHWAITE</u> Livingston L. Satterthwaite	Director	February 19, 2016
<u>/s/ CYNTHIA J. WARNER</u> Cynthia J. Warner	Director	February 19, 2016

Exhibit Index

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988)
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 (a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235)
3.1(b)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 (b) to the Current Report of IDEX on Form 8-K filed March 24, 2005, Commission File No. 1-10235)
3.2	Amended and Restated By-Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.1 to the Current Report of IDEX on Form 8-K filed November 14, 2011, Commission File No. 1-10235)
4.1	Specimen Certificate of Common Stock of IDEX Corporation (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX, et al., Registration No. 33-42208, as filed on September 16, 1991)
4.2	Credit Agreement, dated as of June 23, 2015, among IDEX Corporation, Bank of America N.A. as Agent and Issuing Bank, and the Other Financial Institutions Party Hereto (incorporated by reference to Exhibit 10.1 to the Current Report of IDEX on Form 8-K filed June 25, 2015, Commission File No. 1-10235)
4.3	Indenture between IDEX Corporation and Wells Fargo Bank, National Association, as Trustee, dated as of December 6, 2010 (Debt Securities) (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K filed December 7, 2010, Commission File No. 1-10235)
4.4	First Supplemental Indenture between IDEX Corporation and Wells Fargo Bank, National Association, as Trustee, dated as of December 6, 2010 (as to 4.5% Senior Notes due 2020) (incorporated by reference to Exhibit No. 4.2 to the Current Report of IDEX on Form 8-K filed December 7, 2010, Commission File No. 1-10235)
4.5	Second Supplemental Indenture between IDEX Corporation and Wells Fargo Bank, National Association, as Trustee, dated as of December 13, 2011 (as to 4.2% Senior Notes due 2021) (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K filed December 14, 2011, Commission File No. 1-10235)
10.1**	Revised and Restated IDEX Management Incentive Compensation Plan for Key Employees Effective January 1, 2013 (incorporated by reference to Exhibit 10.2 to the Current Report of IDEX on Form 8-K filed February 20, 2013, Commission File No. 1-10235)
10.2**	Form of Indemnification Agreement of IDEX Corporation (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-28317, as filed on April 26, 1989, Commission File No. 1-10235)
10.3**	IDEX Corporation Amended and Restated Stock Option Plan for Outside Directors, adopted by resolution of the Board of Directors dated as of November 20, 2003 (incorporated by reference to Exhibit 10.6 (a) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2003, Commission File No. 1-10235)
10.4**	Letter Agreement between IDEX Corporation and Frank J. Notaro, dated April 24, 2000 (incorporated by reference to Exhibit 10.25 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2005, Commission File No. 1-10235)
10.5**	IDEX Corporation Incentive Award Plan (as amended and restated) (incorporated by reference to Appendix A of the Proxy Statement of IDEX on Schedule 14A, filed March 5, 2010, Commission File No. 1-10235)
10.6**	Employment Agreement between IDEX Corporation, IDEX Service Corporation and Andrew K. Silvernail, dated November 8, 2013 (incorporated by reference to Exhibit No. 10.1 to the Current Report of IDEX on Form 8-K filed November 14, 2013, Commission File No. 1-10235)

Exhibit Number	Description
10.7**	Letter Agreement between IDEX Corporation and Frank J. Notaro, dated June 22, 2015 (incorporated by reference to Exhibit No. 10.2 to the Current Report of IDEX on Form 8-K filed June 25, 2015, Commission File No. 1-10235)
10.8**	Third Amended and Restated IDEX Corporation Directors Deferred Compensation Plan (incorporated by reference to Exhibit No. 10.30 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2010, Commission File No. 1-10235)
10.9**	IDEX Corporation Supplemental Executive Retirement and Deferred Compensation Plan (incorporated by reference to Exhibit No. 10.31 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2010, Commission File No. 1-10235)
10.10**	Letter Agreement between IDEX Corporation and Daniel Salliotte, dated September 30, 2010 (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2012, Commission File No. 1-10235)
10.11**	Letter Agreement between IDEX Corporation and Heath A. Mitts, dated September 30, 2010 (incorporated by reference to Exhibit No. 10.2 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2012, Commission File No. 1-10235)
10.12**	Letter Agreement between IDEX Corporation and Jeffrey Bucklew, dated January 16, 2012 (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2013, Commission File No. 1-10235)
10.13**	Letter Agreements between IDEX Corporation and Eric Ashleman, dated January 14, 2008 and February 12, 2014 (incorporated by reference to Exhibit No. 10.14 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.14**	Amendment of Letter Agreement between IDEX Corporation and Frank Notaro, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.15**	Form of IDEX Corporation Restricted Stock Award Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.16**	Form of IDEX Corporation Stock Option Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.17**	Form of IDEX Corporation Restricted Stock Unit Award Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.18 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.18**	Form of IDEX Corporation Restricted Stock Unit Award Agreement - Cash Settled effective February 2015 (incorporated by reference to Exhibit No. 10.19 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2015, Commission File No. 1-10235)
10.19**	Form of IDEX Corporation Performance Share Unit Award Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.20 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2015, Commission File No. 1-10235)
10.20**	Form of IDEX Corporation Restricted Stock Unit Agreement for Directors effective February 2015 (incorporated by reference to Exhibit No. 10.21 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.21**	Form of IDEX Corporation Stock Option Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.22 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.22**	Form of IDEX Corporation Restricted Stock Award Agreement effective February 2015 (incorporated by reference to Exhibit No. 10.23 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2014, Commission File No. 1-10235)
10.23**	Letter Agreement between IDEX Corporation and Brett Finley, dated December 18, 2015
10.24**	Letter Agreement between IDEX Corporation and Denise Cade, dated September 24, 2015

Exhibit Number	Description
10.25	Stock Purchase Agreement, dated February 4, 2016, by and among IDEX Corporation, Premier Farnell PLC, Celdis Limited, Premier Farnell Corp. and Akron Brass Holding Corp.
12	Ratio of Earnings to Fixed Charges
21	Subsidiaries of IDEX
23	Consent of Deloitte & Touche LLP
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 (a) or Rule 15d-14 (a)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 (a) or Rule 15d-14 (a)
***32.1	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code
***32.2	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code
****101	The following materials from IDEX Corporation's Annual Report on Form 10-K for the year ended December 31, 2015 formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets at December 31, 2015 and 2014, (ii) the Consolidated Statements of Operations for the three years ended December 31, 2015, (iii) the Consolidated Statements of Comprehensive Income for the three years ended December 31, 2015, (iv) the Consolidated Statements of Shareholders' Equity for the three years ended December 31, 2015, (v) the Consolidated Statements of Cash Flows for the three years ended December 31, 2015, and (vi) Notes to the Consolidated Financial Statements.
**	Management contract or compensatory plan or agreement.
***	Furnished herewith.
****	In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.



SEVERANCE & GENERAL RELEASE AGREEMENT

For and in consideration of the mutual promises, covenants, and agreements made by and between Brett Finley (referred to hereinafter "Executive," a term which includes the employee and all assigns, heirs, and successors in interest) and IDEX Corporation ("Company," a term which includes IDEX Corporation, any parent, subsidiary, or affiliated companies, and the officers, directors, shareholders, employees, agents, attorneys and contractors of each), as set forth below:

(1) Transition Services: The Company desires to transition the Executive's job duties to other individuals and desires that the Executive assist in the transition of those duties and the Executive is willing to perform his duties to assist in such a transition. The Executive understands that he will perform those duties as directed by the Chief Operating Officer of the Company.

It is further understood that the Executive's employment with the Company will end on the close of business on the Termination Date whereupon all payments, benefits and privileges related to employment shall end, except as expressly set forth in this Agreement. The Termination Date shall be December 31, 2015. Executive confirms his resignation effective as of the close of business on the Termination Date from his employment and also from all director, manager, officer and any other related and appointed positions he may have held throughout his employment.

(2) Consideration: In consideration for the promises and benefits made herein, the Company agrees to provide the following, but only in the event that the Executive signs, and does not revoke, this Severance & General Release Agreement:

- (i) Continue the Executive on the Company's payroll through the Termination Date under the terms set forth in Paragraph 1.
- (ii) The Executive agrees to forfeit any annual bonus payment or award that he was otherwise entitled to under the Incentive Award Plan (IAP) and/or the Management Incentive Compensation Plan (MICP) for 2015. The Company agrees to pay the Executive an amount equal to the annual incentive that would have been payable to the Executive if he were an active employee on the regular payment date in 2016. This amount will be based on the Executive's annualized base salary of \$422,300.00, his annual incentive target percentage of 70% and actual IDEX 2015 Company performance and will be paid within 60 days of the Termination Date.
- (iii) Pay Executive a severance payment of twelve (12) months of base salary at the Executive's current compensation rate of \$422,300.00 and a target annual bonus at the current target MICP percentage of 70% for a total of \$717,910.00 (less applicable taxes and withholdings) as set forth in the Executive's employment offer letter dated February 12, 2014. These severance payments will be made in the form of a lump sum payment and will be paid on the Company's first regular scheduled pay date following the Termination Date.
- (iv) Pay the Executive an amount equal to \$27,508.00 (less applicable taxes and withholdings). This payment is intended to cover the cost of continued medical coverage through COBRA during the severance payment period for Executive and his eligible dependents. This payment will be made in the form of a lump sum payment and will be paid on the Company's first regular scheduled pay date following the Termination Date.
- (v) Provided the Executive is an active employee as of the Termination Date, he will vest in his 2013 performance share unit award per the terms of the Performance Share Unit Award Agreement. Shares of IDEX stock will be delivered to the Executive's account at UBS at the same time and same manner as other executives vesting in this award.
- (vi) Pay Executive, as an additional severance payment, an amount equal to \$698,634.00 (less applicable taxes and withholdings). This additional severance payment will be made in the form of a lump sum payment and will be paid in two equal installments; the first installment will be made on the Company's first regular scheduled pay date in January 2017, and the second installment will be made on the Company's first regular scheduled pay date in January 2018 following the expiration of the non-competition period as specified in Paragraph 10 below.
- (vii) Provide the Executive with outplacement services for up to 12 months with the nature and scope of such services determined by the Company and paid directly to the outplacement service by the Company. Executive is not

able to initiate services until this Agreement has been signed and returned to the Company. Executive is required to initiate services within 90 days of his Termination Date or the benefit will be waived.

Executive is not eligible for any other payments after the Termination Date, other than specifically provided herein. No severance pay or benefits will be made to Executive until all expense reports have been received, reviewed and finalized, and all Company property has been returned as provided in Paragraph 7.

(3) Other Benefits: Nothing in this Agreement shall: (i) alter or reduce any vested, accrued pension benefits (if any) to which Executive may be entitled under the IDEX Corporation Retirement Plan, the IDEX Corporation Defined Contribution Plan, the IDEX Corporation Savings Plan (401(k)) Plan or under the IDEX Corporation Supplemental Executive Retirement and Deferred Compensation Plan; or (ii) affect the Executive's right to elect and pay for continuation of group medical plan coverage under the Company's group medical plans pursuant to COBRA. Any benefits (if any) under these plans identified shall be paid to the Executive pursuant to the terms of the plan documents.

Executive will vest in any and all restricted stock awards and stock option awards which would vest under the terms of such awards based on continued service through and including the Termination Date. Effective as of the termination date, the Executive hereby forfeits and surrenders those parts of any and all other performance stock or share unit awards, restricted stock awards and stock option awards which are scheduled to vest based on service continuing after the Termination Date.

(4) Release: The parties agree that in consideration for the undertakings and promises of the Company, the Executive unconditionally releases, discharges, holds harmless, and agrees to indemnify the Company from each and every claim, cause of action, right, liability or demand of any kind, and from any claims which may be derived therefrom (collectively referred to as "claims"), that Executive had, has, or might claim to have against the Company at the time the Executive executes this Agreement (hereinafter referred to as the "Effective Date"), including but not limited to claims of every kind and character, known or unknown, matured or not matured, which Executive may have now or in the future arising from any act or omission or condition occurring on or prior to the Effective Date (including, without limitation, the future effects of such acts, omissions, or conditions), whether based on tort, contract (express or implied), or any federal, state, or local law, statute, or regulation (collectively, the "Released Claims").

By way of example and not in limitation of the foregoing, Released Claims shall include any claims arising under: (i) Title VII of the Civil Rights Act of 1964, 42 U.S.C §1981, the Age Discrimination in Employment Act, the Americans with Disabilities Act, any applicable state, county or local fair employment practice law or ordinance, the National Labor Relations Act, the Family Medical Leave Act, the Employment Retirement Income Security Act, as well as any claims asserting discrimination based upon age, race, sex, national origin, disability or handicap, religion, sexual orientation, marital status, entitlement to benefits, or any other protected status; (ii) wrongful termination; (iii) harassment; (iv) breach of contract; (v) breach of the covenant of good faith and fair dealing; (vi) negligent or intentional infliction of emotional distress; (vii) negligent or intentional misrepresentation; (viii) negligent or intentional interference with contract or prospective economic advantage; (ix) retaliation; (x) whistleblowing; (xi) defamation; (xii) invasion of privacy; and (xiii) claims related to disability. Released Claims shall also include, but not be limited to, claims for severance pay, bonuses, sick leave, vacation pay, life or health insurance, or any other fringe benefit.

Executive likewise releases the Company from any and all claims or potential claims for damages or relief of any kind, including but not limited to back pay, front pay, compensatory damages, punitive damages, attorneys' fees, costs, disbursements and/or the like, or for equitable relief and reinstatement. Notwithstanding the foregoing, Released Claims shall not include: (i) any claims based on obligations created by or reaffirmed in this Agreement; (ii) any unemployment insurance claims and any workers' compensation claims; (iii) any claim that cannot be waived based on applicable law; or (iv) any claims for indemnification by the Company nor any claims for coverage under the directors and officers liability insurance policies maintained by the Company.

Executive also promises not to sue the Company or any party released herein on account of any claim released in this Agreement. Other than unemployment benefits, Executive further promises not to accept, recover or receive any monetary damages or any other form of relief which may arise out of or in connection with any administrative remedies which may be filed with or pursued independently by any governmental agency or agencies, whether federal, state or local, and further agrees that Employee also shall not be entitled to any further compensation or benefits sought on his behalf.

As of the date Executive signs this Agreement, Executive certifies that he has not filed any charge, complaint, or lawsuit over any claim(s) referred to in this Agreement. While Executive understands that the law permits, and that he is not foreclosed from filing an agency charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the National Labor Relations Board, or any other federal, state or local agency charged

with the enforcement of any laws, although by signing this Agreement, Executive is hereby waiving any right to individual relief based on any claims asserted in such a charge or complaint, whether filed by Executive or any other person or entity.

(5) Confidentiality: Executive represents and agrees to keep all matters concerning this Agreement, as well as the circumstances and contents of this Agreement, confidential from the date of this Agreement forward, and not to discuss with anyone except the Executive's spouse, legal counsel and financial representatives. The Company also agrees to keep the circumstances and the content of this Agreement confidential and only share pursuant to any legal obligations and also will only share with Company employees who have a need-to-know. Nothing in this Agreement shall prohibit any party from complying with any subpoena or other legal requirement to disclose information relating to this matter. The Company agrees that upon request the Executive may share copies of the documents referenced in paragraph 9 herein and paragraph 10 herein with executive recruiters and prospective employers.

(6) Non-Disparagement: Executive promises that he shall not make, directly or indirectly, to any person or entity, including but not limited to, present or former employees of the Company, customers or vendors of the Company, any disparaging oral or written statements about the Company, its employees or customers or do anything which damages the Company and/or its services, reputation, financial status, or business relationships. This shall not be construed or enforced in a manner that would restrict Executive's rights, if any, under the National Labor Relations Act or any other applicable law. The Company promises that members of the Executive Leadership Team shall not make, directly or indirectly, to any person or entity, any disparaging oral or written statements about the Executive. In response to oral or written reference requests regarding the Executive, the Chief Executive Officer shall provide the Executive with a positive letter of reference. Nothing in this paragraph shall prevent the parties from testifying truthfully under oath in any legal proceeding or from cooperating in any governmental investigation as otherwise provided in this Agreement.

(7) Return of Company Property: Executive warrants and represents that he has not removed and will not remove any Company property from its premises, except and to the extent authorized by the Company in writing. Executive agrees to return all of the property immediately upon termination of employment, except to the extent authorized by the Company in writing. The Company's property includes, but is not limited to, the original and any copies of any confidential information, trade secret information, Company-issued keys, pass cards, tools, samples, fax machines, cell phones, PDAs, computers (laptop and/or desk top), credit cards, files, brochures, equipment, documents, lists, reports, printouts, drawings, plans, sketches, computer disks, zip drives, printouts and any other record or document relating to the Company or its business, products or services.

(8) Cooperation in Legal Matters: In consideration for the promises and payments by the Company pursuant to this Agreement, Executive agrees to cooperate to the fullest extent possible in the preparation, defense or prosecution of any legal matters involving the Company about which Executive has or may have personal knowledge, including any such matters which may be filed after the termination of Executive's employment.

(9) Entire Agreement & Any Prior Written Agreements: This Agreement sets forth the entire agreement and understanding of the parties and supersedes any and all prior agreements or understandings with regard to the matters covered herein, except as otherwise provided for in this Agreement. However, to the extent the parties hereto previously entered into any agreements relating to the following topics, then those agreements are still in full force and effect. These topics include: (i) the protection of Company confidential information, work product and/or trade secrets; (ii) non-solicitation of Company employees and/or customers and/or distributors; (iii) the assignment of inventions; and/or (iv) any limitation on the use of intellectual property. A copy of the relevant agreements previously signed by the Executive are attached to this Agreement. For clarity, it shall not be a violation of the Executive's non-solicitation obligations to the Company to provide a written or oral reference on behalf of a former Company employee; or for Executive's new employer to hire a Company if the Executive was not a participant, directly or indirectly, in any manner in the recruiting, recommending, interviewing or hiring of said Company employee.

(10) Non-Competition Clause: In consideration of the compensation and other benefits to be paid to the Executive under and in connection with this Agreement, including specifically the benefits provided in Paragraph 2(vi), the Executive agrees that continuing for two (2) years following the Termination Date, he will not perform services as an agent, employee, officer, or director of, or consultant to, any of the following companies/entities: *Dover Corporation's Pump Solutions Group* (including Wilden and Almatec), *Accudyne* (including the Neptune and Milton Roy business units), *Roper Technologies*, *Graco*, *Ingersoll Rand* (in the reporting line for ARO), *Colfax* (the Fluid & Gas division), and *Tuthill*.

In further consideration of the compensation and other benefits to be paid to the Executive under and in connection with this Agreement, Executive further agrees, for the duration of the non-competition period, to inform the Company's Chief Executive Officer after receiving an offer of employment of any kind from any employer and before accepting such employment; the purpose of such notification is for the Company to determine whether such acceptance of employment would breach or violate

this Agreement. The Company agrees that the Company's Chief Executive Officer will confirm in writing whether or not the potential opportunity/position is in violation of the this Agreement.

(11) Full & Knowing Waiver: By signing this Agreement, Executive understands and warrants that he: (i) has read this Agreement and fully understands the provisions; (ii) agrees to the terms in this Agreement knowingly, voluntarily and without coercion or pressure; (iii) has not suffered an on the job injury for which he has not already reported to the Company; (iv) has received all wages that he is entitled to; (v) that this Agreement is entered into without reliance upon any statement or representation of any party hereto other than the statements and representations contained in writing herein; (vi) has been advised, in writing, to consult with an attorney if he desires before signing; (vii) understands that the benefits provided herein constitute good and adequate consideration for this Agreement; (viii) was given at least 45 days to consider this Agreement (although Executive may choose to sign it sooner), and given 7 days to revoke this Agreement (to revoke, Executive must provide written revocation to Jeff Bucklew, Chief Human Resources Officer, before the expiration of the 7 day period to be valid); and (ix) was provided a document entitled Additional Severance Information attached to this Agreement as required by the Older Workers Benefit Protection Act (OWBPA).

(12) Future Employment with the Company: Executive agrees that in the event that he applies for a job at the Company, he must first fully disclose any prior work history with the Company, and that failure to do so is grounds for immediate termination or withdrawal as a candidate.

(13) Illinois Law: Executive agrees that this Agreement and its Release will be construed in accordance with the laws of the State of Illinois without regard to conflict of laws principles.

(14) Family Protection: All payments under the Agreement still owed upon the Executive's death shall continue to be paid to the Executive's estate and any benefits which are being provided to the Executive's eligible dependents shall continue to be provided to those eligible dependents for so long as required under the Agreement.

IN WITNESS WHEREOF the undersigned parties signed this Agreement on the dates written below.

Brett Finley /s/ BRETT FINLEY

Date: 12-18-15

IDEX Corporation By: /s/ JEFF BUCKLEW

Date: 12-18-15

ADDITIONAL SEVERANCE INFORMATION

The following information is being provided to employees who are eligible to receive severance benefits in connection with the corporate IDEX workforce reduction dated July 2015. Severance benefits are being offered to all employees whose employment is being terminated in connection with the workforce reduction.

Eligible employees must decide whether or not to accept the terms of the accompanying Severance and General Release Agreement within 45 days after receipt of this information. You are not required to wait 45 days to sign the release, but may take up to 45 days to do so. You are encouraged to consult with legal counsel before signing the Severance and General Release Agreement. If you do not return the signed Severance and General Release Agreement within this 45-day period, you will not receive any severance benefits. The following schedule shows the ages and job titles of the decisional unit employees who are eligible for severance benefits and those who are not eligible.

Position Title / Job Classification	Age	Eligible for Severance Benefits (Y or N)?
President	45	N
President	52	N
President	38	N
President	50	N
President	39	N
President	51	N
President	53	N
President	42	N
President	48	Y
President	51	Y
Group Executive	48	N
Group Executive	44	N
Group Executive	45	Y

**PERSONAL AND CONFIDENTIAL**

September 24, 2015

Denise R. Cade
1427 East Prairie Avenue
Wheaton, Illinois 60187

Dear Denise:

We are pleased to offer you the position of Senior Vice President, General Counsel for IDEX Corporation, based in Lake Forest, Illinois, and reporting directly to Andrew Silvernail, Chief Executive Officer. The following terms apply to this offer:

- Your anticipated start date is October 26, 2015. If there is any change to this date, please inform me as soon as possible
- Your annual base salary will be Four Hundred Twenty Thousand Dollars and Zero Cents (\$420,000.00), payable on a biweekly basis at the rate of Sixteen Thousand One Hundred Fifty Three Dollars and Eighty Four Cents (\$16,153.84) per pay period. You will be eligible for a review of your salary with consideration for an increase in March of 2017. While we hope that you have a long and mutually beneficial relationship, your employment is considered "at will" and will not be for any fixed term or definite period and may be terminated by you or IDEX at any time.
- As of January 1, 2016, you will be eligible for participation in our Management Incentive Compensation Plan (MICP Grade 26), as established each fiscal year, which provides annual incentive earnings opportunity based on business unit and personal performance. Your MICP target level of incentive compensation will be sixty percent (60%) of your annual base pay in effect at the beginning of the plan year. The actual pay-out under the plan could be more or less than the target level and will depend on IDEX's performance and your performance. Enclosed is a copy of the current MICP Compensation Programs Booklet.

As an active employee, in March of 2016, you will receive a bonus in the amount of Two Hundred Twenty Eight Thousand Dollars and Zero Cents (\$228,000.00), less deductions and withholding as required. If you voluntarily leave within 12 months of your start date then you will owe the Company 100% of this amount.

- You will be eligible to receive a company car allowance of One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) per month, paid on a bi-weekly basis.
- You will be eligible for the full range of benefits including: the IDEX Defined Contribution Retirement Plan, the IDEX 401(k) Savings Plan, medical and dental coverage, short-term and long-term disability coverage, and life insurance. Summaries of these benefit plans are enclosed.
- You will be eligible to participate in the Executive Medical Physical Program. IDEX has partnered with the Center for Partnership Medicine at Northwestern Memorial Hospital to provide you with the opportunity to have a full medical examination on an annual basis. The cost of the examination shall be paid by IDEX.
- You will be eligible to enroll in the Executive Long Term Disability program which provides additional income in the case of total and permanent disability. This program is fully paid by IDEX. You will be issued an individual policy that provides several additional benefits above and beyond the Group LTO plan that is in place for employees.

- Based upon your position, you will also be eligible to participate in the IDEX Corporation Supplemental Executive Retirement and Deferred Compensation Plan. The purpose of the plan is to provide non-qualified retirement compensation benefits above IRS limits and to provide participants with the ability to defer other amounts of compensation.

- Subject to approval from our Board of Directors, you will be eligible for equity grants in the form of a combination of performance stock units, stock options and restricted stock shares under the IDEX Incentive Award Plan (IAP) at our annual grant as established each fiscal year. These annual awards for your position are currently targeted to have a value of one hundred ten percent (110%) of your base salary. Your actual award in any year is dependent upon current program design and your performance. This plan is designed to provide an incentive and reward to key employees who are in a position to make substantial contributions to the success of the company.

The initial price at which the option awards are granted will be the closing price of IDEX common stock on the grant date. Your options may be exercised after they become vested, and for a period of up to ten years from the date they were awarded. Currently, options vest at the rate of 25% per year.

Restricted shares of stock currently vest 100% on the third anniversary of the grant date; during this restriction period, you will receive dividend equivalent payments. Once the restriction period lapses, you will retain full ownership of the shares. Once vested, these shares will be considered taxable income to you, and you will be provided more information at that time regarding payment of withholding taxes, if applicable. You must remain employed by IDEX Corporation in order to achieve vesting for these IAP awards.

- Upon hire you will be granted an equity award valued at Three Hundred Twenty Five Thousand Dollars and Zero Cents (\$325,000.00). This amount will be split equally (50%/50%) among stock options and restricted stock shares. The number of shares as well as the option price will be based upon the closing price of IDEX common stock on the grant date. The options will vest ratably at 25% each year as of the anniversary of the grant and the restricted shares will vest 100% on the third anniversary of the grant date. Additionally, unvested restricted shares are eligible to receive dividend payments. Each award will be governed by the terms included in each award agreement.

- In the event of a "Change in Control", as defined in the Amended and Restated IDEX Corporation Supplemental Executive Retirement Plan, that results in your termination from service within twenty-four (24) months of the Change in Control, the Company shall be obligated to pay your base salary at the rate then in effect and your then current target annual bonus (MICP or equivalent pay) for a minimum of twenty-four (24) months following the date of termination (for a total payment of two (2) times both base salary and target annual bonus). This payment shall not be applicable in the event of your voluntary termination.

- If, in the future, your employment with IDEX Corporation is terminated, without cause ("cause" defined as willful misconduct or fraudulent behavior), IDEX will pay you up to twelve (12) months base salary at the then current monthly base rate plus your targeted annual incentive bonus in exchange for a signed release. Such benefit will not be applicable in the event of your voluntary termination.

This offer of employment is subject to your satisfactory completion of a drug and alcohol abuse screening test, to be scheduled at a qualified laboratory, and a background screening. A copy of the policy is enclosed.

At IDEX, we have a strong standard of conduct and ethics policy. Immediately upon accepting employment, you will be required to go through on-line training on this policy and abide by it. A copy of this policy is enclosed.

The company does require that all new exempt employees agree to and sign an Employee Confidentiality

Information, Work Product, Non-Disclosure and Non-Solicitation Agreement. Please sign and return the signed copy, keeping a second copy for your file.

Please indicate your acceptance of this offer by signing on the line provided below and return a signed copy to me.

Denise, we have discussed the importance of the position to IDEX and some of the critical challenges that the team faces. We are confident that your leadership skills and experience can make a significant contribution to the success of IDEX, and that this position can be a positive professional step for you.

Sincerely,
/s/ ANDREW K. SILVERNAIL

Andrew K. Silvernail
Chief Executive Officer

/s/ DENISE R. CADE

Acceptance of Employment Offer
Denise R. Cade

27 Sept 2015
Date

Enclosures:

- Employee Confidentiality Information, Work Product, Non-Disclosure and Non-Solicitation Agreement
- Exhibit A
- Code of Business Conduct and Ethics Policy
- Drug and Alcohol Abuse-Screening Test Locations
- Background Investigation Authorization Form
- **2015** Benefit Highlights Brochure
- **2015** MICP Compensation Programs Booklet
- **2015** SERP Overview Booklet

STOCK PURCHASE AGREEMENT

by and among

PREMIER FARNELL PLC,

CELDIS LIMITED,

PREMIER FARNELL CORP.,

AKRON BRASS HOLDING CORP.

And

IDEX CORPORATION

FEBRUARY 4, 2016

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Exhibits

Exhibit A FIRPTA Certificate

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement"), dated as of February 4, 2016, is made by and among Premier Farnell plc, a public limited company incorporated under the laws of England and Wales and the ultimate parent of Celdis and PF Corp (the "Ultimate Parent"), Celdis Limited, a private limited company incorporated under the laws of England and Wales ("Celdis"), Premier Farnell Corp., a Delaware corporation ("PF Corp" and together with Celdis and Ultimate Parent, each a "Seller" and collectively the "Sellers"), Akron Brass Holding Corp., a Delaware corporation (the "Company"), and IDEX Corporation, a Delaware corporation (the "Purchaser"). Capitalized terms used and not otherwise defined herein have the meanings set forth in Article XII below.

WHEREAS, PF Corp owns all of the issued and outstanding shares of the Company's Class A Cumulative Voting Preferred Stock (the "Company Preferred Stock"), par value \$0.01 per share;

WHEREAS, Celdis owns all of the issued and outstanding shares of the Company's Class B Common Stock (the "Company Common Stock"), par value \$0.01 per share (the Company Common Stock and Company Preferred Stock collectively, the "Shares");

WHEREAS, the Company Preferred Stock and Company Common Stock constitute all of the issued and outstanding equity interests of the Company; and

WHEREAS, the Purchaser desires to acquire, and PF Corp and Celdis desire to sell to the Purchaser, all of the Shares on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article I

PURCHASE AND SALE OF SHARES

1.01 Purchase and Sale of Shares

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, PF Corp shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and acquire from PF Corp, all of the outstanding Company Preferred Stock, free and clear of all Liens, in exchange for the payment of an amount equal to the Preferred Stock Consideration in cash to PF Corp.

(b) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Celdis shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and acquire from Celdis, all of the outstanding Company Common Stock, free and clear of all Liens, in exchange for the payment of an amount equal to the Closing Cash Consideration in cash to Celdis.

(c) Payment for such Shares shall be made by wire transfer on the Closing Date of immediately available funds to the account(s) specified by PF Corp and Celdis to the Purchaser prior to the Closing.

1.02 Calculation of Consideration

(d) For purposes of this Agreement, the term “Preferred Stock Consideration” means an amount equal to the sum of (A) the product of (i) the number of outstanding shares of Company Preferred Stock immediately prior to the Closing multiplied by (ii) \$93,200 per share of Company Preferred Stock, plus (B) the aggregate of all accrued, undeclared, unpaid and outstanding dividends on all shares of Company Preferred Stock.

(e) For purposes of this Agreement, the term “Closing Cash Consideration” means (i) \$224,200,000 (the “Base Consideration”), minus (ii) the Preferred Stock Consideration, plus (iii) the amount, if any, by which the Estimated Net Working Capital exceeds \$40,687,000 (the “Net Working Capital Target”), or minus (iv) the amount, if any, by which Estimated Net Working Capital is less than the Net Working Capital Target, plus (v) the amount of Estimated Cash, minus (vi) the amount of the unpaid Transaction Expenses as of the Closing, minus (vii) the Estimated Indebtedness.

(f) For purposes of this Agreement, the term “Final Cash Consideration” means (i) the Base Consideration, minus (ii) the Preferred Stock Consideration plus (iii) the amount, if any, by which the Net Working Capital exceeds the Net Working Capital Target, or minus (iv) the amount, if any, by which the Net Working Capital is less than the Net Working Capital Target, plus (v) the amount of Cash, minus (vi) the amount of the unpaid Transaction Expenses as of the Closing, minus (vii) the Indebtedness of the Company and its Subsidiary outstanding as of immediately prior to the Closing (other than Indebtedness of the Company or its Subsidiary referenced in clause (vii) of the definition of Indebtedness to the extent released as of the Closing).

1.03 Cash, Estimated Net Working Capital and Estimated Indebtedness

. Not less than three (3) business days prior to the anticipated Closing Date, Ultimate Parent shall deliver (or cause to be delivered) to the Purchaser its good faith calculation of its estimate of (a) Cash (the “Estimated Cash”), (b) Net Working Capital (the “Estimated Net Working Capital”) and (c) Indebtedness of the Company and its Subsidiary outstanding as of immediately prior to the Closing (other than Indebtedness of the Company or its Subsidiary referenced in clause (vii) of the definition of Indebtedness to the extent released as of the Closing) (the “Estimated Indebtedness”). In the event the Purchaser disputes in good faith any amounts provided by the Ultimate Parent in respect of the Estimated Net Working Capital, the Ultimate Parent and the Purchaser shall work in good faith to resolve such disputes. If the Ultimate Parent and the Purchaser are unable to resolve any such disputes within the two (2) business days following the Ultimate Parent’s delivery of the Estimated Net Working Capital, and the difference between the Estimated Net Working Capital calculated by the Ultimate Parent and the Purchaser’s good faith estimate of Net Working Capital is equal to or less than \$1,000,000, then the Estimated Net Working Capital calculated by the Ultimate Parent shall be used to determine the Closing Cash Consideration. If the Ultimate Parent and the Purchaser are unable to resolve any such disputes within the two (2) business days following the Ultimate Parent’s delivery of the Estimated Net Working Capital, and the difference between the Estimated Net Working Capital calculated by the Ultimate Parent and the Purchaser’s good faith estimate of Net Working Capital is greater than \$1,000,000, then the Estimated Net Working Capital used to determine the Closing Cash Consideration shall be set at an amount equal to the greater of (i) \$1,000,000 plus the Purchaser’s good faith estimate of Net Working Capital and (ii) the midpoint between the Estimated Net Working Capital calculated by the Ultimate Parent and the Purchaser’s good faith estimate of Net Working Capital. Notwithstanding anything to the contrary in this Agreement, any such changes to the Estimated Net Working Capital amount from the amounts initially provided by the Ultimate Parent shall not limit, modify or affect in any respect the determination of the actual Net Working Capital in accordance with Section 1.04.

1.04 Adjustment to Consideration

(g) As promptly as possible, but in any event within ninety (90) days after the Closing Date, the Purchaser shall deliver to the Ultimate Parent a consolidated balance sheet of the Company and its Subsidiary (the “Closing Balance Sheet”) as of the close of business on the day immediately preceding the Closing Date and a statement showing the calculation of the Net Working Capital derived from the Closing Balance Sheet, the actual Cash and the actual Indebtedness of the Company and its Subsidiary outstanding as of immediately prior to the Closing (other than Indebtedness of the Company or its Subsidiary referenced in clause (vii) of the definition of Indebtedness to the extent released as of the Closing) (together with the Closing Balance Sheet, the “Preliminary Net Working Capital Statement”). The Closing Balance Sheet shall be prepared and the Net Working Capital, Cash and Indebtedness shall be determined on a consolidated basis using the accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as set forth on Section 1.04 of the Disclosure Schedules and consistent with this Section 1.04 and the definitions contained in this Agreement. The parties agree that the purpose of preparing the Closing Balance Sheet and determining Net Working Capital, actual Cash and actual Indebtedness and the related purchase price adjustment contemplated by this Section 1.04 is to measure changes in Net Working Capital, Cash and Indebtedness consistent with this Section 1.04 and such processes are not intended to permit the introduction of different judgments, accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies for the purpose of preparing the Closing Balance Sheet or determining Net Working Capital, Cash or Indebtedness consistent with this Section 1.04, and shall not include any changes in assets or liabilities as a result of purchase accounting adjustments or other changes arising from or resulting as a consequence of the transactions contemplated hereby. For forty-five (45) days after the Purchaser’s delivery of the Preliminary Net Working Capital Statement, the Ultimate Parent and its accountants shall be permitted access to review the Purchaser’s work papers related to the preparation of the Preliminary Net Working Capital Statement; provided that such access shall occur only during normal business hours and upon reasonable notice to the Purchaser. The Ultimate Parent’s right of access under this Section 1.04(a) shall terminate immediately upon the final determination of Net Working Capital pursuant to this Section 1.04(a). The Ultimate Parent and its accountants may make inquiries of the Purchaser and its accountants regarding questions concerning, or disagreements with, the Preliminary Net Working Capital Statement (including the Purchaser’s statement of the actual Cash and actual Indebtedness) arising in the course of their review thereof. If the Ultimate Parent has any objections to the Preliminary Net Working Capital Statement (including the Purchaser’s statement of the actual Cash and actual Indebtedness), it shall deliver to the Purchaser a statement setting forth its objections thereto (an “Objections Statement”). If an Objections Statement is not delivered to the Purchaser within forty-five (45) days after delivery of the Preliminary Net Working Capital Statement, the Preliminary Net Working Capital Statement shall be final, binding and non-appealable by the parties hereto. The Purchaser and the Ultimate Parent shall negotiate in good faith to resolve any such objections, but if they do not reach a final resolution within fifteen (15) days after the delivery of the Objections Statement, the Purchaser and the Ultimate Parent shall submit such dispute to Duff & Phelps LLC (the “Dispute Resolution Auditor”). Any subsequent submissions to the Dispute Resolution Auditor must be written and delivered to the other party. The Dispute Resolution Auditor shall consider only those items and amounts which are identified in the Objections Statement as being items which the Purchaser and the Ultimate Parent are unable to resolve. The Dispute Resolution Auditor’s determination will be based solely on the definition and method of calculation of Net Working Capital, Cash and Indebtedness contained or referred to (as the case may be) herein. The Purchaser and the Ultimate Parent shall use their commercially reasonable efforts to cause the Dispute Resolution Auditor to resolve all disagreements as soon as practicable. Further, the Dispute Resolution Auditor’s

determination shall be based solely on the presentations by the Ultimate Parent and the Purchaser, which are in accordance with the terms and procedures set forth in this Agreement (i.e., not on the basis of an independent review). The resolution of the dispute by the Dispute Resolution Auditor shall be final, binding and non-appealable on the parties hereto. The costs and expenses of the Dispute Resolution Auditor shall be allocated between the Ultimate Parent and the Purchaser based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. For example, if the Ultimate Parent claims the Net Working Capital is \$1,000 greater than the amount determined by the Purchaser's accountants, and the Purchaser contests only \$500 of the amount claimed by the Ultimate Parent, and if the Dispute Resolution Auditor ultimately resolves the dispute by awarding the Ultimate Parent \$300 of the \$500 contested, then the costs and expenses of arbitration will be allocated 60% (i.e., $300 \div 500$) to the Purchaser and 40% (i.e., $200 \div 500$) to the Ultimate Parent.

(h) If the Net Working Capital as finally determined pursuant to Section 1.04(a) above is greater than the Estimated Net Working Capital as determined pursuant to Section 1.03, the Purchaser shall pay such excess to Celdis. If the Net Working Capital as finally determined pursuant to Section 1.04(a) above is less than the Estimated Net Working Capital as determined pursuant to Section 1.03, Celdis shall (and the Ultimate Parent shall cause Celdis to) deliver to the Purchaser such shortfall. Payments to be made pursuant to this Section 1.04 shall be made in accordance with Section 1.05.

(i) If the actual Cash as finally determined pursuant to Section 1.04(a) above is greater than the Estimated Cash as determined pursuant to Section 1.03, the Purchaser shall pay such excess to Celdis. If the actual Cash as finally determined pursuant to Section 1.04(a) above is less than the Estimated Cash as determined pursuant to Section 1.03, Celdis shall (and the Ultimate Parent shall cause Celdis to) deliver to the Purchaser such shortfall. Payments to be made pursuant to this Section 1.04 shall be made in accordance with Section 1.05.

(j) If the actual Indebtedness of the Company and its Subsidiary outstanding as of immediately prior to the Closing as finally determined pursuant to Section 1.04(a) above is less than the Estimated Indebtedness as determined pursuant to Section 1.03, the Purchaser shall pay such difference to Celdis. If the actual Indebtedness of the Company and its Subsidiary outstanding as of immediately prior to the Closing as finally determined pursuant to Section 1.04(a) above is greater than the Estimated Indebtedness as determined pursuant to Section 1.03, Celdis shall (and the Ultimate Parent shall cause Celdis to) deliver to the Purchaser such difference. Payments to be made pursuant to this Section 1.04 shall be made in accordance with Section 1.05.

1.05 Post-Closing Adjustment Payment

. The Purchaser shall promptly (but in any event within three (3) business days after the date on which the Net Working Capital, Cash and Indebtedness is finally determined pursuant to Section 1.04) deliver to Celdis any amounts determined pursuant to Section 1.04 to be due by the Purchaser by wire transfer of immediately available funds to an account or accounts designated by Celdis. Celdis shall (and the Ultimate Parent shall cause Celdis to) promptly (but in any event within three (3) business days after the date on which the Net Working Capital, Cash and Indebtedness is finally determined pursuant to Section 1.04) deliver to the Purchaser any amounts determined pursuant to Section 1.04 to be due by Celdis by wire transfer of immediately available funds to an account designated by the Purchaser. Any payments made pursuant to this Section 1.05 shall be regarded as an adjustment to the price paid for the Company Common Stock.

Article II

THE CLOSING

2.01 The Closing

. The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of Kirkland & Ellis LLP located at 300 North LaSalle Drive, Chicago, Illinois at 10:00 a.m. Chicago time on the first business day following full satisfaction or due waiver of all of the Closing conditions set forth in Article III hereof (other than those to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) or on such other date and time as is mutually agreeable to the Purchaser and the Ultimate Parent. The date and time of the Closing are referred to herein as the “Closing Date.” Unless the parties otherwise agree in writing, the Closing shall be deemed to occur at 12:01 a.m. ET on the Closing Date.

2.02 The Closing Transactions

. Subject to the terms and conditions set forth in this Agreement, the parties hereto shall consummate the following transactions (the “Closing Transactions”) on the Closing Date:

- (a) in accordance with Section 1.02, the Purchaser shall deliver to PF Corp an amount in cash equal to the Preferred Stock Consideration by wire transfer of immediately available funds to the account(s) designated by the Ultimate Parent;
- (b) in accordance with Section 1.02, the Purchaser shall deliver to Celdis an amount in cash equal to the Closing Cash Consideration by wire transfer of immediately available funds to the account(s) designated by the Ultimate Parent;
- (c) the Sellers shall deliver to the Purchaser the stock certificates representing the Shares, accompanied by duly executed stock powers;
- (d) the Purchaser, the Company and the Sellers shall make such other deliveries as are required by Article III hereof;
- (e) simultaneously with the Closing, the Purchaser shall pay, or cause to be paid, on behalf of the Sellers and the Company (as applicable), all amounts necessary to discharge fully the then outstanding balance of all Indebtedness of the Company and its Subsidiary (other than Indebtedness of the Company or its Subsidiary referenced in clause (vii) of the definition of Indebtedness to the extent released as of the Closing), by wire transfer of immediately available funds in accordance with the Payoff Letters;
- (f) simultaneously with the Closing, the Purchaser shall pay, or cause to be paid, on behalf of the Sellers and the Company (as applicable), the Transaction Expenses by wire transfer of immediately available funds as directed by the Sellers; and
- (g) the Company shall execute and deliver to the Purchaser a certificate in the form attached hereto as Exhibit A, certifying that the shares of Company Common Stock and Company Preferred Stock are not United States real property interests within the meaning of Section 897(c) of the Code, as applicable.

Article III

CONDITIONS TO CLOSING

3.01 Conditions to the Purchaser’s Obligations

. The obligation of the Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by the Purchaser in writing) of the following conditions as of the Closing:

(h) The representations and warranties set forth in Section 4.04 (Capital Stock) and Section 4.06(a) (Absence of Material Adverse Effect) (collectively, the “Specified Representations”) and the Fundamental Representations shall be true and correct on and as of the date of this Agreement and on and as of the Closing Date as though then made and as though the Closing Date was substituted for the date of this Agreement throughout such representations and warranties (except those Specified Representations and Fundamental Representations that address matters only as of particular dates (including any references to “the date hereof”), which shall be true and correct as of such dates). The representations and warranties set forth in Article IV and Article V (other than the Specified Representations and the Fundamental Representations) shall be true and correct (without giving effect to any “materiality” or Material Adverse Effect qualifications contained therein) on and as of the date of this Agreement and on and as of the Closing Date as though then made and as though the Closing Date was substituted for the date of this Agreement throughout such representations and warranties (except those representations and warranties that address matters only as of particular dates (including any references to “the date hereof”), which shall be true and correct as of such dates), except where the failure of such representations and warranties to be so true and correct would not, in the aggregate, have a Material Adverse Effect;

(i) The Company and the Sellers shall have performed in all material respects all of the covenants and agreements required to be performed by them under this Agreement at or prior to the Closing;

(j) The Sellers shall have delivered to the Purchaser documentation evidencing or authorizing the release of the Indebtedness and any Liens related thereto set forth on Section 3.01(c) of the Disclosure Schedules (the “Payoff Letters”);

(k) The applicable waiting periods, if any, under the HSR Act shall have expired or been terminated;

(l) No Judgment shall have been entered and not withdrawn which would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded, and no Proceeding shall be pending before any Governmental Entity wherein an unfavorable Judgment would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded;

(m) The Ultimate Parent Approval shall have been obtained; and

(n) The Ultimate Parent shall have delivered or caused to be delivered to the Purchaser each of the following:

(i) a certificate executed by an officer of the Company and certificates executed by an officer of each Seller, dated as of the Closing Date, stating that the preconditions specified in subsections (a) and (b) of this Section 3.01 have been satisfied;

(ii) a certified copy of the resolutions duly adopted by each Seller’s board of directors (or its equivalent governing body) authorizing the execution, delivery and performance of this Agreement; and

(iii) resignations or removals, effective as of the Closing, from those directors of the Company and its Subsidiary as the Purchaser may have requested in writing at least five (5) days prior to the Closing Date.

3.02 Conditions to the Sellers' Obligations

. The obligation of each Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by the Ultimate Parent in writing) of the following conditions as of the Closing:

- (a) The Purchaser Fundamental Representations shall be true and correct on and as of the date of this Agreement and on and as of the Closing Date as though then made and as though the Closing Date was substituted for the date of this Agreement throughout such representations and warranties (except those Purchaser Fundamental Representations that address matters only as of particular dates (including any references to "the date hereof"), which shall be true and correct as of such dates). The representations and warranties set forth in Article VI (other than the Purchaser Fundamental Representations) shall be true and correct (without giving effect to any "materiality" or Material Adverse Effect qualifications contained therein) on and as of the Closing Date as though then made and as though the Closing Date was substituted for the date of this Agreement throughout such representations and warranties (except those representations and warranties that address matters only as of particular dates (including any references to "the date hereof"), which shall be true and correct as of such dates), except where the failure of such representations and warranties to be so true and correct would not, in the aggregate, have a Purchaser Material Adverse Effect;
- (b) The Purchaser shall have performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing;
- (c) The applicable waiting periods, if any, under the HSR Act shall have expired or been terminated;
- (d) No Judgment shall have been entered and not withdrawn which would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded, and no Proceeding shall be pending before any Governmental Entity wherein an unfavorable Judgment would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded;
- (e) The Ultimate Parent Approval shall have been obtained;
- (f) The Purchaser shall be ready, willing and able to complete the payments at Closing set forth in Section 2.02; and
- (g) The Purchaser shall have delivered to the Ultimate Parent each of the following:
 - (i) a certificate of an officer of the Purchaser, dated as of the Closing Date, stating that the preconditions specified in subsections (a) and (b) of this Section 3.02 have been satisfied; and
 - (ii) certified copies of the resolutions duly adopted by the Purchaser's board of directors (or its equivalent governing body) authorizing the execution, delivery and performance of this Agreement.

Article IV

REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

Except as set forth in the schedules of the Sellers accompanying this Agreement (each, a "Schedule" and, collectively, the "Disclosure Schedules"), the Sellers jointly and severally represent and warrant to the Purchaser the statements in this Article IV as of the date of this Agreement and as of the Closing Date. The Disclosure Schedules have been arranged for purposes of convenience in separately titled sections corresponding to the sections of this Article IV; however, disclosures of any matter in any

section of the Disclosure Schedules shall be deemed to incorporate by reference information disclosed in any other section of the Disclosure Schedules to which the applicability of such disclosure is readily apparent. Capitalized terms used in the Disclosure Schedules and not otherwise defined therein have the meanings given to them in this Agreement.

4.01 Organization and Corporate Power

. Each of the Company and its Subsidiary is a corporation duly organized, validly existing and in good standing under the Laws of Delaware, and each of the Company and its Subsidiary has all requisite corporate power and authority necessary to own and operate its properties and to carry on its businesses as now conducted. Each of the Company and its Subsidiary is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires it to qualify, except where the failure to be so qualified would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiary (taken as a whole).

4.02 Subsidiaries; Right to Acquire Interests

. The Company does not own or hold the right to acquire any stock, partnership interest or joint venture interest or other equity ownership interest in any other corporation, organization or entity except for its Subsidiary, Akron Brass Company, a Delaware corporation. The Company's Subsidiary does not own or hold the right to acquire any stock, partnership interest or joint venture interest or other equity ownership interest in any other corporation, organization or entity.

4.03 Authorization; No Breach; Valid and Binding Agreement

(h) Except for the Ultimate Parent Approval, the Company has all necessary corporate power and authority to enter into, execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. Except for the Ultimate Parent Approval, the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action, and no other corporate proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. The Company has duly executed and delivered this Agreement, and assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy Laws, other similar Laws' affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies (the "General Enforceability Exceptions").

(i) Except as set forth on Section 4.03 of the Disclosure Schedules, the execution, delivery and performance of this Agreement by the Company, the consummation of the transactions contemplated hereby and compliance by the Company with the terms hereof do not and will not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Lien (other than a Permitted Lien) upon any assets of the Company or its Subsidiary under, or require any authorization, consent, approval, exemption or other action by or notice to any third party or any Governmental Entity under, (i) the provisions of the Company's or its Subsidiary's certificates or articles of incorporation or bylaws (or equivalent organizational documents), (ii) any Significant Contracts, or (iii) any Law, statute, rule or regulation or Judgment to which the Company or its Subsidiary is subject or that otherwise relates to the Business, except, in the cases of clauses (ii) and (iii), for any such violations, conflicts, breaches, notices, defaults or other events that would not reasonably be expected to be, individually or in the aggregate, material to the Company or its Subsidiary (taken as a whole).

4.04 Capital Stock

. The authorized number of shares of capital stock of the Company is 5,000, consisting of 4,000 shares of Company Common Stock and 1,000 shares of Company Preferred Stock. 4,000 shares of Company Common Stock are issued and outstanding and are owned by Celdis, and, as of the date hereof, 1,000 shares of Company Preferred Stock are issued and outstanding and are owned by PF Corp. The authorized number of shares of capital stock of the Company's Subsidiary consists of 1,000 shares of common stock (the "Subsidiary Common Stock"). 100 shares of the Subsidiary Common Stock are issued and outstanding, all of which are owned by the Company. All of the outstanding shares of capital stock of the Company and its Subsidiary have been duly authorized and are validly issued, fully paid and nonassessable. Neither the Company nor its Subsidiary has any other capital stock, equity securities or securities containing any equity features authorized, issued or outstanding, and there are no agreements, options, warrants or other rights or arrangements existing or outstanding which provide for the sale or issuance of any of the foregoing by the Company or its Subsidiary, as applicable. Except as set forth on Section 4.04 of the Disclosure Schedules, there are no rights, subscriptions, warrants, options, conversion rights or agreements of any kind outstanding to purchase or otherwise acquire any shares of capital stock or other equity securities of the Company or its Subsidiary of any kind. Except as set forth on Section 4.04 of the Disclosure Schedules, there are no agreements or other obligations (contingent or otherwise) which require the Sellers, the Company or its Subsidiary to repurchase or otherwise acquire any shares of the Company's or its Subsidiary's, as applicable, capital stock or other equity securities. Neither the Company nor its Subsidiary has outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

4.05 Financial Statements; No Undisclosed Liabilities

(j) Section 4.05 of the Disclosure Schedules contains true and complete copies of: (a) the Company's and its Subsidiary's unaudited consolidated balance sheet as of November 29, 2015 (the "Latest Balance Sheet") and the related statement of income for the 10-month period then ended and (b) the Company's and its Subsidiary's unaudited consolidated balance sheets and statements of income and cash flows for the fiscal years ended February 2, 2014 and February 1, 2015 (collectively, the "Financial Statements").

(k) Except as set forth on Section 4.05 of the Disclosure Schedules, the Financial Statements (i) have been prepared from the books and records of the Company and its Subsidiary, (ii) have been prepared in accordance with IFRS and applied on a consistent basis throughout the periods indicated, and (iii) present fairly in all material respects the financial condition and results of operations of the Company and its Subsidiary as of the times and for the periods referred to therein.

(l) Except as set forth on Section 4.05 of the Disclosure Schedules, neither the Company nor its Subsidiary has any Liabilities other than Liabilities that (i) are reflected or fully reserved against in the Financial Statements, (ii) were incurred since the date of the Latest Balance Sheet in the ordinary course of business consistent with past practice, (iii) are Transaction Expenses incurred as a result of or arising out of the transactions contemplated by this Agreement that will either be paid prior to Closing or paid simultaneously with Closing as contemplated by Section 2.02(f), (iv) arise out of executory contracts or agreements (other than as a result of a breach or default thereunder) or (v) individually, or together with other related Liabilities, do not exceed \$150,000.

4.06 Absence of Certain Developments

(a) Since the date of the Latest Balance Sheet, there has not been any Material Adverse Effect.

(b) Except in connection with or in preparation for the transactions contemplated by this Agreement, since the date of the Latest Balance Sheet, the Business has been conducted in all material respects in the ordinary course consistent with past practice.

(c) Except as set forth in Section 4.06 of the Disclosure Schedules, and except as expressly contemplated by this Agreement, since the date of the Latest Balance Sheet, neither the Company nor its Subsidiary has:

- (i) mortgaged, pledged or subjected to any Lien, except Permitted Liens, any material portion of its assets;
- (ii) sold, assigned or transferred any material tangible assets, except for sales of inventory in the ordinary course of business;
- (iii) sold, assigned, transferred, abandoned or permitted to lapse any Intellectual Property owned by the Company that is material to the conduct of the Business, other than the non-renewal of any such Intellectual Property in the ordinary course of business or the expiration of any patent pursuant to applicable Law;
- (iv) issued, sold or transferred any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities or warrants, options or other rights to acquire its capital stock or other equity securities, or any bonds or debt securities;
- (v) made any capital investment in, or any loan or advances to, or any guarantees for the benefit of, any other Person (other than the Company's Subsidiary);
- (vi) other than any redemption of the Company Preferred Stock and the payment of any dividend in respect of such redeemed stock, declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock, except for dividends or distributions made by the Subsidiary to the Company in the ordinary course of business;
- (vii) made any capital expenditures or commitments therefor in excess of \$250,000 in the aggregate;
- (viii) made any loan to, or entered into any other transaction with, any of its directors, officers, and employees outside the ordinary course of business;
- (ix) entered into any employment contract with payments exceeding \$100,000 per year, or modified the terms of any such existing contract or agreement;
- (x) made or granted any bonus or any wage or salary increase to any employee or group of employees (except as required by existing contracts or consistent with past practice), or made or granted any material increase to any employee under any employee benefit plan or arrangement (except as required by any existing employee benefit plan or arrangement), or materially amended or terminated any existing employee benefit or arrangement or adopted any new employee benefit plan or arrangement;
- (xi) discharged or satisfied any Lien or paid any material Liability, other than current Liabilities paid in the ordinary course of business consistent with past practice;
- (xii) made any material change in the method of financial accounting or financial accounting practice or policy applicable to the Company or its Subsidiary, other than such changes as were required by IFRS or applicable Law; or
- (xiii) agreed or committed in writing to do any of the foregoing.

4.07 Title to Properties; Sufficiency of Assets

(a) Except as set forth in Section 4.07(a) of the Disclosure Schedules, the Company or its Subsidiary has good and valid title to, or valid leasehold interest in, all of its tangible personal property, free and clear of all Liens, except for Permitted Liens.

(b) The real property at the addresses listed in Section 4.07(b) of the Disclosure Schedules (the “Leased Real Property”) constitutes all of the real property used or occupied by the Company or its Subsidiary pursuant to a lease, sublease, license or similar use or occupancy agreement (the “Real Property Leases”). Each Real Property Lease is in full force and effect and is a valid and binding contract or agreement of the Company or its Subsidiary, as applicable, and, to the Company’s knowledge, is enforceable against the other parties thereto, in accordance with its terms, in each case, subject to the General Enforceability Exceptions, and the Company or its Subsidiary holds a valid leasehold interest in the Leased Real Property, subject to no Liens other than Permitted Liens. Section 4.07(b) of the Disclosure Schedules sets forth a complete and accurate list of the Real Property Leases. The Company has delivered or made available to the Purchaser complete and accurate copies of each Real Property Lease, and no Real Property Lease has been modified in any material respect, except as disclosed in Section 4.07(b) of the Disclosure Schedules. Neither the Company, its Subsidiary nor, to the Company’s knowledge, any other party to any Real Property Lease is in breach or violation of, or default under, such Real Property Lease, and, to the knowledge of the Company, no event has occurred that with or without notice or lapse of time or both would constitute a breach or default (whether by lapse of time or notice or both) thereunder, except, in each case, as would not reasonably be expected to be, individually or in the aggregate, material to the Company or its Subsidiary (taken as a whole).

(c) The real property at the addresses listed in Section 4.07(c) of the Disclosure Schedules (the “Owned Real Property”) and together with the Leased Real Property, the “Real Property”), constitutes all of the real property owned by the Company or its Subsidiary. With respect to each parcel of the Owned Real Property:

(i) either the Company or its Subsidiary (as identified in Section 4.07(c) of the Disclosure Schedules) owns good and marketable title to the Owned Real Property, free and clear of all Liens, other than Permitted Liens; and

(ii) there are no outstanding options or rights of first refusal to purchase the Owned Real Property or any portion thereof or interest therein.

(d) With respect to the Real Property:

(i) except as set forth in Section 4.07(d) of the Disclosure Schedules the Real Property is the only real property that is used in the operation of the Business as currently conducted;

(ii) there are no leases, subleases, licenses, concessions or other agreements granting to any party or parties (other than the Company or its Subsidiary) the right of use or occupancy of any portion of the Real Property; and

(iii) the existing buildings and improvements located on the Owned Real Property may lawfully be used under applicable zoning and land use Laws for the purposes for which they are presently being used by the Company or its Subsidiary.

(e) Except as set forth in Section 4.07(e) of the Disclosure Schedules, the Company and its Subsidiary own or have a valid right to use the assets held by the Company and its Subsidiary, and such assets constitute all of the rights, property and assets used to conduct the Business in the manner conducted by the Company and its Subsidiary as of the date hereof and immediately prior to the Closing. Except as set forth in Section 4.07(e) of the Disclosure Schedules, none of the Sellers or any of their Affiliates (other than the Company and its Subsidiary) own any assets that are used in the Business.

(f) The buildings, plants, structures, fixtures, machinery, equipment, vehicles and other material items of tangible personal property owned by the Company or its Subsidiary are, in the aggregate, in good operating condition and repair, ordinary wear and tear excepted.

4.08 Tax Matters

(g) The Company and its Subsidiary have filed all federal and all other Tax Returns that are required to be filed by them (taking into account any extensions of time to file). The Company and its Subsidiary have fully paid, remitted, and withheld, as appropriate, all Taxes due and payable, except for (i) Taxes being contested in good faith or (ii) Taxes not yet due, in each case for which reserves or accruals have been reflected on or otherwise taken into account on the applicable Financial Statements.

(h) No audits, reviews, contests, claims, actions, investigations, inquiries or administrative or judicial Tax proceedings (“Tax Contests”) are pending or being conducted with respect to the Company or its Subsidiary. Neither the Company nor its Subsidiary have received from any taxing authority any (i) written notice indicating an intent to open an audit or other review or (ii) notice of deficiency or proposed adjustment for any amount of Tax that has not been fully paid or settled. Neither the Company nor its Subsidiary has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(i) Neither the Company nor its Subsidiary is a party to or bound by any Tax allocation, indemnification or sharing agreement other than (i) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business or (ii) property Taxes with respect to property leased under a “triple-net” lease. Neither the Company nor its Subsidiary (A) has ever been a member of an Affiliated Group (or similar group) filing a consolidated, unitary, combined, or other multi-entity group Income Tax Return, or (B) has any Liability for the Taxes of any Person (other than the Company or its Subsidiary) under Section 1.1502-6 of the Treasury Regulations (or any similar provision of Law), as a transferee or successor, by contract, or otherwise.

(j) Neither the Company nor its Subsidiary is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(k) Neither the Company nor its Subsidiary will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in accounting method for a taxable period ending on or prior to the Closing Date; (ii) “closing agreement” as described in Section 7121 of the Code executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid amount received during a Pre-Closing Tax Period outside the ordinary course of business; or (v) election under Section 108(i) of the Code.

(l) Neither the Company nor its Subsidiary has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Sections 355 or 361 of the Code.

(m) Neither the Company nor its Subsidiary has entered into any “listed transactions” as defined in Section 1.6011-4(b)(2) of the Treasury Regulations or similar provisions of state Law, and the Company and its Subsidiary have properly disclosed all reportable transactions as required by Section 1.6011-4 of the Treasury Regulations and similar provisions of state Law.

4.09 Contracts and Commitments

(n) Section 4.09 of the Disclosure Schedules sets forth a true and complete list of each of the following contracts and other agreements to which the Company or its Subsidiary is a party or to which any of the assets of the Company, its Subsidiary or the Business are subject:

- (i) any collective bargaining agreement, as set forth in Section 4.16 of the Disclosure Schedules;
- (ii) any written bonus, pension, profit sharing, retirement or other form of deferred compensation plan, other than as described in Section 4.13 or the Disclosure Schedules relating thereto;
- (iii) any stock purchase, stock option or similar plan;
- (iv) any contract for the employment of any officer, employee or other individual on a full-time or consulting basis providing for fixed compensation in excess of \$100,000 per annum;
- (v) any agreement or indenture relating to the borrowing of money, whether as borrower or lender, or to mortgaging, pledging or otherwise placing a Lien other than a Permitted Lien on any assets of the Company and its Subsidiary;
- (vi) any guaranty of any obligation for borrowed money or other material guaranty;
- (vii) any lease or other agreement under which it is lessee of, or holds or operates any tangible personal property owned by any other party, for which the annual rental exceeds \$150,000;
- (viii) any lease or other agreement under which it is lessor of or permits any third party to hold or operate any tangible personal property for which the annual rental exceeds \$150,000;
- (ix) any contract or group of related contracts with the same party for the purchase of products or services (A) that requires annual payments to be made by the Company or its Subsidiary in excess of \$150,000 or (B) that provided for annual payments by the Company or its Subsidiary in excess of \$150,000 during the trailing twelve (12)-month period ending on the date of the Latest Balance Sheet;
- (x) any agreements relating to any completed business acquisition or disposition by the Company or its Subsidiary (whether by merger, sale of stock, sale of assets or otherwise) entered into on or after February 1, 2013 or pursuant to which the Company or its Subsidiary has any continuing material obligation or Liability;
- (xi) any contract or group of related contracts with a client or customer for the sale of products or services that (A) requires annual payments in excess of \$150,000 to be made by such client or customer to the Company or its Subsidiary or (B) provided for payments to the Company or its Subsidiary by such client or customer in excess of \$150,000 during the trailing twelve (12)-month period ending on the date of the Latest Balance Sheet, in each case of (A) and (B), other than purchase orders entered into in the ordinary course of business;
- (xii) any license, royalty or other agreement relating to the use of any third party Intellectual Property (other than licenses for commercially available software licensed for a one-time fee of, or that have annual fees of, \$75,000 or less);
- (xiii) any license, royalty or other agreement relating to the use by any third party of Intellectual Property owned by the Company or its Subsidiary (other than non-exclusive licenses granted to customers in the ordinary course of business);
- (xiv) any contract which prohibits the Company or its Subsidiary from (1) freely engaging or competing in any business anywhere in the world or (2) soliciting for employment or hiring any Person (other than non-disclosure agreements entered into in the ordinary course of business);
- (xv) any contract requiring future capital expenditure obligations of the Company or its Subsidiary in excess of \$150,000;

(xvi) any contract with any independent contractor who provides services to the Company or its Subsidiary or the Business that provides for annualized compensation in excess of \$100,000 individually or \$250,000 in the aggregate;

(xvii) any joint venture, partnership or other similar agreement or written arrangement involving co-investment or the sharing of revenues, profits, losses, costs or Liabilities between the Company or its Subsidiary or otherwise involves the Business, on the one hand, and a third party on the other hand;

(xviii) any contract requiring the Company or its Subsidiary to pay royalties to a third party with respect to a product of the Business;

(xix) any material warranty or guarantee with respect to a contractual performance that is an obligation of the Company or its Subsidiary or otherwise involves the Business, other than warranties or guarantees provided to its customers in the ordinary course of business;

(xx) any contract requiring the Company or its Subsidiary to indemnify and hold harmless any Person, other than those entered into in the ordinary course of business;

(xxi) any contract containing a requirement to deal exclusively with or grant exclusive rights or rights of first refusal to any customer, vendor, supplier, distributor, contractor or other party.

(it being understood that, for purposes of this Section 4.09, all purchase orders or similar arrangements, as applicable, shall be deemed incorporated by reference with respect to any underlying master agreement, multi-year agreement or similar agreement).

(o) With respect to each contract listed in Section 4.09 of the Disclosure Schedules (collectively, the “Significant Contracts”), (i) each such Significant Contract is in full force and effect and is a valid and binding contract or agreement of the Company and its Subsidiary, as applicable, and, to the knowledge of the Company, enforceable against the other parties thereto, in accordance with its terms, in each case, subject to the General Enforceability Exceptions and (ii) neither the Company, its Subsidiary nor, to the Company’s knowledge, any other party to any such Significant Contract is in breach or violation of, or default under, such Significant Contract and, to the knowledge of the Company, no event has occurred that with or without notice or lapse of time or both would constitute a breach or default (whether by lapse of time or notice or both), except, in each case, as would not reasonably be expected to be, individually or in the aggregate, material to the Company or its Subsidiary (taken as a whole).

4.10 Intellectual Property

(a) Section 4.10 of the Disclosure Schedules sets forth all of the following owned by the Company or its Subsidiary: (i) patents and patent applications; (ii) registered trademarks and trademark applications; (iii) internet domain names; and (iv) registered copyrights and copyright applications (collectively, the “Company Intellectual Property”). Except as set forth in Section 4.10(a) of the Disclosure Schedules: (A) the Company or its Subsidiary, as the case may be, owns all of the Company Intellectual Property, free and clear of all Liens except Permitted Liens; (B) during the twelve (12)-month period prior to the date of this Agreement, none of the Company, its Subsidiary or any Seller has received from any Person any written notices of infringement or misappropriation by the Company or its Subsidiary with respect to such Person’s Intellectual Property; (C) neither the Company nor its Subsidiary are currently infringing on the Intellectual Property of any other Person; and (D) neither the Company nor its Subsidiary have given written notice to any Person asserting infringement or misappropriation by such Person of

any Intellectual Property owned by the Company or its Subsidiary and the Company is not aware of any such infringement or misappropriation.

(b) Except as set forth in Section 4.10(b) of the Disclosure Schedules, all material Intellectual Property developed by or on behalf of the Company or its Subsidiary was either developed by an employee of the Company or its Subsidiary within the scope of such employee's employment or was developed by a third party that assigned all rights in such Intellectual Property to the Company or its Subsidiary. During the twelve (12) months prior to the date hereof, to the Company's knowledge, there has been no material disruption in the functionality of the information technology systems used by the Company and its Subsidiary.

4.11 Litigation

. Except as set forth in Section 4.11 of the Disclosure Schedules, there are no Proceedings pending or, to the Company's knowledge, threatened against or by the Company or its Subsidiary, at Law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign which seeks more than \$100,000 in damages, has as its principal remedy injunctive relief or which would, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of the Company to perform its obligations under this Agreement, and neither the Company nor its Subsidiary is subject to any outstanding Judgment of any Governmental Entity.

4.12 Governmental Authorities; Consents

. Except for the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and except as set forth in Section 4.12 of the Disclosure Schedules, no permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Entity is required in connection with any of the execution, delivery or performance of this Agreement by the Sellers, other than those that, if not obtained, made or given, would not reasonably be expected to be, individually or in the aggregate, material to the Business.

4.13 Employee Benefit Plans

(a) Except as listed in Section 4.13(a) of the Disclosure Schedules, neither the Sellers, the Company nor its Subsidiary maintains, contributes to or is required to contribute to or has or could reasonably be expected to have Liability under, any "employee benefit plan" (as defined under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether or not subject to ERISA), any employment, bonus or other incentive compensation, stock purchase, stock option or other equity or equity-based compensation, deferred compensation, retention, change in control, severance, sick leave, vacation, pension, loan, salary continuation, retirement, retirement medical, termination pay, health, welfare, disability, prescription benefit, life insurance, educational assistance, fringe benefit, perquisite or other benefit plan, program, agreement or arrangement for the benefit of any employee, director or consultant of the Company or its Subsidiary (collectively, with the exception of any Plan which is a multiemployer plan as defined in Section 3(37) of ERISA, referred to herein as the "Plans"). Each Plan that is sponsored or maintained by the Company or its Subsidiary, or to which the Company or its Subsidiary is a party, is referred to herein as a "Company Plan." Section 4.13(a) of the Disclosure Schedules separately identifies each Plan that is a Company Plan. The Company has made available to Purchaser correct and complete copies of the following, as applicable: (i) the most recent Plan document or agreement, or with respect to any Plan that is not in writing, a written description of the material terms thereof; (ii) all amendments thereto; (iii) any trust instruments or insurance contracts, if any, forming a part of any Plan, and (iv)

a current determination letter issued by the Internal Revenue Service with respect to each Plan that is intended to be a “qualified plan” under Section 401 of the Code.

(b) The Company Plans comply in form and in operation in all material respects with their terms and with the requirements of applicable law, including the Internal Revenue Code of 1986, as amended (the “Code”) and ERISA. No Proceeding with respect to any Company Plan (other than routine claims for benefits) currently exists or, to the Company’s knowledge, has been threatened.

(c) Except as listed in Section 4.13(c) of the Disclosure Schedules: (i) no Plan is subject to Title IV of ERISA, (ii) no Plan provides retiree medical benefits, and (iii) neither the Company nor its Subsidiary contributes to any multiemployer plan, as defined in Section 3(37) of ERISA, any “multiple employer welfare arrangement” (as defined in Section 3(40) of ERISA), or any “multiple employer plan” within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code, nor have they incurred any “withdrawal liability” within the meaning of Section 4201 of ERISA, and no condition exists that could reasonably be expected to present a material risk to the Company or its Subsidiary of incurring any such Liability. No Liability under Title IV or Section 302 of ERISA has been incurred by the Company or any Person that, together with the Company, would be considered a single employer with the Company under Section 4001 of ERISA or Section 414 of the Code (an “ERISA Affiliate”) that has not been satisfied in full, and no condition exists that presents a material risk to the Company or any ERISA Affiliate of incurring any such Liability. With respect to each Plan that is subject to Title IV, the Company or its Subsidiary has made all contributions required by Law.

(d) Each Plan that is intended to be tax qualified under Section 401(a) of the Code has received or is covered by a favorable determination or opinion letter from the IRS, including with respect to any trusts intended to be exempt from federal income taxation under the Code and, to the knowledge of the Company, no facts or circumstances have occurred that could reasonably be expect to cause the loss of such qualification or exemption.

(e) Except as listed in Section 4.13(e) of the Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (either alone or in combination with any other event) will (i) result in any payment becoming due to any current or former employee, consultant, independent contractor or director of the Company or its Subsidiary, (ii) increase the compensation or benefits payable, including equity benefits, under any Company Plan, (iii) result in the acceleration of the time of payment, funding or vesting of any such compensation or benefits, including equity benefits, under any such Company Plan, (iv) require any contributions or payments to fund any obligations under any Company Plan or (v) create any limitation or restriction on the right of the Company to merge, amend or terminate any Company Plan. There is no agreement, plan, arrangement or other contract covering any employee or consultant of the Company or its Subsidiary that, considered individually or considered collectively with any other such agreements, plans, arrangements or other contracts, could, in connection with the consummation of the transactions contemplated hereby (either alone or in combination with any other event), give rise to the payment of any amount that would be characterized as a “parachute payment” within the meaning of Section 280G of the Code or that would not be deductible by the Purchaser or the Company or their respective Affiliates by reason of Section 280G of the Code, and there is no such agreement, plan, arrangement or contract under which any employee or consultant of the Company or its Subsidiary could be eligible to be compensated for any excise Taxes paid pursuant to Section 4999 of the Code.

(f) With respect to each Plan established or maintained outside of the United States of America primarily for benefit of employees of the Company or its Subsidiary residing outside the United States of America (a “Foreign Benefit Plan”): (i) all employer and employee contributions to each Foreign Benefit Plan required by law or by the terms of such Foreign Benefit Plan have been made, or, if applicable, accrued, in all material respects in accordance with normal accounting practices and (ii) each Foreign Benefit Plan required to be registered has been registered and has been maintained in all material respects in good standing with applicable regulatory authorities.

4.14 Compliance with Laws

(g) The Company and its Subsidiary are in compliance in all material respects with all applicable Laws and regulations of foreign, federal, state and local governments and all agencies thereof.

(h) The Company and its Subsidiary hold all permits (other than the possession of or compliance with Environmental Permits as defined herein, which is exclusively provided for in Section 4.15(a)) from any Governmental Entity which are required under applicable Law in order for the Company and its Subsidiary to conduct the Business as presently conducted, other than any such permits the absence of which would not reasonably be expected to be, individually or in the aggregate, material to the Business (the “Business Permits”). The Company and its Subsidiary are in material compliance with the terms of the Business Permits.

4.15 Environmental Compliance and Conditions

. Except as set forth in Section 4.15 of the Disclosure Schedules:

(a) The Company and its Subsidiary have obtained and possess all material permits, licenses and other authorizations required under applicable Environmental Laws (the “Environmental Permits”).

(b) The Company and its Subsidiary are in material compliance with the terms and conditions of such Environmental Permits and are also in material compliance with all applicable Environmental Laws.

(c) None of the Company, its Subsidiary or any Seller has received any written notice of violations or Liabilities arising under Environmental Laws, including relating to any investigatory, remedial or corrective obligation from any foreign, federal, state or local governments or any agency thereof, relating to the Company, its Subsidiary or their facilities and arising under Environmental Laws, the subject of which is unresolved.

(d) There are no lawsuits or Proceedings pending or, to the Company’s knowledge, threatened against the Company or its Subsidiary before or by any Governmental Entity under Environmental Laws, and neither the Company nor its Subsidiary is subject to any outstanding Judgment of any Governmental Entity under Environmental Laws, except for any of the foregoing that would not reasonably be expected to be, individually or in the aggregate, material to the Business.

(e) No product manufactured, produced, modified, distributed or sold by or on behalf of the Company or its Subsidiary contains, or has contained, any asbestos or asbestos-containing materials.

(f) There have been no releases of any Hazardous Materials by the Company or its Subsidiary at the Real Property or, to the knowledge of the Company, by any other Person (including any Person whose Liability for such Environmental Liability the Company or its Subsidiary has retained or assumed), except, in each case, for any releases that would not reasonably be expected to be, individually or in the aggregate, material to the Company or its Subsidiary.

(g) The Company has delivered or otherwise made available for inspection to the Purchaser true, complete and correct copies and results of any non-privileged, material reports, data, investigations, audits, assessments (including Phase I and Phase II environmental site assessments), studies, analyses, tests or monitoring in the possession of or under the reasonable control of the Company or its Subsidiary pertaining to: (i) any unresolved Environmental Liabilities of the Company or its Subsidiary; (ii) any Hazardous Materials released in, on, or beneath any property currently or formerly owned, operated or leased by the Company or its Subsidiary; or (iii) the Company’s or its Subsidiary’s compliance with applicable Environmental Laws.

4.16 Labor and Employment

(h) Except as set forth on Section 4.16 of the Disclosure Schedules, neither the Company nor its Subsidiary is a party to or bound by any labor agreement, collective bargaining agreement, or any other labor-related agreements or arrangements with any labor union, labor organization or works council applicable to persons employed by the Company or its Subsidiary; no employees of the Company or its Subsidiary are represented by any labor union, labor organization or works council with respect to their employment with the Company or its Subsidiary; and to the Company's knowledge, no union organizing efforts are underway with respect to such persons.

(i) No labor union, labor organization, works council or group of employees of the Company or its Subsidiary has a pending demand for recognition or certification as representative of employees of the Company or its Subsidiary, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the knowledge of the Company, threatened in writing to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority.

(j) Except as set forth in Section 4.16(c) of the Disclosure Schedules, since February 1, 2013, there have been no unfair labor practice Proceedings, material grievances, material arbitrations, strikes, slowdowns, work stoppages or lockouts, picketing, hand billing or other material labor disputes against or involving the Company or its Subsidiary, or, to the knowledge of the Company, threat thereof, by or with respect to any employees of the Company or its Subsidiary.

(k) The Company and its Subsidiary are in compliance in all material respects with all applicable Laws respecting employment and employment practices, including all Laws respecting terms and conditions of employment, health and safety, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(l) Except as set forth in Section 4.16 of the Disclosure Schedules, since February 1, 2013, the Company and its Subsidiary have not received written notice of (i) any material charge or complaint pending before the Equal Employment Opportunity Commission or any other Governmental Entity responsible for the prevention of unlawful employment practices or (ii) the intent of any Governmental Entity responsible for the enforcement of labor and employment laws to conduct a material investigation or notice that such investigation is in progress.

(m) To the knowledge of the Company, no employee of the Company or its Subsidiary is in any material respect in violation of any term of any employment agreement, nondisclosure agreement, noncompetition agreement or restrictive covenant: (i) to the Company or its Subsidiary or (ii) to a former employer of any such employee relating to (A) the right of any such employee to be employed by the Company or its Subsidiary or (B) to the knowledge or use of trade secrets or proprietary information.

4.17 Insurance

Section 4.17 of the Disclosure Schedules lists each material insurance policy maintained by the Company and its Subsidiary or to which the Company or its Subsidiary are entitled to the benefits of. Each such insurance policy is in full force and effect, all premiums due and payable thereon have been paid and, neither the Company nor its Subsidiary is in default with respect to its obligations under any such insurance policy. Except as set forth in Section 4.17 of the Disclosure Schedules, neither the Company nor its Subsidiary has any self-insurance or co-insurance programs.

4.18 Warranty and Product Liability

. Except as set forth in Section 4.18 of the Disclosure Schedules, there are no Proceedings or written claims pending or, to the Company's knowledge, threatened involving a service provided or a product designed, manufactured, serviced, produced, modified, distributed or sold by or on behalf of the Company, its Subsidiary or the Business relating to an alleged Defect or an alleged breach of any guarantee or warranties or representations, other than (a) claims that have been settled or resolved prior to the date of this Agreement, (b) returns and replacements of goods (whether or not defective) made in the ordinary course of business or (c) claims that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiary (taken as a whole). There are no material Defects with respect to any of the products of the Company, its Subsidiary or the Business. Section 4.18 of the Disclosure Schedules sets forth a specimen copy of the form of written warranties of the Company and its Subsidiary covering products sold or services provided by the Company and its Subsidiary that have not expired.

4.19 Related Party Transactions.

Except as set forth in Section 4.19 of the Disclosure Schedules, no Affiliate of the Company or its Subsidiary or, to the Company's knowledge, any director or officer of the Company or its Subsidiary, has any direct or indirect interest in any competitor, client, customer or supplier of the Company or its Subsidiary or in any Person from whom or to whom the Company or its Subsidiary leases any real or personal property or in any other Person with whom the Company or its Subsidiary has any material business relationship. Except as set forth in Section 4.19 of the Disclosure Schedules, no Affiliate of the Company or its Subsidiary: (i) owns any property or right, whether tangible or intangible, which is used by the Company or its Subsidiary; (ii) has any claim or cause of action against the Company or its Subsidiary; (iii) owes any money to the Company or its Subsidiary or is owed money from the Company or its Subsidiary; or (iv) provides services or resources to the Company or its Subsidiary or is dependent on services or resources provided by the Company or its Subsidiary.

4.20 OFAC

. None of the Sellers, the Company or its Subsidiary or, to the Company's knowledge, any director or officer of any of the Sellers, the Company or its Subsidiary is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"). There is no pending or, to the Company's knowledge, threatened Proceeding against, or investigation by a Governmental Entity of, the Business, the Company or its Subsidiary, nor is there any Judgment imposed (or, to the Company's knowledge, threatened to be imposed) upon the Business, the Company or its Subsidiary by or before any Governmental Entity, in each case, in connection with an alleged violation of applicable Law relating to the import or export of data, goods or services to any foreign jurisdiction against which the United States or United Nations maintains sanctions or export controls, including applicable regulations of the U.S. Department of Commerce, the U.S. Department of State and OFAC.

4.21 Anti-Corruption Laws

. Neither the Company nor its Subsidiary has since February 1, 2011, directly or indirectly, violated the U.S. Foreign Corrupt Practices Act or any other anti-corruption Law applicable to the Company or its Subsidiary in a jurisdiction in which the Business has been conducted (collectively, the "Applicable Anti-Corruption Laws") or any Applicable Customs & International Trade Laws. Neither the Company, its Subsidiary nor any of their respective officers, directors, employees, agents, distributors or sales representatives has since February 1, 2011 made, directly or indirectly, any payment, loan or gift (or any offer, promise or authorization of any such payment, loan or gift) of any money or anything of value to or for the use of any Person under circumstances in which any of them knows or has pursuant to the standard of care of any Applicable Anti-Corruption Laws applicable in the given case reason to know that all or any portion of such money or thing of value has been offered, given or promised, directly or indirectly, to said

Person for the purpose of inducing the Person to do any act or make any decision in his or her or its official capacity (including a decision to fail to perform his or her or its official function) or use his or her or its influence with a Governmental Entity (or commercial enterprise under such Applicable Anti-Corruption Laws prohibiting commercial bribery) thereof in order to affect any act or decision of such Governmental Entity or commercial enterprise or to assist either party in obtaining or retaining the business of the Company or its Subsidiary. To the Company's knowledge, since February 1, 2011 there has been no investigation or Proceeding relating to any violation of Applicable Anti-Corruption Laws or Applicable Customs & International Trade Laws by the Business, the Company, its Subsidiary or any of their respective directors, officers, employees, agents, shareholders, distributors or sales representatives. Since February 1, 2011 none of the Company or its Subsidiary has sold or delivered directly or, to the Company's knowledge, indirectly any products or technology to any of the parties or countries listed in Section 4.21 of the Disclosure Schedules.

4.22 Money Laundering Laws

. The operations of the Company and its Subsidiary are and have been conducted at all times since February 1, 2011 in material compliance with all applicable money laundering statutes and the rules and regulations thereunder applicable to the Company and its Subsidiary in all jurisdictions in which the Business is conducted (collectively, the "Money Laundering Laws") and no Proceeding by or before any Governmental Entity involving the Company or its Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

4.23 Customers and Suppliers

. Section 4.23 of the Disclosure Schedules lists the top 20 customers (the "Material Customers") and top 20 suppliers (the "Material Suppliers") of the Company and its Subsidiary collectively for the fiscal year ended February 1, 2015 (determined on a consolidated basis based on, in the case of customers, the dollar amount of revenues recognized by the Company and its Subsidiary from such customers and, in the case of suppliers, the dollar amount of purchases from such suppliers). Except as described in Section 4.23(a) of the Disclosure Schedules, from February 1, 2015, none of the Company or its Subsidiary or any Seller has received any written indication that (a) any Material Customer or Material Supplier plans to stop or materially decrease the amount of business done with the Business, (b) any Material Customer received a material decrease in the prices paid to the Business that is inconsistent with the terms of its existing agreement or order with the Business or (c) any Material Supplier received a material increase in the prices charged to the Business that is inconsistent with the terms of its existing supply agreement with the Business. In addition, none of the Company, its Subsidiary or the Business is involved with any material claim or dispute with any Material Customer or Material Supplier, other than returns, replacements or adjustments made in the ordinary course of business.

4.24 Brokerage

. Except as set forth in Section 4.24 of the Disclosure Schedules, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company or its Subsidiary.

No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS Article IV, AS QUALIFIED BY THE DISCLOSURE SCHEDULES, THE SELLERS MAKE NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE COMPANY.

Article V

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth in the Disclosure Schedules, the Sellers jointly and severally represent and warrant to the Purchaser the statements in this Article V as of the date of this Agreement and as of the Closing Date.

5.01 Organization and Corporate Power

. The (a) Ultimate Parent is a public limited company duly incorporated, validly existing and in good standing under the laws of England and Wales, (b) Celdis is a private limited company duly incorporated, validly existing and in good standing under the Laws of England and Wales, and (c) PF Corp is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, and each such Seller has all necessary power and authority to enter into, execute and deliver this Agreement and to carry out its respective obligations hereunder and to consummate the transactions contemplated hereby.

5.02 Authority, Validity and Effect

. The execution, delivery and performance of this Agreement by each Seller and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action, and other than the Ultimate Parent Class 1 Resolution by the Ultimate Parent Shareholders, no other proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. Each Seller has duly executed and delivered this Agreement, and assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes a valid and binding obligation of each Seller, enforceable in accordance with its terms, except as enforceability may be limited by the General Enforceability Exceptions.

5.03 Board Vote; Ultimate Parent Shareholder Approval

. At or prior to the date hereof, the board of directors of the Ultimate Parent, at a meeting duly called and held, has, by unanimous vote of all directors of the Ultimate Parent then in office, approved the Ultimate Parent Recommendation. The approval by the Ultimate Parent Shareholders of the Ultimate Parent Class 1 Resolution is the only vote of holders of any class of securities of the Ultimate Parent which is required to approve the transactions contemplated by this Agreement.

5.04 No Violation

. Except as set forth on Section 5.04 of the Disclosure Schedules, the execution, delivery and performance of this Agreement by each Seller, the consummation of the transactions contemplated hereby and compliance by each Seller with the terms hereof do not and will not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Lien upon such Seller's Shares, or require any authorization, consent, approval, exemption or other action by or notice to any third party or any Governmental Entity under, (a) the provisions of such Seller's certificates or articles of incorporation, memorandum of association, articles of association or bylaws (or equivalent organizational documents), (b) any contracts, agreements or instruments or any licenses, franchise or permits to which such Seller is a party or bound by, or (c) any Law or Judgment to which such Seller is subject except, in the cases of clauses (b) and (c), for any such items that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement.

5.05 Title

(a) PF Corp (i) is the lawful record and beneficial owner of all of the shares of outstanding Company Preferred Stock, (ii) has full power, right and authority, and any approval required by Law, to make, enter into and perform this Agreement and to sell, assign, transfer and deliver such Shares to the Purchaser, and (iii) has good and valid title to such Shares free and clear of all Liens other than Liens arising under applicable securities Laws.

(b) Celdis (i) is the lawful record and beneficial owner of all of the shares of outstanding Company Common Stock, (ii) has full power, right and authority, and any approval required by Law, to make, enter into and perform this Agreement and to sell, assign, transfer and deliver such Shares to the Purchaser, and (iii) has good and valid title to such Shares free and clear of all Liens other than Liens arising under applicable securities Laws.

(c) Upon the consummation of the transactions contemplated by this Agreement in accordance with the terms hereof, including the payment in full of the Preferred Stock Consideration and the Closing Cash Consideration, at the Closing, the Purchaser will acquire good and valid title to the Shares, free and clear of all Liens (other than Liens created by the Purchaser or at the direction of the Purchaser).

(d) Except for this Agreement, there are no options or rights to acquire, or any agreements to which any Seller is a party, relating to the Shares that have not been waived or that will survive the Closing. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to the knowledge of such Seller, threatened against such Seller.

5.06 Governmental Authorities

. Except for the applicable requirements of the HSR Act and except as set forth in Section 5.06 of the Disclosure Schedules, no Seller is required to submit any notice, report or other filing with any Governmental Entity in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby, other than those that, if not obtained, made or given, would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement.

5.07 Litigation

. There are no Proceedings pending or, to the Sellers' knowledge, threatened against or by any Seller at Law or in equity, or before or by any Governmental Entity, which would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of any Seller to consummate the transactions contemplated by this Agreement.

5.08 Brokerage

. Except as set forth in Section 5.08 of the Disclosure Schedules, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of any Seller.

5.09 No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN Article IV AND THIS Article V, AS QUALIFIED BY THE ATTACHED SCHEDULES, THE SELLERS MAKE NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES.

Article VI

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Except as set forth in the schedules of the Purchaser accompanying this Agreement (each, a “Purchaser Disclosure Schedule” and, collectively, the “Purchaser Disclosure Schedules”), the Purchaser represents and warrants to the Sellers that as of the date of this Agreement and as of the Closing Date:

6.01 Organization and Corporate Power

. The Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, with all necessary power and authority to enter into, execute and deliver this Agreement and to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

6.02 Authorization; Valid and Binding Agreement

. The execution, delivery and performance of this Agreement by the Purchaser and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action, and no other proceedings on its part are necessary to authorize the execution, delivery or performance of this Agreement. The Purchaser has duly executed and delivered this Agreement, and assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes a valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforceability may be limited by the General Enforceability Exceptions.

6.03 No Violation

. Except as set forth on Section 6.03 of the Purchaser Disclosure Schedules, the execution, delivery and performance of this Agreement by the Purchaser, the consummation of the transactions contemplated hereby and compliance by the Purchaser with the terms hereof do not and will not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Lien (other than a Permitted Lien) upon any assets of the Purchaser, or require any authorization, consent, approval, exemption or other action by or notice to any third party or any Governmental Entity under, (i) the provisions of the Purchaser’s certificates or articles of incorporation or bylaws (or equivalent organizational documents), (ii) any contracts, agreements or instruments or any licenses, franchise or permits to which the Purchaser is a party or bound by, or (iii) any Law or Judgment to which the Purchaser is subject except, in the cases of clauses (ii) and (iii), for any such violations, conflicts, breaches, notices, defaults or other events that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

6.04 Governmental Authorities

. Except for the applicable requirements of the HSR Act, the Purchaser is not required to submit any notice, report or other filing with any Governmental Entity in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby, other than those that, if not obtained, made or given, would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

6.05 Litigation

. There are no Proceedings pending or, to the Purchaser’s knowledge, threatened against or by the Purchaser at Law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would

reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

6.06 Brokerage

. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

6.07 Available Financing

. The Purchaser has and shall have at the Closing sufficient cash, available lines of credit or other sources of immediately available funds to make payment of all amounts to be paid by it hereunder on and after the Closing Date.

6.08 Investment Representation

. The Purchaser is acquiring the securities of the Company for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities Laws. The Purchaser is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Purchaser acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the securities of the Company. The Purchaser acknowledges that the securities of the Company have not been registered under the Securities Act of 1933, as amended, or any state or foreign securities Laws and that the securities of the Company may not be sold, transferred, offered for sale, assigned, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act of 1933 and the securities of the Company are registered under any applicable state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act of 1933, as amended, and any applicable state or foreign securities Laws.

6.09 Solvency

. Assuming the representations and warranties set forth in Article IV and Article V are true and correct, immediately after giving effect to the transactions contemplated by this Agreement, the Company and its Subsidiary shall be able to pay their respective debts as they become due and shall own property which has a fair saleable value greater than the amounts required to pay their respective debts (including a reasonable estimate of the amount of all contingent Liabilities). Assuming the representations and warranties set forth in Article IV and Article V are true and correct, immediately after giving effect to the transactions contemplated by this Agreement, the Company and its Subsidiary shall have adequate capital to carry on their respective businesses. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the Company or its Subsidiary.

6.10 No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS Article VI, AS QUALIFIED BY THE ATTACHED SCHEDULES, THE PURCHASER MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES.

Article VII

COVENANTS OF THE SELLERS

7.01 Conduct of the Business

(a) From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 10.01, except as otherwise provided for by this Agreement or in Section 7.01 of the Disclosure Schedules or consented to in writing by the Purchaser (which consent shall not be unreasonably withheld or delayed) the Company shall (and shall cause its Subsidiary to) (1) conduct the Business in the ordinary course of business consistent with past practice, (2) use commercially reasonable efforts to preserve intact the Business and keep available the services of its employees and agents and maintain its relations and good will with its Material Suppliers, Material Customers, material distributors, contractors, agents and others having material business relationships with the Company or its Subsidiary (to the extent beneficial) and (3) comply in all material respects with all applicable Laws and the requirements of all Significant Contracts; provided that, the foregoing notwithstanding, the Company and its Subsidiary may (i) use all available cash to repay any Indebtedness or Transaction Expenses of the Company and its Subsidiary prior to the Closing and (ii) redeem all or any portion of the Company Preferred Stock and pay any accrued dividend on such stock.

(b) From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 10.01, except as otherwise provided for by this Agreement or in Section 7.01 of the Disclosure Schedules or consented to in writing by the Purchaser (which consent shall not be unreasonably withheld or delayed), the Company shall not, and shall not permit its Subsidiary to:

(i) issue, sell or deliver any shares of its or its Subsidiary's capital stock or issue or sell any securities convertible into, or options with respect to, or warrants to purchase or rights to subscribe for, any shares of its or its Subsidiary's capital stock;

(ii) effect any recapitalization, reclassification, stock dividend, stock split or like change in its capitalization;

(iii) amend its or its Subsidiary's certificate or articles of incorporation or bylaws (or equivalent organizational documents);

(iv) make any redemption or purchase of any shares of its or its Subsidiary's capital stock (other than redemption of the Company Preferred Stock);

(v) sell, assign, transfer, mortgage, pledge or subject to any Lien (other than Permitted Liens) any assets, except in the ordinary course of business consistent with past practice;

(vi) make any capital investment in, or any loan or advances to, or any guarantees for the benefit of, any other Person (other than the Company's Subsidiary);

(vii) make any capital expenditures or commitments therefor outside of the budget attached hereto in Schedule 7.01(b)(vii);

(viii) sell, assign, transfer, abandon, cancel or allow to lapse any of the Intellectual Property owned by the Company that is material to the conduct of the Business, other than the expiration of any patent pursuant to applicable Law, or enter into any Intellectual Property license, other than non-exclusive licenses entered into in the ordinary course of business;

(ix) (a) make any loan to any of its present or former directors, officers, or employees, (b) increase the compensation or benefits payable, provided or to be provided to any present or former director, officer, employee or consultant of the Company or its Subsidiary outside the ordinary course of business, (c) establish, adopt, enter into, amend or terminate any material Company Plan or any plan, agreement, program, policy, trust, fund or other arrangement

that would be a material Company Plan if it were in existence as of the date of this Agreement or (d) terminate the employment of any officer or management level employee of the Company or its Subsidiary other than for cause;

(x) unless required by Law, recognize or certify any labor union or labor organization as the collective bargaining representative of any employees of the Company or its Subsidiary;

(xi) agree to waive, amend or terminate any non-solicitation or non-competition agreement with respect to any employee of the Company or its Subsidiary;

(xii) make any material change in the method of financial accounting or financial accounting practice or policy applicable to the Business, other than such changes as are required by IFRS or applicable Law;

(xiii) except as required by applicable Law, make, change or revoke any Tax election, adopt or change any Tax accounting method, enter into any closing agreement or Tax ruling, settle or compromise any Tax claim or assessment, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course of business), or file any amended Tax Return;

(xiv) (A) terminate a Significant Contract or (B) enter into any new contract that would be a Significant Contract if entered prior to the date hereof, other than in the ordinary course of business consistent with past practice and except for renewals in accordance with the terms of any Significant Contract;

(xv) materially modify, extend or terminate any Real Property Lease, or enter into any new lease of real property except for extensions requested by the Purchaser; or

(xvi) enter into any agreement or commit to do any of the foregoing.

7.02 Access to Books and Records

. From the date hereof until the Closing Date, the Company shall provide the Purchaser and its Representatives with access during normal business hours and upon reasonable notice to the offices, properties, officers, other personnel, books and records of the Company and its Subsidiary in order for the Purchaser to have the opportunity to make such investigation as it shall reasonably desire to make of the affairs of the Company and its Subsidiary; provided that such access does not unreasonably interfere with the normal operations of the Company and its Subsidiary; provided further that all requests for such access shall be directed to Joseph R. Daprile or such other Person as the Company may designate in writing from time to time. Notwithstanding anything to the contrary in this Agreement, neither the Company nor its Subsidiary shall be required to disclose any information to the Purchaser if such disclosure would be reasonably likely to (x) jeopardize any attorney client or other legal privilege or (y) contravene any applicable Laws, fiduciary duty or binding agreement entered into prior to the date hereof with a third party (provided that the Company or its Subsidiary, as applicable, shall use its commercially reasonable efforts to obtain the required consent of such third party to such access or disclosure). The information provided pursuant to this Section 7.02 will be governed by all the terms and conditions of the Confidentiality Agreement, dated October 6, 2015, by and between the Ultimate Parent and the Purchaser (the "Confidentiality Agreement"). Notwithstanding the provisions of this Section 7.02, while the existence of an adversarial proceeding between the parties will not abrogate or suspend the provisions of this Section 7.02, as to such records or other information directly pertinent to such dispute, the parties may not utilize this Section 7.02 but rather, absent agreement, must utilize the rules of discovery.

7.03 Notifications

. From the date hereof until the Closing Date, the Company and the Sellers may disclose to the Purchaser in writing any material variances from the representations and warranties contained in Article IV or

Article V, as applicable, and of any other fact or event that constitutes a breach of the covenants made in this Agreement by the Company or the Sellers. No such disclosure shall be deemed to amend and supplement the Disclosure Schedules delivered on the date hereof or have any impact on any rights or remedies of the Purchaser set forth in this Agreement.

7.04 Conditions

. The Sellers and the Company shall use commercially reasonable efforts to cause the conditions set forth in Section 3.01 to be satisfied and to consummate the transactions contemplated herein as soon as reasonably possible after the satisfaction of the conditions set forth in Article III hereof (other than those to be satisfied at the Closing).

7.05 No Solicitation

(a) During the period from the date of this Agreement through the Closing Date or the earlier termination of this Agreement pursuant to Article X, the Ultimate Parent shall not, nor shall it authorize or permit its Affiliates to, and it shall cause its and its Affiliates' respective Representatives not to, directly or indirectly (i) initiate, solicit or knowingly encourage (including by way of furnishing information or assistance, except furnishing such information as may be required by Law), or knowingly induce, or take any other action designed to facilitate any inquiry with respect to the making, submission or announcement of, any Competing Proposal, (ii) except as provided in Section 7.05(d), enter into any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to or which constitutes any Competing Proposal, (iii) except as provided in Section 7.05(d), enter into, continue or otherwise participate in any discussions or negotiations regarding, furnish to any Person any information or data or access to its properties with respect to (in each case, except furnishing such information as may be required by Law), or otherwise knowingly cooperate with or knowingly take any other action to facilitate any proposal, inquiry or offer that is or is reasonably expected to lead to (A) Competing Proposal or (B) that requires any Seller or the Company to abandon, terminate or fail to consummate the transactions contemplated by this Agreement or (iv) except as provided in Section 7.05(f), submit to the shareholders of the Ultimate Parent for their approval any Competing Proposal, or agree or publicly announce an intention to take any of the foregoing actions.

(b) The Ultimate Parent shall, and shall cause its Affiliates and its and its Affiliates' respective Representatives to, immediately cease and cause to be terminated all existing activities, discussions or negotiations with any Persons or their Representatives with respect to any Competing Proposal and will use its commercially reasonable efforts to request in writing that any Person or such Person's Representatives in possession of any confidential information about the Company or its Subsidiary that was previously furnished to such Persons in connection therewith to be returned to the Sellers or the Company or destroyed consistent with the terms of their respective nondisclosure agreements.

(c) The Ultimate Parent agrees not to, and to cause the other Sellers and the Company not to, directly or indirectly, release any third party from the confidentiality and standstill provisions of any agreement (or terminate, amend, modify or waive any provision of any such agreement) to which the Ultimate Parent or any Affiliate of the Ultimate Parent is a party relating to a Competing Proposal. The Ultimate Parent agrees to use commercially reasonable efforts to, and to cause its Affiliates to use commercially reasonable efforts to, enforce, to the extent permitted under applicable Law, the provisions of any such agreement, including using commercially reasonable efforts to obtain injunctions to prevent

any breaches of such agreements to enforce specifically the terms and provisions thereof in any appropriate court in England and Wales or the United States of America.

(d) Notwithstanding the foregoing, prior to the Ultimate Parent Approval, the Ultimate Parent may, in response to a bona fide written unsolicited Competing Proposal (so long as such Competing Proposal was received after the date hereof and the Ultimate Parent, in receiving such Competing Proposal, has otherwise complied in all material respects with the terms of Section 7.05(a) with respect to such Competing Proposal), subject to compliance with Section 7.05(e):

(i) furnish information with respect to it and its Affiliates (provided that the Purchaser shall not be considered such an Affiliate by virtue of the provisions of this Agreement) to the Person making such Competing Proposal and its Representatives pursuant to and in accordance with a confidentiality agreement on terms substantially similar to the Confidentiality Agreement, provided that such confidentiality agreement shall not contain any provisions that would prevent the Ultimate Parent from complying with its obligation to provide the required disclosure to the Purchaser pursuant to this Section 7.05(d) and Section 7.05(e), and provided further that all such information provided to such Person has previously been provided to the Purchaser or is provided to the Purchaser prior to or substantially concurrently with the time it is provided to such Person; and

(ii) participate in discussions or negotiations with such Person or its Representatives regarding such Competing Proposal;

provided, in each case, prior to taking such actions referred to in Section 7.05(d)(i) or Section 7.05(d)(ii) (A) the board of directors of the Ultimate Parent reasonably determines such Competing Proposal constitutes a Superior Proposal or (B) the board of directors of the Ultimate Parent reasonably determines (after consultation with the Ultimate Parent's financial advisors and outside legal counsel), that such Competing Proposal would reasonably be expected to lead to a Superior Proposal.

(e) The Ultimate Parent shall promptly (and in any event within twenty-four (24) hours and prior to providing any such Person with any non-public information) notify the Purchaser in writing if any proposal, inquiries or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, the Ultimate Parent, any of its Affiliates or any of its or their Representatives, in each case, in connection with, or which could reasonably be expected to result in a Competing Proposal, which notice shall identify the name of the Person making such proposal, inquiry or offer or seeking such negotiations or discussions and the material terms and conditions of such proposal, inquiry or offer and include copies of all correspondence and written materials provided to the Ultimate Parent, any of its Affiliates or any of its and their Representatives that describe any material term and conditions of any inquiry, proposal or offer. The Ultimate Parent shall (i) use commercially reasonable efforts to confer with the Purchaser and keep the Purchaser reasonably informed of the status of any such Competing Proposal, inquiry, proposal or offer (including any changes to the material terms and conditions thereof) and (ii) promptly upon receipt or delivery thereof, provide the Purchaser and its outside legal counsel with copies of all correspondence, written materials, drafts and final versions (and any comments thereon) of agreements (including schedules and exhibits thereto) relating to any Competing Proposal exchanged between the Ultimate Parent, any of its Affiliates or any of its or their Representatives, on the one hand, and the Person making such Competing Proposal or any of its Representatives, on the other hand.

(f) Except as permitted by this Section 7.05(f), neither the board of directors of the Ultimate Parent nor any committee thereof shall (i) withdraw (or modify or qualify in any manner adverse to the Purchaser), or publicly propose to withdraw (or modify or qualify in a manner adverse to the Purchaser), the Ultimate Parent Recommendation or otherwise make any public statement in connection with the transactions contemplated by this Agreement that is inconsistent with the Ultimate Parent

Recommendation, (ii) adopt, approve, endorse or recommend, or resolve to publicly propose to adopt, approve, endorse or recommend, any Competing Proposal (any of the foregoing actions in clauses (i) and (ii), a “Change in Recommendation”) or (iii) adopt, approve, endorse or recommend, or resolve to or publicly propose to adopt, approve, endorse or recommend, or allow the Ultimate Parent or any of its Affiliates to execute or enter into, any binding or non-binding letter of intent, option, joint venture, partnership or other arrangement or understanding in connection with any Competing Proposal (other than confidentiality agreements permitted under Section 7.05(d) pursuant to and in accordance with the limitations set forth therein). Notwithstanding the foregoing, the board of directors of the Ultimate Parent may, prior to the Ultimate Parent Approval, in response to a Superior Proposal received after the date of this Agreement and in the absence of any violation of this Section 7.05, make a Change in Recommendation or cause the Ultimate Parent to terminate this Agreement pursuant to Section 10.01(i) and concurrently with such termination enter into a definitive agreement with respect to such Superior Proposal, subject to satisfaction of its obligations under Section 10.03; provided, however, that:

(i) the board of directors of the Ultimate Parent shall not be entitled to effect a Change in Recommendation or exercise its right to terminate this Agreement pursuant to Section 10.01(i) until five (5) full business days following delivery of written notice to the Purchaser (a “Section 7.05(f) Notice”) from the Ultimate Parent advising the Purchaser that the board of directors of the Ultimate Parent intend to take such action, including a description of the material terms and conditions of any Superior Proposal and a copy of the proposed transaction agreement for any such Superior Proposal in the form to be entered into (it being understood and agreed that, in the event of an amendment to the financial terms or other material economic terms of such Superior Proposal, the board of directors of the Ultimate Parent shall not be entitled to exercise such right based on such Superior Proposal, as so amended, until five (5) full business days following delivery of written notice to the Purchaser of a Section 7.05(f) Notice with respect to such Superior Proposal as so amended). In determining whether to terminate this Agreement in response to a Superior Proposal or to make a Change in Recommendation, the board of directors of the Ultimate Parent shall take into account any proposals made by the Purchaser to amend the terms of this Agreement, and the Ultimate Parent shall, and shall cause the Ultimate Parent’s financial advisor and legal counsel to negotiate in good faith with the Purchaser regarding any such proposals and shall not make a Change in Recommendation or terminate this Agreement unless, prior to the effectiveness of such Change in Recommendation or termination, the board of directors of the Ultimate Parent, after considering the results of any such negotiations and any revised proposals made by the Purchaser, concludes in good faith (after consultation with the Ultimate Parent’s outside counsel and financial advisors) that the Superior Proposal giving rise to the Section 7.05(f) Notice continues to be a Superior Proposal.

7.06 Ultimate Parent Approval

(g) As soon as reasonably practicable following the date hereof, and in any event on or before March 7, 2016, subject to any required approval of the UKLA, the Ultimate Parent shall prepare and deliver a Class 1 circular (which shall contain the Ultimate Parent Recommendation and the notice of the Ultimate Parent GM containing the Ultimate Parent Class 1 Resolution) in accordance with all applicable requirements of the Companies Act, FSMA, Listing Rules and any other applicable Law, that has been approved by the FCA (the “Class 1 Circular”) to the Ultimate Parent Shareholders (the “Circular Distribution”). The Purchaser shall, and shall cause its authorized representatives to, use commercially reasonable efforts to cooperate with and promptly provide in good faith any information to the Ultimate Parent reasonably required for the preparation of the Class 1 Circular and all other documentation necessary in connection with the

Circular Distribution. Subject to the requirements of applicable Law, no filing of, or amendment or supplement to, or correspondence to the UKLA or its staff with respect to the Class 1 Circular will be made by the Ultimate Parent, without providing the Purchaser a reasonable opportunity to review and comment thereon (and the Ultimate Parent shall give reasonable consideration to all reasonable comments promptly suggested by the Purchaser or its counsel).

(h) As soon as reasonably practicable following the Circular Distribution, and, in any event, no later than twenty (20) days after the delivery of such Class 1 Circular, the Ultimate Parent shall duly convene the Ultimate Parent GM for purposes of considering and passing an ordinary resolution of the shareholders (the "Ultimate Parent Class 1 Resolution") of Ultimate Parent to approve, implement and effect the transactions contemplated by this Agreement, including the Sellers' sale, assignment, transfer and conveyance of the Shares to the Purchaser in accordance with the terms of this Agreement (the "Ultimate Parent Approval").

7.07 Non-Solicitation of Employees; Non-Competition

(a) For a period of two (2) years from the Closing Date, without the prior written consent of the Purchaser, as to any Company Employee who either (1) was retained, (2) became employed or (3) was offered employment by the Purchaser or a Subsidiary of the Purchaser (including the Company and its Subsidiary) (a "Covered Person"), the Sellers agree that no Seller or any Affiliate of any Seller will solicit for employment any Covered Person; provided that each Seller and its Affiliates shall not be precluded from soliciting, hiring or taking any other action with respect to any such individual (i) whose employment with the Purchaser or a Subsidiary of the Purchaser (including the Company and its Subsidiary) has been terminated by the Purchaser or such Subsidiary for at least six (6) months prior to commencement of employment discussions between such Seller or its Affiliates and such individual, and (ii) who responds to any solicitation not specifically targeted at employees of the Purchaser or any of its Subsidiaries (including the Company and its Subsidiary) (including by a search firm or recruiting agency); and provided, further, that each Seller and its Affiliates shall not be restricted from engaging in solicitations or advertising not specifically targeted at any Covered Persons described above.

(b) Each Seller agrees and acknowledges that in order to assure the Purchaser that the Business, the Company and its Subsidiary will retain their value as a going concern, it is necessary that such party undertake to not utilize its special confidential knowledge of the Business, the Company and its Subsidiary and their respective relationships with clients or customers to compete with the Purchaser. Each Seller further agrees and acknowledges that the Business could be irreparably damaged if such party were to engage in a business substantially similar to, or competitive with the Business (a "Competing Business") for the Restricted Period. Therefore, as a significant inducement to the Purchaser to enter into and perform its obligations under this Agreement, each Seller agrees that for a period of five (5) years from the Closing Date (the "Restricted Period"), without the prior written consent of the Purchaser, it will not, and will cause each of its successors, assigns and Affiliates to not, anywhere in the world, directly or indirectly, either for itself or any other Person, engage in, own, operate, manage, control, invest in or participate in any manner or permit its name to be used by, act as a consultant or advisor to, render services for (alone or in association with any Person), or otherwise assist in any manner any Person that engages in or owns, operates, manages, controls, invests in or participates in, any Competing Business; provided, however, that nothing herein shall preclude any Seller from (i) owning five percent (5%) or less of the outstanding securities of any Person or (ii) acquiring any Person, whether through a business combination, acquisition or otherwise, (x) whose gross revenues (including revenues of Affiliates of such Person only to the extent acquired) generated from the Competitive Business does not exceed ten percent

(10%) of the total gross revenues of such Person (including revenues of Affiliates of such Person to the extent acquired) during the twelve (12)-month period immediately preceding the acquisition or (y) if the Competitive Business operated or owned by such Person does not exceed thirty percent (30%) of the total gross revenues of such Person (including revenues of Affiliates of such Person only to the extent acquired) and is sold or otherwise disposed of by such Seller during the twelve (12)-month period immediately following such acquisition.

(c) Each Seller recognizes that the territorial, time and scope limitations set forth in this Section 7.07 are reasonable and are properly required for the protection of the Company's and the Purchaser's legitimate interests in client relationships, goodwill and trade secrets, and in the event that any such territorial, time or scope limitation is deemed to be unreasonable or by a court of competent jurisdiction, the Purchaser and each Seller agree to submit to the reduction of any or all of said territorial, time or scope limitations to such area, period or scope as said court shall deem reasonable or enforceable under the circumstances, and in its reduced form, such provision shall then be enforceable.

7.08 Intercompany Arrangements

(a) . Except as set forth in Section 7.08 of the Disclosure Schedules, effective upon the Closing, all intercompany accounts among any Seller or its Affiliates (excluding the Company and its Subsidiary), on the one hand, and the Company or its Subsidiary, on the other hand, will be voided, cancelled, terminated and discharged. In the event that any of the Sellers or any of their Affiliates is unable to settle all such intercompany accounts prior to the Closing, the parties shall cooperate in good faith from and after the Closing to equitably settle such accounts. The Sellers shall be entitled to terminate, effective upon the Closing, any intercompany Contracts (or portions thereof) or other arrangements (whether written or oral) relating to the Business, the Company and its Subsidiary between any of the Sellers and any of their Affiliates, on the one hand, and the Company or its Subsidiary, on the other hand, and from and after the Closing, no further rights or obligations of any party shall continue under such terminated Contracts (or portions thereof) or arrangements.

7.09 Confidentiality

(a) . During the Restricted Period, the Sellers shall, and shall cause their respective Representatives and Affiliates to, keep all non-public information, including documents, materials and records that they have or have obtained prior to the Closing regarding the Purchaser, the Company, its Subsidiary or the Business ("Confidential Information") confidential and will not disclose such information without the Purchaser's prior written consent; provided, however, that the Sellers shall not be liable hereunder with respect to any disclosure of any such information to the extent such disclosure is determined by such Seller (with the advice of counsel) to be required under any applicable Law or order, including applicable rules of any securities exchange so long as, to the extent practicable and legally permissible, (i) promptly notify the Purchaser in writing of the existence, terms and circumstances surrounding such requirement, (ii) cooperate with the Purchaser, at the Purchaser's expense, to take legally available steps to resist or narrow such requirement and obtain an appropriate protective order or other remedy and (iii) if disclosure of such information is required, notwithstanding any other provision hereof, such Seller shall be permitted to disclose only any such information that such Seller is advised by legal counsel is legally required to be disclosed and shall exercise commercially reasonable efforts to obtain an order or other reliable assurance that confidential treatment shall be accorded to such information. Notwithstanding the foregoing, "Confidential Information" shall not include information that (i) is or becomes publicly available after the Closing (other than as a result of a disclosure by any Seller or its Representatives or Affiliates in violation of this Section 7.09), (ii) is or becomes available to any Seller or its respective Representatives or Affiliates from a source that is not known by such Seller or such Representatives or Affiliates to be bound by a legal, contractual or fiduciary obligation of confidentiality to the Purchaser or any of its Subsidiaries (including the Company and its Subsidiary) or (iii) has been

independently developed by any Seller or its respective Representatives or Affiliates (other than by the Company or any of its Subsidiary) without reference to Confidential Information.

7.10 Intellectual Property

(a) . The Sellers will, at their own cost and expense, use commercially reasonable efforts to file, prior to the Closing Date, all such documents with the U.S. Patent and Trademark Office (or similar offices in other jurisdictions) as are necessary to record the Subsidiary as the owner of all patents and patent applications set forth in Section 4.10 of the Disclosure Schedules to the extent not already recorded as owned by the Company or its Subsidiary, and provide Purchaser with copies of such filings and filing receipts issued in connection therewith.

7.11 Assignment of Agreements

. Promptly, and in any event within fourteen (14) days of the date hereof, the Sellers shall, and shall cause the Company and its Subsidiary to, identify any Canadian distributor contracts to which any Seller or any of their respective Affiliates (other than the Company or its Subsidiary) is the contracting party and which are exclusively used in the Business. Promptly after identifying any such distributor contracts, the Ultimate Parent will provide copies thereof to the Purchaser. No such distributor contracts shall be transferred or assigned to the Purchaser or any Subsidiary designated by the Purchaser without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed.

7.12 Release

. Effective upon the Closing, each Seller, on behalf of itself and its Affiliates, and each of their respective successors and assigns (each, a "Releasor"), and in its capacity as a direct or indirect shareholder of the Company or its Subsidiary, hereby releases, acquits and forever discharges, to the fullest extent permitted by Law, the Company, its Subsidiary and their respective current officers, directors, stockholders, partners, members, Affiliates and employees (each, a "Releasee") of, from and against any and all actions, causes of action, claims, demands, damages, judgments, debts, dues and suits of every kind, nature and description whatsoever, which such Releasor ever had, now has or may have on or by reason of any matter, cause or thing whatsoever arising prior to the Closing Date; provided, however, that this release does not extend to any claim to enforce the terms of, and such Seller's rights under, this Agreement or any Ancillary Agreement.

7.13 Certain IP Assignment Matters

. Prior to the Closing Date, the Sellers will, at their own cost and expense, use commercially reasonable efforts to cause each third party identified in Section 4.10(b) of the Disclosure Schedules to enter into a binding written agreement, in form and substance reasonably acceptable to Purchaser (which acceptance shall not be unreasonably withheld, conditioned or delayed), with the Company's Subsidiary pursuant to which such third party assigns to the Company's Subsidiary all right, title and interest in and to all Intellectual Property developed by such third party on behalf of the Company or its Subsidiary.

Article VIII

COVENANTS OF THE PURCHASER

8.01 Access to Books and Records

. From and after the Closing, the Purchaser shall, and shall cause the Company to, provide each Seller and its Representatives during normal business hours, upon reasonable notice, and in accordance with the Purchaser's procedures relating to books and records then in place, reasonable access to the books and

records of the Company and its Subsidiary with respect to periods or occurrences prior to or on the Closing Date to the extent that such access may be reasonably requested by Sellers. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall not be required to disclose any information to any Seller if such disclosure would be reasonably likely to: (x) jeopardize any attorney client or other legal privilege (provided that the Purchaser shall use its commercially reasonable efforts to allow such access or disclosure without jeopardizing such privilege) or (y) contravene any applicable Laws, fiduciary duty or binding agreement with a third party (provided that the Purchaser shall use its commercially reasonable efforts to obtain the required consent of such third party to such access or disclosure). Unless otherwise consented to in writing by the Ultimate Parent, the Purchaser shall not, and shall not permit the Company or its Subsidiary, until the expiration of the seventh (7th) anniversary of the Closing Date to destroy, alter or otherwise dispose of any of the books and records of the Company or its Subsidiary for any period prior to the Closing Date without first giving reasonable prior notice to the Ultimate Parent and offering to surrender to the Ultimate Parent such books and records or any portion thereof which the Purchaser or the Company may intend to destroy, alter or dispose of. Notwithstanding the provisions of this Section 8.01, while the existence of an adversarial proceeding between the parties will not abrogate or suspend the provisions of this Section 8.01, as to such records or other information directly pertinent to such dispute, the parties may not utilize this Section 8.01 but rather, absent agreement, must utilize the rules of discovery.

8.02 Notification

. From the date hereof until the Closing Date, the Purchaser may disclose to the Ultimate Parent in writing any material variances from the representations and warranties contained in Article VI. No such disclosure shall be deemed to amend and supplement the Disclosure Schedules delivered on the date hereof or have any impact on any rights or remedies of Sellers set forth in this Agreement.

8.03 Director and Officer Liability and Indemnification

(a) For a period of six (6) years after the Closing, the Purchaser shall not permit the Company or its Subsidiary to amend, repeal or otherwise modify any provision in the Company's or its Subsidiary's certificate of incorporation or bylaws (or equivalent governing document) relating to the exculpation or indemnification of any officers and/or directors (unless required by Law), it being the intent of the parties that the officers and directors of the Company and its Subsidiary (the "D&O Indemnitees") shall continue to be entitled to such exculpation and indemnification to the fullest extent of the Law.

(b) Prior to the Closing, the Company shall obtain commercially reasonable, prepaid "tail" insurance policies with a claims period of six (6) years from the Closing Date which have terms and conditions providing directors' and officers' liability insurance benefits that are consistent with the Company's existing policies which cover acts or omissions occurring on or prior to the Closing Date; provided, however, that the Company shall consult with Purchaser in good faith prior to obtaining such "tail" insurance policies. The Purchaser shall not, and shall cause the Company and its Subsidiary not to, cancel or change such insurance policies in any material respect.

(c) In the event that all or substantially all of the assets of the Company are sold, whether in one transaction or a series of transactions, then the Purchaser and the Company shall, and in each such case, ensure that the successors and assigns of the Company assume the obligations set forth in this Section 8.03.

8.04 Employee Matters

(d) During the period beginning on the Closing Date and ending on the first (1st) anniversary of the Closing Date, the Purchaser shall provide or cause to be provided to each employee of the Company and its Subsidiary who remains an employee of the Company or its Subsidiary (collectively, the “Company Employees”) the same base salary or wage rate, as applicable, and, subject to subsections (b) through (i), below, other compensation and employee benefits (excluding equity-based incentive compensation) that are substantially similar in the aggregate to the compensation and employee benefits provided to such employees immediately prior to the Closing Date. Notwithstanding the foregoing, the Purchaser shall provide or cause to be provided to each Company Employee who is covered by the collective bargaining agreements set forth on Section 4.16 of the Disclosure Schedules the compensation and employee benefits as of and for the time periods required by the terms of such collective bargaining agreements.

(e) As of the Closing Date, (i) all Company Employees shall, subject to subsection (c) below, cease active participation in all Plans sponsored by PF Corp or its Affiliates that are not Company Plans or Transferred Company Plans, and (ii) shall begin participation in employee benefit plans and programs that the Purchaser maintains, establishes or causes the Company to maintain or establish on or after the Closing Date for Company Employees (“New Plans”). With respect to the New Plans, the Purchaser agrees to grant Company Employees, or cause to be granted to such employees, credit for any service with the Company or its Subsidiary prior to the Closing Date (x) for eligibility and vesting purposes and (y) for purposes of vacation accrual and severance benefit determinations under any New Plan. In addition, the Purchaser shall use commercially reasonable efforts to (A) cause to be waived all pre-existing condition exclusions and actively-at-work requirements and similar limitations, eligibility waiting periods and evidence of insurability requirements under any New Plans and (B) cause any deductible, co-insurance and covered out-of-pocket expenses paid on or before the Closing Date by any Company Employee (or covered dependent thereof) to be taken into account for purposes of satisfying the corresponding deductible, co-insurance and maximum out-of-pocket provisions after the Closing Date under any applicable New Plan in the year of initial participation. The Purchaser and the Sellers acknowledge and agree that none of the transactions contemplated hereby will trigger a payment or distribution of compensation under the Premier Farnell Corporation Deferred Compensation Plan (as amended and restated, and as subsequently amended) (the “PF Corp NQDC Plan”) for any Company Employee and, consequently, that the payment or distribution of any compensation to which any Company Employee is entitled under the PF Corp NQDC Plan will occur upon such individual’s “separation from service” from the Company or its Subsidiary from and after the Closing Date, or at such other time as specified in the PF Corp NQDC Plan. With respect to any Company Employee who is a participant in the PF Corp NQDC Plan, the Purchaser and/or the Company, as applicable, shall notify the Sellers in writing of any such Company Employee who incurs a “separation from service” within five (5) business days following such separation.

(f) Each Company Employee who, prior to the Closing Date, became disabled as defined in the Plans that provide short and long-term disability benefits (a “Disabled Company Employee”) and, as of the Closing Date, is receiving or is entitled to receive long-term disability benefits under a Plan sponsored by PF Corp or its Affiliates that is not a Company Plan shall continue to receive or be entitled to receive such long-term disability benefits under such Plan in accordance with its terms and conditions. On and after the Closing Date, (i) the Purchaser shall provide or cause to be provided short-term disability benefits under a New Plan to each Disabled Company Employee who, as of the Closing Date, is receiving or is eligible to receive short-term disability benefits under a Plan, and (ii) the Sellers and its Plans shall have no Liability or obligation with respect to such short-term disability benefits, but shall provide long-term disability benefits to such Disabled Company Employee in accordance with the preceding sentence if such Disabled Company Employee becomes entitled to long-term disability benefits.

(g) On and after the Closing, the Purchaser shall or shall cause the Company promptly to reimburse the Sellers for any claim not covered by insurance incurred by or on behalf of a Company Employee (and their eligible dependents or beneficiaries), notice of which is received after the Closing Date for a claim related to a pre-Closing incurrence, under any Plan providing health benefits (including medical, dental, prescription drug, and vision benefits) sponsored by PF Corp or its Affiliates that is not a Company Plan. For purposes of this Section 8.04(d), a claim for such health benefits shall be deemed to be incurred upon the provision of the treatment, service, material or supply giving rise to the claim.

(h) The Purchaser shall provide the Company Employees and their “qualified beneficiaries” (as defined in Section 4980B(g)(1) of the Code) with continuation coverage in accordance with Section 4980B of the Code as a result of any “qualifying events” (as defined in Section 4980B(f)(3) of the Code) that occur after the Closing.

(i) The Purchaser acknowledges and agrees that, from and after the Closing Date, the Company and its Subsidiary shall assume or retain, as applicable, all obligations and responsibilities (including any and all reporting, disclosure and administrative obligations or responsibilities) and Liabilities arising under or relating to (i) the collective bargaining agreements set forth on Section 4.16 of the Disclosure Schedules, (ii) the Plans set forth on Section 8.04(f)(i) of the Disclosure Schedules, (the “Transferred Company Plans”), (iii) any benefit plan or arrangement established by the Purchaser, the Company or its Subsidiary to comply with the requirements of the collective bargaining agreements set forth on Section 4.16 of the Disclosure Schedules (or any successor thereto) and (iv) any obligations to provide Company Employees retiree health care benefits upon their retirement from the Company or its Subsidiary on and after the Closing Date, and that from and after the Closing Date, under clauses (i) through (iii), none of the Sellers, any of their Affiliates, or any employee, officer or director of any of them shall have any obligation, responsibility or Liability with respect thereto and under clause (iv) none of the Sellers, any of their Affiliates, or any employee, officer or director of any of them shall have any obligation, responsibility or Liability with respect to Company Employees. From and after the Closing Date, the Purchaser shall indemnify the Seller Indemnified Parties from and against (1) any Losses or obligations that may be incurred at any time with respect to clauses (i) through (iii), and (2) any Losses or obligations that may be incurred at any time with respect to clause (iv) as relates to Company Employees. Provided that the Purchaser does not take or agree to take, or cause the Company or its Subsidiary to take or agree to take, any action after the Closing Date that increases the health benefits provided to Company Employees covered by collective bargaining agreements which could result in an increase in the health benefits provided to retirees under the terms of the collective bargaining agreements, the Sellers agree to, or to cause a health care plan sponsored and maintained by the Sellers to: (y) retain all obligations, responsibilities and Liabilities to provide retiree health benefits to those eligible retirees of the Company or its Subsidiary who retired from the Company or its Subsidiary prior to the Closing Date and are entitled to such retiree health benefits under the terms of the collective bargaining agreements set forth on Section 4.16 of the Disclosure Schedules (or any predecessor thereof) as of the Closing Date, subject to any right of the Sellers to amend or terminate such plan and (z) indemnify the Purchaser Indemnified Parties from and against any Losses or obligations that may be incurred at any time with respect to such retiree health benefits. In the event any severance, separation or similar payment or benefit is or becomes due or payable to any of the individuals identified on Section 8.04(f)(ii) of the Disclosure Schedules prior to, on or after the Closing as a result of or in connection with the transactions contemplated under this Agreement (either alone or in combination with any other event, except for terminations by the Purchaser or any of its Affiliates of any such individuals after the Closing) (“Foreign Severance Obligations”), whether due or payable by any of the Sellers, the Company or its Subsidiary, the Sellers acknowledge and agree that (i) all Foreign Severance Obligations shall be paid by Sellers and neither the Company nor its Subsidiary shall have any Liability therefor and (ii) Sellers shall indemnify the Purchaser Indemnified Parties from and against any Losses or obligations that may be incurred at any time with respect to any Foreign Severance Obligations. The Purchaser and the Sellers (1) agree to fully cooperate with each other,

as and when required, (A) to ensure that these covenants are satisfied from and after the Closing Date and (B) to enter into agreements and take any other actions that are necessary to effect the transfer of the individuals identified on Section 8.04(f)(ii) of the Disclosure Schedules to one or more of the Purchaser's Affiliates, as requested in writing by the Purchaser from time to time during the period commencing with the date of this Agreement and continuing until the thirtieth (30th) day following the Closing Date, which transfers shall be effected as promptly as possible following the earlier of the Closing Date or the date on which Purchaser makes such written request and (2) agree to take commercially reasonable steps to mitigate any Foreign Severance Obligations to any such individuals that may become due or payable by any of the Sellers, the Company or its Subsidiary as a result of or in connection with the transactions contemplated by this Agreement, provided that such reasonable steps shall not include any payment, assumption of liability or adverse tax consequence by or to the Purchaser or any of its Affiliates for the Foreign Severance Obligations. For the avoidance of doubt, the Purchaser and its Affiliates shall be solely responsible and shall pay or promptly reimburse the Sellers for all costs and expenses (including salaries, wages, benefits and Taxes, but not including the Foreign Severance Obligations) related to the employment of the individuals identified on Section 8.04(f)(ii) of the Disclosure Schedules during the period commencing on the Closing Date and ending on the date the employment of such employee is transferred to the Purchaser's Affiliates as described in clause (1)(B) of the preceding sentence.

(j) As of the Closing Date, Company Employees shall become members of a class of employees eligible to participate in a New Plan that is a qualified cash or deferred arrangement under Section 401(k) of the Code ("Purchaser 401(k) Plan"). The Purchaser shall take all steps necessary to cause the Purchaser 401(k) Plan to accept eligible rollover distributions (as defined in Section 402(c)(4) of the Code), including a rollover of any associated plan loans.

(k) The Purchaser will indemnify the Seller Indemnified Parties from and against any Losses that may be incurred by them under the Worker Adjustment and Retraining Notification Act or under any state, local or foreign Law with respect to any plant or office closing, layoff or relocation occurring after the Closing as a result of any action taken by the Purchaser or the Company following the Closing, or with respect to any obligation to provide notice, payment or any other benefit as a result of or arising out of any termination of employment of any employee of the Company following the Closing. Prior to the Closing Date, Sellers shall provide a list of all terminations of employment affecting any employees of the Company within ninety (90) days prior to the Closing Date. Sellers shall update this list up to and including the Closing Date.

(l) The provisions of this Section 8.04 are solely for the benefit of the parties to this Agreement, and no Company Employee (including any beneficiary or dependent thereof) shall be regarded for any purpose as a third-party beneficiary of this Agreement, and no provision of this Section 8.04 shall create such rights in any such Persons, including the right to: (i) guaranteed employment for any period of time or preclude the ability of the Purchaser to terminate the employment of any Company Employee at any time and for any reason, or (ii) require the Purchaser or the Company to continue any Company Plans, or other employee benefit plans or arrangements or prevent the amendment, modification or termination thereof after the Closing. Nothing in this Section 8.04 or otherwise in this Agreement shall be treated as an amendment or other modification of any Plan or any other employee benefit plans of the Company, its Subsidiary or the Purchaser.

8.05 Conditions

. The Purchaser shall use all commercially reasonable efforts to cause the conditions set forth in Section 3.02 to be satisfied and to consummate the transactions contemplated herein as soon as reasonably possible after the satisfaction of the conditions set forth in Article III (other than those to be satisfied at the Closing).

8.06 Contact with Customers and Suppliers

. Prior to the Closing, the Purchaser (and the Purchaser's Representatives, as applicable) shall contact and communicate with the employees, customers and suppliers of the Company and its Subsidiary in connection with the transactions contemplated hereby only after prior consultation with and written approval of Joseph R. Daprile (which consent shall not be unreasonably withheld, conditioned or delayed); provided that the foregoing shall not prohibit the Purchaser from contacting its customers and suppliers in the ordinary course of business who are also customers or suppliers of the Company or its Subsidiary; provided that, no such contact or communication with the Purchaser's customers and suppliers may disclose or refer to in any way this Agreement or any of the transactions contemplated hereby. Promptly after the date of this Agreement, the Ultimate Parent and the Purchaser will confer and reasonably cooperate to form a joint strategy in order for the Purchaser to contact and communicate with the employees, customers and suppliers of the Company and its Subsidiary in connection with the transactions contemplated hereby.

8.07 Seller Marks

. Except as specifically set forth herein, following the Closing Date, none of the Purchaser, the Company or its Subsidiary shall use the names, marks, trade names, trademarks, service marks or domain names, or telephone or other contact information of any of the Sellers (collectively, the "Seller Marks"), including those incorporating "Premier Farnell"; provided, however, the Sellers hereby grant to the Purchaser, the Company and its Subsidiary a limited, fully paid-up, royalty-free, non-transferrable, worldwide, non-exclusive license to use the Seller Marks, to use and distribute existing tangible printed materials bearing the Seller Marks on hand as of the Closing Date, and to use the Seller Marks on existing signage, marketing materials and other materials, which license and/or rights to use any such Seller Marks, materials, or signage shall expire upon the earlier of (a) six (6) months after the Closing Date and (b) the depletion of such materials or, in the case of signage, the removal of the Seller Marks from such signage. Nothing herein shall require the Purchaser to modify any products or materials of the Business that have been distributed to customers or other third parties to remove the Seller Marks, to modify any existing Books and Records of the Business or to refrain from stating factually (other than on the Company's or its Subsidiary's products) that the Business was previously owned by the Sellers (or other "fair uses" of Seller Marks). The Purchaser, the Company and its Subsidiary shall comply with all quality control requirements and guidelines in effect for the Seller Marks as of the Closing Date, but in any event shall maintain quality and service standards at least equal to those maintained by the Sellers prior to the Closing Date; provided that the Sellers shall have a right to revoke and terminate the license granted in this Section 8.07 upon reasonable advance notice and with a reasonable right to cure if the Company, its Subsidiary or the Purchaser fail to maintain such standards in any material respect. Any goodwill arising from the use of the Seller Marks by the Purchaser, the Company or its Subsidiary shall inure to the benefit of the Sellers. Notwithstanding the foregoing, none of Purchaser, the Company or the Subsidiary shall be deemed to be in breach of this Section 8.07 with respect to use of the Seller Marks on any exterior signage if the consent of any third party is required to remove or change such signage, such consent has been requested in writing within one (1) month following the Closing Date and Purchaser, the Company and the Subsidiary use commercially reasonable efforts to remove the Seller Marks from such signage within six (6) months following the Closing Date.

Article IX

INDEMNIFICATION

9.01 Survival of Representations, Warranties, Covenants, Agreements and Other Provisions

. The representations and warranties contained in this Agreement shall terminate on the date that is eighteen (18) months after the Closing Date, except that the representations and warranties set forth in (a) Section 4.15 (Environmental Compliance and Conditions) shall terminate on the date that is thirty-six (36) months after the Closing Date, (b) Section 4.08 (Tax Matters) shall terminate sixty (60) days after the expiration of the applicable statute of limitations and (c) Section 4.01 (Organization and Corporate Power), Section 4.03(a) (Authorization), Section 4.24 (Brokerage), Section 5.01 (Organization and Corporate Power), Section 5.02 (Authority, Validity and Effect), Section 5.03 (Board Vote; Ultimate Shareholder Approval), Sections 5.05(a) and 5.05(b) (Title) and Section 5.08 (Brokerage) (the representations referenced in this Section 9.01(c)), collectively, the “Fundamental Representations”) shall survive indefinitely and (d) Section 6.01 (Organization and Corporate Power), Section 6.02 (Authorization, Valid and Binding Agreement) and Section 6.06 (Brokerage) (the representations referenced in this Section 9.01(d)), collectively, the “Purchaser Fundamental Representations”) shall survive indefinitely. The covenants contained in this Agreement shall survive in accordance with the terms thereof, provided that the indemnification obligations under Section 9.02(a)(iv) shall terminate on the date that is three (3) years after the Closing Date. No claim for indemnification hereunder for breach of any such representations, warranties or covenants may be made after the expiration of the applicable survival period.

9.02 Indemnification from the Sellers for the Benefit of the Purchaser

(m) From and after the Closing (but subject to the provisions of this Article IX), the Sellers shall, jointly and severally, indemnify the Purchaser and any of its Affiliates, officers, directors, partners, members, employees, agents, representatives, successors and permitted assigns (the “Purchaser Indemnified Parties”), and hold them harmless against any Losses which the Purchaser Indemnified Parties actually sustain, as a result of: (i) any breach of any representation or warranty of the Sellers or the Company contained in Article IV or Article V of this Agreement or in any certificate delivered hereunder (excluding any breach of representation or warranty relating to Taxes), (ii) any nonfulfillment or breach of any covenant to be performed by the Sellers or the Company under this Agreement (excluding any nonfulfillment or breach of any covenant relating to Taxes), (iii) (A) any Taxes of the Company or its Subsidiary for any Pre-Closing Tax Period, (B) any Taxes for which the Company or its Subsidiary are liable due as a successor or transferee, or as a result of being a member of any consolidated, unitary, combined, or multi-entity group prior to the Closing Date, excluding any Taxes to the extent included as a liability in Net Working Capital and (C) any breach of any representation or warranty relating to Taxes, or any nonfulfillment or breach of any covenant relating to Taxes, (iv) those matters set forth on Section 9.02 of the Disclosure Schedules, (v) any Transaction Expenses not paid at Closing pursuant to Section 2.02(f), (vi) any Indebtedness that was not satisfied as of the Closing or in connection with the adjustments pursuant to Section 1.04 and (vii) any Liabilities to the extent relating to or arising out of any business or division of any Seller or any Affiliate of any Seller other than the Company, its Subsidiary or the Business); provided that, in the case of clause (i), no claims by the Purchaser Indemnified Parties shall be so asserted unless and until the aggregate amount of Losses that would otherwise be payable in the case of clause (i) (other than Losses resulting from breaches of a Fundamental Representation) exceeds on a cumulative basis an amount equal to one percent (1%) of the Base Consideration (the “Deductible”), and then only in the amount by which such Losses exceed the Deductible; provided further that no individual claim by any Purchaser Indemnified Party shall be asserted unless and until the aggregate amount of Losses that would be payable pursuant to such claim (together with all related claims arising out of the same set of facts) exceeds an amount equal to \$25,000 (the “Mini-Basket”) (it being understood that any such claims

for amounts less than the Mini-Basket shall be disregarded in determining whether the Deductible has been exceeded).

(n) The aggregate Liability of the Sellers (i) pursuant to Section 9.02(a)(i) (other than Losses resulting from breaches of a Fundamental Representation) shall in no event exceed an aggregate amount equal to one percent (1%) of the Base Consideration (the “General Cap”) and (ii) pursuant to Section 9.02(a)(iv) shall in no event exceed an aggregate amount equal to \$10,000,000 (the “Special Indemnification Cap”) and, in each case, the Purchaser Indemnified Parties shall not be entitled to recovery of any Losses pursuant to Section 9.02(a)(i) or Section 9.02(a)(iv), as applicable, after such time as the Purchaser Indemnified Parties have received an aggregate amount equal to the General Cap or the Special Indemnification Cap, as applicable. Notwithstanding anything contained herein to the contrary, the aggregate Liability of the Sellers pursuant to Section 9.02(a) shall in no event exceed an aggregate amount equal to the sum of (x) the Preferred Stock Consideration plus (y) the Final Cash Consideration (and the Purchaser Indemnified Parties shall not be entitled to recovery of any Losses pursuant to Section 9.02(a) after such time as the Purchaser Indemnified Parties have received an aggregate amount equal to such sum).

(o) The Purchaser and the Sellers agree that, from and after the Closing, the sole and exclusive remedies of the parties hereto for any Losses based upon, arising out of or otherwise in respect of the matters set forth in this Agreement (including the Disclosure Schedules, exhibits attached hereto and the certificates delivered pursuant hereto) or the transactions contemplated hereby are the indemnification obligations of the parties as set forth in this Article IX. The Purchaser expressly waives any and all rights and remedies against the Sellers under any Law, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other Environmental Law. The provisions of this Section 9.02(c) will not, however, prevent or limit a cause of action (i) under Section 13.17 to obtain an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, (ii) under Section 1.04 to enforce any decision or determination of the Dispute Resolution Auditor, (iii) related to any breach of Section 7.07(b) or (iv) related to fraud.

(p) All payments made by the Sellers pursuant to this Article IX shall be treated by the parties as an adjustment to the proceeds received by the Seller making such payment pursuant to Article II hereof. Each of the parties hereto shall file all Tax Returns in a manner consistent with the foregoing.

Indemnification by the Purchaser for the Benefit of the Sellers

. From and after the Closing (but subject to the provisions of this Article IX), the Purchaser shall indemnify each Seller and its Affiliates, officers, directors, partners, members, employees, agents, representatives, successors and permitted assigns (collectively, the “Seller Indemnified Parties”) and hold them harmless against any Losses which the Seller Indemnified Parties may suffer or sustain, as a result of: (a) any breach of any representation or warranty of the Purchaser under this Agreement and (b) any nonfulfillment or breach of any covenant to be performed by the Purchaser under this Agreement.

9.04 Additional Provisions

(a) Each Person entitled to indemnification hereunder shall take all steps required by Law to mitigate any Losses that are indemnifiable or recoverable hereunder or in connection herewith. In the event that an Indemnitor makes any payment to any Indemnitee for indemnification for which such Indemnitee could have collected on a claim against a third party under any contract or any third party insurance, the Indemnitor shall be subrogated to the rights that such Indemnitee, to the extent of such payment, may have against such third party with respect to the subject matter underlying such indemnification claim. The Indemnitee shall, and

shall cause its Affiliates (including the Company if the Company is an Affiliate) to, use commercially reasonable efforts to cooperate with the Indemnitor, at the Indemnitor's expense, with respect to any such effort to pursue and collect with respect to any claim that Indemnitor has been granted such subrogation rights.

(b) The Purchaser acknowledges that except as indicated on Schedule 4.17, (i) all of the insurance policies applicable to the Company or its Subsidiary are held by a Seller or an Affiliate thereof (other than the Company and its Subsidiary), (ii) that no such policies shall be transferred to the Company, its Subsidiary or to the Purchaser, and (iii) that following the Closing, the Company and its Subsidiary shall cease to be covered under such policies and the Purchaser will have to obtain replacement coverage. Notwithstanding the foregoing, from and after the Closing Date, solely with respect to "occurrence-based" insurance policies (excluding health and welfare and other similar insurance policies) applicable to the Company or its Subsidiary and held by a Seller or an Affiliate thereof (other than the Company) (the "Retained Occurrence Policies"), the Sellers shall use commercially reasonable efforts to assist the Purchaser in pursuing claims for any loss, liability or damage under such Retained Occurrence Policies which are not transferred to the Purchaser, the Company or its Subsidiary at Closing, solely arising out of insured incidents occurring during the coverage period of such Retained Occurrence Policies prior to the Closing Date to the extent that the terms and conditions of such Retained Occurrence Policies so allow; provided that (A) all of the Sellers' and their respective Affiliates' costs and expenses incurred in connection with the foregoing (including the payment of any required deductibles, increases in premiums and legal fees in connection with any such matter) shall be the sole obligation of the Purchaser and such costs and expenses shall be promptly paid by the Purchaser, (B) the Sellers and their respective Affiliates may, at any time, amend, replace, terminate, buyout, extinguish liability under or otherwise modify any such Retained Occurrence Policies without liability to the Purchaser or any other Person and (C) any such claim will be subject to all terms and conditions of such Retained Occurrence Policies.

(c) The parties hereto agree that the provisions in this Agreement relating to indemnification, and the limits imposed on the Purchaser's remedies with respect to this Agreement and the transactions contemplated hereby were specifically bargained for between sophisticated parties and were specifically taken into account in the determination of the amounts to be paid to the Sellers hereunder.

9.05 Defense of Third Party Claims

. Any Person making a claim for indemnification under Section 9.02 or Section 9.03 (an "Indemnitee") shall notify the indemnifying party (an "Indemnitor") of the claim in writing promptly after receiving written notice of any action, lawsuit, proceeding, investigation or other claim against it (if by a third party) or becoming aware of the facts giving rise to such claim, describing the claim, the amount thereof (if known and quantifiable, or if not known and quantifiable, a good faith and reasonable estimate thereof) and the basis thereof. Any Indemnitor shall be entitled to participate in the defense of such action, lawsuit, proceeding, investigation or other claim giving rise to an Indemnitee's claim for indemnification at such Indemnitor's expense, and at its option shall be entitled to assume the defense thereof by giving notice to the Indemnitee within thirty (30) days of the notice of such claim by the Indemnitee to the Indemnitor and, within such thirty (30) days period, appointing a reputable counsel reasonably acceptable to the Indemnitee to be the lead counsel in connection with such defense; provided that any Indemnitor shall continue to be entitled to assert any limitation on any claims contained herein; provided further that the Indemnitee shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose and to participate in the defense as counsel of record, if applicable, in such action or proceeding (and the parties shall jointly control the defense), and the Indemnitor shall bear the reasonable fees, costs and expenses of such separate counsel if (i) there exists any actual or potential (in the reasonable opinion of counsel) conflict of interest between the Indemnitee and the Indemnitor in connection with the defense of the third party claim that would make representation by the same counsel

or the counsel selected by the Indemnitor inappropriate, (ii) such third party claim seeks an injunction or other equitable relief against the Indemnitee or (iii) such third party claim is related to or otherwise arises in connection with any criminal or regulatory enforcement action. If the Indemnitor does not assume the defense and control of any third party claim pursuant to this Section 9.05, the Indemnitee shall be entitled to assume and control such defense but the Indemnitor may nonetheless participate in the defense of such third party claim with its own counsel and at its own expense. If the Indemnitor has assumed the defense of any such third party claim then the Indemnitor shall be entitled to settle such claim; provided that, the Indemnitor shall obtain the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of a third party claim if, pursuant to or as a result of such settlement, (A) injunctive or other equitable or non-monetary relief will be imposed against the Indemnitee, (B) any assets of the Indemnitee will be encumbered, (C) the Indemnitee is not expressly and unconditionally released from all Liabilities with respect to such third party claim, (D) there is a finding or admission of any violation of Law or admission of any wrongdoing by any Indemnitee or (E) the damages payable under the settlement are limited only to monetary payments for which the Indemnitee is fully indemnified by the Indemnitor. No Indemnitee shall settle, compromise or discharge, any claim hereunder without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Section 11.01(g), and not this Section, shall apply to any Tax Contest.

9.06 Determination of Loss Amount

(d) The amount of any Loss subject to indemnification under Section 9.02 or Section 9.03 shall be calculated net of (i) any Tax Benefit realized by the Indemnitee on account of such Loss and (ii) any amounts recovered (net of any costs incurred to recover such proceeds) by any Indemnitee or any of such Indemnitee's Affiliates under or pursuant to any insurance policy, title insurance policy, indemnity, reimbursement arrangement or contract pursuant to which or under which such Indemnitee or such Indemnitee's Affiliates is a party or has rights (collectively, "Alternative Arrangements"). For purposes hereof, "Tax Benefit" shall mean (x) any refund of Taxes paid (including a credit in lieu of a Tax refund) received in (or prior to) the taxable year of the Loss or any of the three (3) taxable years immediately following the taxable year of the Loss or (y) the amount by which the Indemnitee's Liability for Taxes for all taxable years prior to and including the tax year of the Loss, calculated by excluding the relevant amount of credit, deduction or Loss, would exceed the Indemnitee's actual Liability for Taxes for such period, calculated by taking into account the relevant amount of credit, deduction, or Loss, in each case computed at the actual Tax rates applicable to the recipient of such benefit. The Indemnitee shall use commercially reasonable efforts to seek recovery under all Alternative Arrangements covering any Loss to the same extent as they would if such Loss were not subject to indemnification hereunder. In the event that a recovery is made under an Alternative Arrangement by any Indemnitee with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the recovery to the extent of the indemnification payment made shall be made promptly to the Indemnitor.

(e) In no event shall any party be entitled to recover or make a claim for any amounts in respect of, and "Losses" shall not include, punitive damages except to the extent awarded against an Indemnitee in connection with a third party claim.

(f) Notwithstanding anything to the contrary contained in this Agreement, the Purchaser shall have no right to indemnification hereunder with respect to any Loss or alleged Loss to the extent such matter was taken into account as a liability or reserve on the Closing Balance Sheet (as finally

determined pursuant to Section 1.04) or otherwise included in the calculation of the Final Cash Consideration.

(g) In no event shall the Purchaser be entitled to recover for any Losses that (i) are attributable to taxable periods (or portions thereof) beginning after the Closing Date, (ii) are due to the unavailability in any taxable period (or portion thereof) beginning after the Closing Date of any net operating losses, credits or other Tax attribute from a taxable period (or portion thereof) ending on or prior to the Closing Date, or (iii) that result from the breach of the covenant in Section 11.01(e).

(h) In no event shall the Purchaser be entitled to recover for any Losses with respect to any environmental investigation, monitoring, clean-up, containment, restoration, removal or other corrective or response action (collectively, “Response Actions”) unless the Purchaser is required by Environmental Laws to undertake such Response Action assuming the continued industrial use of the relevant property or facility, employing where available risk-based remedial standards and institutional controls, provided that such standards or controls would not materially interfere with ongoing industrial operations at the relevant property or facility. Notwithstanding anything herein to the contrary, in no event shall the Purchaser be entitled to recover for any Losses with respect to any Response Action resulting or arising from any conditions of contamination identified through any environmental invasive sampling or disclosure to any Governmental Entity, except as relates to sampling or disclosure that is (a) required by Law; (b) necessary to respond to a material threat to human health or the environment; or (c) conducted when a routine maintenance or operational project performed in the ordinary course of business indicates evidence of a Release of Hazardous Materials that is not permitted by Environmental Law or Environmental Permits.

(i) Any “Material Adverse Effect” or materiality qualifications in the representations and warranties made in connection with this Agreement shall be disregarded for purposes of determining whether there has been a breach of any representation or warranty and for purposes of calculating the amount of Losses, in each case, under this Article IX, other than the representations and warranties contained in Section 4.05(b), Section 4.06(a), Section 4.18, Section 4.19 and Section 4.23.

9.07 Acknowledgment of the Purchaser

. The representations and warranties of the Sellers set forth in this Agreement constitute the sole and exclusive representations and warranties of the Sellers to the Purchaser in connection with the transactions contemplated hereby, and the Purchaser understands, acknowledges and agrees that all other representations and warranties of any kind or nature expressed or implied are specifically disclaimed by the Sellers. In connection with the Purchaser’s investigation of the Company and its Subsidiary, the Purchaser has received certain projections, including projected statements of operating revenues and income from operations of the Company and its Subsidiary and certain business plan information. The Purchaser acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans. Accordingly, the Purchaser hereby acknowledges that none of the Company, its Subsidiary or any Seller is making any representation or warranty with respect to such estimates, projections and other forecasts and plans, including the reasonableness of the assumptions underlying such estimates, projections and forecasts.

Article X

TERMINATION

10.01 Termination

. This Agreement may be terminated at any time prior to the Closing:

- (j) by the mutual written consent of the Purchaser and the Ultimate Parent;

(k) by either the Purchaser or the Ultimate Parent if (x) any final, non-appealable order, injunction or decree of any Governmental Entity shall have been issued that enjoins the consummation of the transactions contemplated hereby; or (y) any Law shall have been enacted or made by any Governmental Entity that prohibits, makes illegal or otherwise requires any party not to proceed with the consummation of the transactions contemplated hereby; provided, however, that the party seeking to terminate this Agreement pursuant to this Section 10.01(b) shall have used the efforts required by Section 11.03(a) to contest and remove such Law or order, injunction or decree;

(l) by the Purchaser, if there has been a violation or breach by the Company or the Sellers of any covenant, representation or warranty contained in this Agreement that would, if occurring or continuing on the Closing Date, would result in a failure of a condition set forth in Section 3.01(a) or Section 3.01(b) to be satisfied and which breach cannot be cured or (if curable) has not been cured (to the extent necessary to avoid a failure of such condition) on or prior to the earlier of (i) fifteen (15) business days after receipt by the Ultimate Parent of written notice thereof from the Purchaser and (ii) the Outside Date; provided, however, that the Purchaser shall not have the right to terminate this Agreement pursuant to this Section 10.01(c) if the Purchaser shall have violated or breached any covenant, representation or warranty contained in this Agreement where such violation or breach would give rise to a failure of a condition set forth in Section 3.02(a) or Section 3.02(b);

(m) by the Ultimate Parent, if there has been a violation or breach by the Purchaser of any covenant, representation or warranty contained in this Agreement that would, if occurring or continuing on the Closing Date, would result in a failure of a condition set forth in Section 3.02(a) or Section 3.02(b) to be satisfied and which breach cannot be cured or (if curable) has not been cured (to the extent necessary to avoid a failure of such condition) on or prior to the earlier of (i) fifteen (15) business days after receipt by the Purchaser of written notice thereof from the Ultimate Parent and (ii) the Outside Date; provided, however, that the Ultimate Parent shall not have the right to terminate this Agreement pursuant to this Section 10.01(d) if the Company or the Sellers shall have violated or breached any covenant, representation or warranty contained in this Agreement where such violation or breach would give rise to a failure of a condition set forth in Section 3.01(a) or Section 3.01(b);

(n) by the Purchaser, if the transactions contemplated hereby have not been consummated on or before May 31, 2016 (the “Outside Date”); provided that the Purchaser shall not be entitled to terminate this Agreement pursuant to this Section 10.01(e) if the Purchaser’s knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby;

(o) by the Ultimate Parent, if the transactions contemplated hereby have not been consummated on or before the Outside Date; provided that the Ultimate Parent shall not be entitled to terminate this Agreement pursuant to this Section 10.01(f) if the Company’s or any Seller’s knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby;

(p) by the Purchaser, if the board of directors of the Ultimate Parent fails to provide the Ultimate Parent Recommendation;

(q) by either the Purchaser or the Ultimate Parent, if the Ultimate Parent Class 1 Resolution is not passed at the Ultimate Parent GM;

(r) by the Purchaser, if, after the date hereof, the board of directors of the Ultimate Parent or any committee thereof has effected a Change in Recommendation; or

(s) by the Ultimate Parent, if the board of directors of the Ultimate Parent determines to accept a Superior Proposal, provided that the Ultimate Parent has complied in all material respects with Section 7.05 and concurrently with such termination pays the Termination Fee to the Purchaser in accordance with the procedures and within the time periods set forth in Section 10.03(a)(iii).

10.02 Effect of Termination

(t) . In the event this Agreement is terminated by either the Purchaser or the Ultimate Parent as provided above, the provisions of this Agreement shall immediately become void and of no further force and effect (other than this Section 10.02, Section 10.03 and Article XIII hereof which shall survive the termination of this Agreement), and there shall be no Liability on the part of either the Purchaser, the Company, or the Sellers to one another, except for fraud, or knowing or willful breaches of this Agreement prior to the time of such termination.

10.03 Termination Fee

(u) In the event that:

(i) (A) a Competing Proposal or intention to make a Competing Proposal is made to the Ultimate Parent Shareholders, otherwise publicly disclosed or proposed or is communicated to the senior management of the Ultimate Parent, the board of directors of the Ultimate Parent or a committee thereof and (B) this Agreement is thereafter terminated by the Purchaser pursuant to Section 10.01(c) or Section 10.01(e) or by the Ultimate Parent pursuant to Section 10.01(f), in each case at a time when a Competing Proposal is pending, and (C) if, concurrently with or within twelve (12) months after the date of any such termination, the Ultimate Parent enters into a definitive agreement with respect to a Competing Proposal and such Competing Proposal is consummated, then the Ultimate Parent shall pay to Purchaser or its designee the Termination Fee concurrently with the consummation of such Competing Proposal;

(ii) this Agreement is terminated by either the Purchaser or the Ultimate Parent pursuant to Section 10.01(h), or by the Purchaser pursuant to Section 10.01(g) or Section 10.01(i), then the Ultimate Parent shall pay to the Purchaser or its designee the Termination Fee within two (2) business days after such termination; and

(iii) this Agreement is terminated by the Ultimate Parent pursuant to Section 10.01(j), then the Ultimate Parent shall pay to the Purchaser or its designee the Termination Fee concurrently with such termination; it being understood that in no event shall the Ultimate Parent be required to pay the Termination Fee on more than one occasion.

(v) Payment of the Termination Fee shall be made to the Purchaser or its designee by wire transfer of same day funds to the account designated by the Purchaser or such designee.

(w) Each party hereto agrees that the agreements contained in this Section 10.03 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the Purchaser, the Company and the Sellers would not enter into this Agreement. Accordingly, if the Ultimate Parent fails to pay any amounts due under this Section 10.03 in accordance with the time periods set forth therein and, in order to obtain such payment, the Purchaser or its designee commences a suit that results in a Judgment against the Ultimate Parent for all or a portion of the Termination Fee, the Ultimate Parent shall pay to the Purchaser or its designee interest on such amounts from the date payment of such amounts was due to the date of actual payment at the prime rate of the Bank of New York in effect on the date such payment was due plus one percent (1%), together with the costs and expenses of the Purchaser (including reasonable legal fees and expenses) in connection with such suit. Each of the parties hereto acknowledges that the Termination Fee is not a penalty, but rather are liquidated damages in a reasonable amount that will compensate the Purchaser in the circumstances in which such Termination Fee is payable for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision.

Article XI

ADDITIONAL COVENANTS

11.01 Tax Matters

(x) Responsibility for Filing Tax Returns.

(i) Pre-Closing Income Tax Returns. The Sellers, at the sole cost and expense of the Company, shall prepare or cause to be prepared all Income Tax Returns for the Company and its Subsidiary for all periods ending on or prior to the Closing Date, the due date (including extensions of time to file) of which is after the Closing Date (the "Seller Returns"). All such Seller Returns shall be timely prepared in a manner consistent with the past practice of the Company and its Subsidiary, as applicable, unless otherwise required by a change in applicable Law. Except with respect to any Seller Return with respect to an Affiliated Group which includes any of the Sellers or any of their Affiliates (other than any Seller Return for an Affiliated Group comprised solely of the Company and its Subsidiary), the Sellers shall submit each of the Seller Returns to the Purchaser at least twenty (20) days prior to the due date for the filing of such Seller Returns (taking into account any extensions) and the Purchaser shall have the right to review and comment on such Seller Returns, and the Sellers shall reflect such comments from the Purchaser on such Seller Returns to the extent such comments are consistent with the standard set forth in the previous sentence.

(ii) Other Tax Returns. The Purchaser shall prepare or cause to be prepared and timely file or cause to be timely filed any (A) Tax Returns of the Company and its Subsidiary for Tax periods which begin before the Closing Date and end after the Closing Date ("Straddle Period") and (B) any non-Income Tax Returns for the Company and its Subsidiary for all periods ending on or prior to the Closing Date, in each case, the due date (including extensions of time to file) of which is after the Closing Date (the "Purchaser Returns"). All such Purchaser Returns shall be prepared and filed in a manner consistent with the past practice of the Company and its Subsidiary, as applicable, unless otherwise required by a change in applicable Law. The Purchaser shall submit each such Purchaser Returns to the Sellers at least twenty (20) days prior to the due date for the filing of such Purchaser Returns (taking into account any extensions) and the Sellers shall have the right to review and comment on such Purchaser Returns, and the Purchaser shall reflect such comments from the Sellers on such Purchaser Returns to the extent such comments are consistent with the standard set forth in the previous sentence.

(iii) For the portion of the day of the Closing after the time of Closing, other than the transactions expressly contemplated hereby, the Purchaser shall cause the Company and its Subsidiary to carry on its business only in the ordinary course in the same manner as heretofore conducted. The Purchaser, the Company and the Subsidiary shall not take any action, or permit any action to be taken, that may prevent the Tax year of the Company and its Subsidiary from ending for all relevant Tax purposes at the end of the day on which the Closing occurs and shall, to the extent permitted by applicable Law, elect with the relevant taxing authority to treat for all purposes the Closing Date as the last day of a taxable period of the Company and its Subsidiary. The Purchaser shall cause the Company and its Subsidiary to join the "consolidated group" (as defined in Treasury Regulation Section 1.1502-76(h)) of which the Purchaser is a member effective on the day after the Closing Date. The parties agree that the Purchaser and its Affiliates and the Company and its Subsidiary shall not make (A) an election under Treasury Regulation §1.1502-76(b)(2)(ii)(D) to ratably allocate items (or any make any similar election or ratably allocate items under any corresponding provision of state, local or foreign law) or (B) apply the

“next-day” rule of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) with respect to any of the Transaction Tax Deductions.

(iv) With respect to the preparation of Tax Returns hereunder, the Purchaser and the Sellers agree that all Transaction Tax Deductions that are “more likely than not” deductible in the Pre-Closing Tax Period shall be treated as properly allocable to the Pre-Closing Tax Period. The parties agree to make the safe harbor election set forth in Internal Revenue Service Revenue Procedure 2011-29 to determine the amount of permitted deductions for any success based fees with respect to any Tax Returns filed hereunder. The Purchaser shall (a) claim all such deductions on such Tax Returns, and (b) request a refund (rather than a credit against future Taxes) with respect to any overpayment for any Pre-Closing Tax Period.

(v) The Purchaser, the Sellers, and the Company consent and agree that the Company and its Subsidiary, as appropriate, shall elect to carryback any item of loss, deduction, or credit, including any Transaction Tax Deductions, for the taxable period ending on the Closing Date to prior taxable years to the fullest extent permitted by Law (using any available short-form or accelerated procedures and filing amended Tax Returns to the extent necessary) to obtain any potential Tax refunds or claims related thereto. The Seller, with respect to any carryback related to a Seller Return, and the Purchaser, with respect to any carryback related to a Purchaser Return, shall prepare and file, or cause to be prepared and filed, any claim for refund resulting from such carryback as part of the preparation and filing of the Tax Returns described in Section 11.01(a)(i) and (ii) (and the Sellers or the Purchaser, as applicable, shall have the review and approval rights described in the last sentence of Section 11.01(a)(i) and (ii)).

(vi) Tax Refunds. The Sellers shall be entitled to any Tax refunds (or overpayment of Taxes with respect to a Pre-Closing Tax Period that generates a credit in lieu of a refund and is applied to reduce Taxes in a tax period beginning after the Closing Date and ending no later than three years after the Closing Date (an “Overpayment Credit”)) that are received by the Purchaser or any of its Affiliates, the Company or its Subsidiary attributable to Taxes paid by any Seller, the Company or its Subsidiary with respect to any Pre-Closing Tax Period (including any Tax refunds attributable to the carryback of items under Section 11.01(a)(v) above) to the extent attributable to (A) Taxes paid by or on behalf of any Seller, the Company or the Subsidiary prior to the Closing Date, (B) Taxes included as a liability in Net Working Capital (as finally determined hereunder) or (C) Taxes paid by any of the Sellers pursuant to Section 9.02(a)(iii), but excluding the carryback of any items arising in a period that is not a Pre-Closing Tax Period or any Taxes that are included as assets in Net Working Capital (as finally determined hereunder)). The Purchaser shall pay over to the Sellers any such Tax refund (or Overpayment Credit) within ten (10) business days after (A) actual receipt of such refund of Taxes and (B) with respect to the utilization of any Overpayment Credit, actual reduction in the amount of any Taxes paid for a tax period (or portion thereof) beginning after the Closing Date, in each case, net of any Taxes, costs or expenses incurred by the Purchaser or any of its Affiliates, the Company or its Subsidiary in connection with obtaining such Tax refund or Overpayment Credit that were not previously reimbursed by the Sellers. After the Closing, at the sole expense of the Sellers, the Purchaser shall cause the Company and its Subsidiary to continue to work in good faith and use their reasonable best efforts to diligently prosecute any Tax refund (or Overpayment Credit) claims in order to legally maximize and obtain any such Tax refunds (or Overpayment Credits). To the extent permitted by applicable Law, the Purchaser shall request, and shall cause the Company and its Subsidiary to request, a refund (rather than a credit in lieu of refund) with respect to all Pre-Closing Tax Periods, to the extent the Sellers are entitled to any such amount pursuant to the first sentence of this Section 11.01(a)(vi). In the event that any Tax refund (or Overpayment Credit) that has been paid to the Sellers pursuant to this Section 11.01(a)(vi) is subsequently denied by a Tax Authority, the Sellers shall promptly repay such amount (including any related interest or

penalties imposed by such Tax Authority) to the Purchaser, the Company or its Subsidiary, as applicable.

(y) Books and Records; Cooperation. The Purchaser and the Sellers shall, and shall cause their respective representatives to, (i) provide the other party and its representatives with such assistance as may be reasonably requested in connection with the preparation of any Tax Return, including the filing of any claim for refund resulting from a carryback of any net operating losses, or any audit or other examination by any taxing authority or judicial or administrative proceeding relating to Taxes with respect to the Company or its Subsidiary or the computation or verification of amounts under this Section 11.01 and (ii) retain and provide the other party and its representatives with reasonable access to all records or information that may be relevant to such Tax Return, audit, examination or proceeding, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided thereunder, provided that the foregoing shall be done at the expense of the party making such request and in a manner so as not to interfere unreasonably with the conduct of the business of the parties.

(z) Transfer Taxes. The Purchaser, on the one hand, and the Sellers, on the other hand, will each pay fifty percent (50%) of any stamp Tax, stock transfer Tax, or other similar Tax imposed on the Company, its Subsidiary or the Sellers as a result of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), and any penalties, interest or additions to Tax with respect to the Transfer Taxes, and will indemnify and hold each other harmless with respect to the amount of Transfer Taxes in excess of fifty percent (50%) of the total amount of Transfer Taxes. Each Seller agrees to cooperate with the Purchaser in the filing of any returns with respect to the Transfer Taxes, including promptly supplying any information in their possession that is reasonably necessary to complete such returns.

(aa) Amendment of Tax Returns. After the Closing, the Purchaser and its Affiliates shall not, and the Purchaser and its Affiliates shall not permit the Company or its Subsidiary to, (a) other than Tax Returns that are filed pursuant to Section 11.01(a)(i) and (ii), file or amend or otherwise modify any Tax Return relating to a Pre-Closing Tax Period, (b) after the date any Tax Returns filed pursuant to Section 11.01(a)(i) and (ii) is filed, amend or otherwise modify any such Tax Return, (c) without the prior written consent of the Sellers, not to be unreasonably withheld, conditioned or delayed, extend or waive, or cause to be extended or waived, any statute of limitations or other period for the assessment of any Tax or deficiency related to a Pre-Closing Tax Period, (d) make or change any Tax election or accounting method or practice with respect to, or that has retroactive effect to, any Pre-Closing Tax Period, or (e) make or initiate any voluntary contact with a Tax Authority regarding any Pre-Closing Tax Period.

(ab) No Section 338 or Section 336 Election. The Purchaser shall not make any election under Code Section 338 or Code Section 336 (or any similar provision under Law) with respect to the acquisition of the Company and its Affiliates.

(ac) Straddle Period Allocation. To the extent it is necessary for purposes of this Agreement to determine the allocation of Taxes among a Straddle Period, the amount of any Taxes based on or measured by income or receipts of the Company and its Subsidiary for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company or its Subsidiary holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of the Company and its Subsidiary for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(ad) Tax Contests. If a claim for Taxes (including notice of a pending audit) shall be made by any Governmental Entity (such Governmental Entity, a "Tax Authority," and such claim, a "Tax Claim"), which, if successful, could result in an indemnity payment pursuant to Section 9.02 or Section 9.03, the party first receiving written notice of such Tax Claim shall notify the other parties within twenty

(20) days of the receipt of such a Tax Claim. A failure by any party receiving written notice of a Tax Claim to provide proper notice of a Tax Claim shall not relieve any Indemnitor from its indemnification obligations under this Agreement, except to the extent that such Indemnitor is actually and materially prejudiced as a result thereof. The Sellers shall have the sole right to represent the Company's and the Subsidiary's interests and to employ counsel of their choice at their expense with respect to any Tax Claim to the extent the Tax Claim is for one or more Pre-Closing Tax Periods and for which they are required to indemnify the Purchaser and/or the Company, in full (taking into account any limitations on indemnification), pursuant to Section 9.02; and the Purchaser shall cause the Company and its Subsidiary to execute any powers of attorney necessary in order to allow the Sellers to control and to settle any such Tax Claim; provided that any party to this Agreement shall be entitled to participate, at its own expense, in any Tax Claim to the extent it relates to a Tax for which such party bears any liability (whether by operation of law or under this Agreement). No party may settle or otherwise dispose of any Tax Claim for which another party may have a liability hereunder without the prior written consent of such other party, which consent may not be unreasonably withheld, conditioned or delayed.

11.02 Further Assurances

. From time to time, as and when requested by any party hereto and at such party's expense, any other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

11.03 Efforts

(ae) From and after the date hereof, upon the terms and subject to the conditions set forth in this Agreement, the Purchaser and the Sellers agree to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under any applicable Law to consummate and make effective, in the most expeditious manner possible, the transactions contemplated by this Agreement, including (i) the preparation and filing of all forms, registrations and notices required to be filed to consummate the transactions contemplated by this Agreement as soon as practicable and (ii) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement and to fully carry out the purposes of this Agreement. Without limiting the foregoing, the Purchaser and the Sellers shall use their commercially reasonable efforts to take all actions necessary to obtain (and shall cooperate with each other in obtaining) any regulatory or other approvals from any Governmental Entities (which actions shall include furnishing all information required in connection with such approvals) required to be obtained or made by the Purchaser, the Company or the Sellers in connection with the transactions contemplated by this Agreement. Additionally, each of the Purchaser, the Company and Sellers shall use their respective commercially reasonable efforts to obtain satisfaction of all conditions precedent to this Agreement and shall not take any action after the date of this Agreement that would reasonably be expected to impair or materially delay the obtaining of, or result in not obtaining, any regulatory or other approval from any Governmental Entities necessary to be obtained prior to the Closing. Prior to the Closing, the Purchaser and the Ultimate Parent shall each keep the other apprised of the status of matters relating to the completion of the transactions contemplated by this Agreement and work cooperatively in connection with obtaining all required regulatory or other approvals from any Governmental Entities.

(af) Notwithstanding anything to the contrary set forth in this Agreement, the Purchaser shall not be obligated to, and nothing in this Agreement shall be construed to require the Purchaser to,

proffer to, or agree to, sell, divest, lease, license, transfer, dispose of or otherwise encumber or hold separate any assets, licenses, operations, rights, product lines, businesses or interests therein of the Purchaser, the Company or its Subsidiary.

(ag) The Purchaser shall, on or prior to February 15, 2016, make or cause to be prepared and filed all forms, registrations and notices required to be filed to consummate the transactions contemplated by this Agreement under any Law applicable to the Purchaser and its Affiliates for the consummation of the transactions contemplated hereby and, in each case, include in each filing a request for early termination or acceleration of any applicable waiting or review periods, to the extent available under the applicable Law. Subject to applicable Law relating to the exchange of information, the Sellers will have the right to review in advance, and to the extent practicable, will consult with the Purchaser on, the information that appears in any such filings. The Purchaser shall be responsible for its filing or similar fees payable in connection with any filings or submissions under the HSR Act.

11.04 Disclosure Generally

. All Disclosure Schedules attached hereto are incorporated herein and expressly made a part of this Agreement as though completely set forth herein. All references to this Agreement herein or in any of the Disclosure Schedules shall be deemed to refer to this entire Agreement, including all Disclosure Schedules.

11.05 Provision Respecting Legal Representation

. Each of the parties to this Agreement hereby agrees, on its own behalf and on behalf of its directors, members, partners, officers, employees and Affiliates, that Kirkland & Ellis LLP may serve as counsel to the Sellers, on the one hand, and the Company and its Subsidiary, on the other hand, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Kirkland & Ellis LLP (or any successor) may serve as counsel to the Sellers or any director, member, partner, officer, employee or Affiliate of the Sellers, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such prior representation of the Company and its Subsidiary and each of the parties hereto hereby consents thereto and waives any conflict of interest arising therefrom, and each of such parties shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation.

Article XII

DEFINITIONS

12.01 Definitions

. For purposes hereof, the following terms when used herein shall have the respective meanings set forth below:

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

“Affiliated Group” means an affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax Law).

“Applicable Customs & International Trade Laws” means any applicable export control, sanctions, import, customs and trade and anti-boycott Laws of any jurisdiction in which the Company or its Subsidiary has conducted the Business.

“Business” means the business as conducted by the Company and its Subsidiary as of the Closing, of designing, manufacturing, researching and developing, marketing and selling mission-critical safety equipment to suppress fires and accessories and parts therefor, including valves, monitors, scene lighting, nozzles and related tools, and specialty vehicle, lighting and electronic systems, in each case, as such products exist as of the Closing Date.

“Cash” means, with respect to the Company and its Subsidiary on a consolidated basis, as of the close of business on the day immediately preceding the Closing Date (taking into account any payments to be made toward Indebtedness or Transaction Expenses on the Closing Date), all cash, cash equivalents and marketable securities held by the Company or its Subsidiary at such time, calculated in accordance with the accounting methods, policies, principles, practices and procedures set forth on Section 1.04 of the Disclosure Schedules. For avoidance of doubt, Cash shall (1) be calculated net of issued but uncleared checks and drafts and (2) include checks and drafts deposited for the account of the Company and its Subsidiary but not yet reflected as available proceeds in the Company’s account.

“Companies Act” means the UK Companies Act 2006.

“Competing Proposal” shall mean any proposal, inquiry or offer made by any Person or “group” (as defined under Section 13(d) of the Exchange Act) other than the Purchaser or any Affiliate of the Purchaser, to purchase or otherwise acquire, directly or indirectly, in one transaction or a series of transactions, (i) beneficial ownership (as defined under Section 13(d) of the Exchange Act) of any class of equity securities of the Company or its Subsidiary pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, tender offer, exchange offer or similar transaction or (ii) all or substantially all of the assets of the Company or its Subsidiary; provided, however, that a Competing Proposal shall not include any such transaction or series of transactions that also involves the acquisition of any other business or division of any Seller or any Affiliate of any Seller in addition to the Company and its Subsidiary or the Business.

“Defect” means a defect in design, manufacture, materials, workmanship or performance.

“Environmental Laws” means all applicable Laws concerning pollution or protection of the environment or, to the extent related to exposure to Hazardous Materials, human health, as enacted and in effect on to the Closing Date, including all such Laws relating to the emission, discharge, release or threatened release of any Hazardous Materials into ambient air, surface water, groundwater or lands or otherwise relating to the treatment, storage, disposal, transport or handling of any Hazardous Materials.

“Environmental Liability” means any Liability (including liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, attorneys’ fees, fines or penalties) arising out of, based on, resulting from or relating to (a) the presence, release of, or exposure to any Hazardous Materials; (b) any violation of any Environmental Law; or (c) any other matters arising under Environmental Laws.

“FCA” means the UK Financial Conduct Authority or any successor Governmental Entity authorized under the FSMA.

“FSMA” means the UK Financial Services and Markets Act 2000, as amended, and the rules and regulations promulgated thereunder.

“Governmental Entity” means any national, state, local, supranational or foreign government or any court of competent jurisdiction, administrative agency, board, bureau, arbitrator or arbitral body or commission or other national, state, local, supranational or foreign governmental authority or instrumentality entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“Hazardous Materials” means any material, substance, chemical, or waste (or combination thereof) that (i) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant or a contaminant or words of similar regulatory effect (including petroleum and crude oil) under any Environmental Law; or (ii) forms the basis of any Liability under any Environmental Law due to its dangerous or deleterious properties or characteristics.

“IFRS” means the International Financial Reporting Standards, consistently applied with the past practices of the Company and its Subsidiary, as of the date or period indicated or as of the date hereof, as applicable.

“Income Tax” means any federal, state, local, or foreign Tax based on or measured by reference to net income.

“Income Tax Returns” means Tax Returns relating to Income Taxes.

“Indebtedness” means, with respect to any Person, as of any particular time, without duplication (taking into account any payments to be made toward Indebtedness on the Closing Date), all outstanding indebtedness (including related accrued and unpaid interest, fees (including attorneys’ fees), penalties and prepayment premiums or penalties) (i) for borrowed money, (ii) evidenced by any note, bond, debenture or other debt security, (iii) for the deferred purchase price of property or services (other than (1) trade payables and other current liabilities incurred in the ordinary course of business and (2) liabilities for royalties and other payments under Item #1 in Section 4.09(a)(xviii) of the Disclosure Schedules), (iv) under a credit facility, (v) under capital leases, determined in accordance with IFRS, (vi) in respect of letters of credit to the extent drawn, and (vii) any indebtedness of the nature described in each of (i) through (vi) above of another Person that is guaranteed in any manner by such Person (other than endorsements of negotiable instruments or guarantees of performance entered into in the ordinary course of business), but excluding, in each of (i) through (vi) above, all intercompany indebtedness between the Company and its Subsidiary.

“Intellectual Property” means all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures, (ii) trademarks, service marks, trade dress, trade names, corporate names, logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing) and Internet domain names, together with all goodwill associated with each of the foregoing, (iii) copyrights and copyrightable works, (iv) registrations and applications for any of the foregoing, (v) trade secrets, confidential information, know-how and inventions and (vi) computer software.

“Judgment” means any judgment, injunction, order, decree, decision, award or other determination of any Governmental Entity.

“Law” means any law, rule, regulations, judgment, injunction, order, decree or other restriction of any Governmental Entity.

“Liability” means any debt, guarantee, assurance, commitment or obligation of any kind, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any contract or tort based on negligence or strict liability).

“Liens” means mortgages, deeds of trust, pledges, liens, security interests or encumbrances, conditional sale or other security arrangements, collateral assignments, options, rights of pre-emption, adverse claims of title, ownership or right to use, exceptions, reservations, easements, restrictions or other encumbrances of any kind, or any commitment to create any of the foregoing.

“Losses” means any losses, damages, Liabilities, claims, fines, deficiencies, payments (including those arising out of any settlement or Judgment relating to any Proceeding), Taxes, penalties, costs or expenses, including reasonable fees of attorneys, accountants and other professionals.

“Listing Rules” means the listing rules made by the UKLA under Part VI of the FSMA and contained in the FCA handbook.

“Material Adverse Effect” means any fact, circumstance, event, violation, development, change or effect that, individually or with any other facts, circumstances, events, violations, developments, changes or effects (a) is, or would reasonably be expected to be, materially adverse to the condition (financial or otherwise), results of operations, operations, assets, properties or Liabilities of the Company and its Subsidiary (taken as a whole) or (b) materially adversely affects the ability of the Sellers to consummate the transactions contemplated by this Agreement in accordance with its terms and applicable Law; provided, however, that no such fact, circumstance, event, violation, development, change or effect resulting or arising from or in connection with any of the following shall be deemed in themselves, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be a Material Adverse Effect: (i) the announcement of the transactions contemplated by this Agreement; (ii) the general conditions affecting the industry in which the Company and its Subsidiary participate, the U.S. economy as a whole or the capital markets in general; (iii) compliance with the terms of, or the taking of any action required by, this Agreement; (iv) any change in applicable Laws or the interpretation thereof that, in any such case, take effect after the date of this Agreement; (v) any changes in IFRS or any change in related Laws or the interpretation thereof that, in any such case, take effect after the date of this Agreement; (vi) the failure of the Company or its Subsidiary to meet any financial plan or projection (provided however, that any underlying cause for such failure shall not be excluded by this clause (vi)); (vii) natural disasters, epidemics or pandemics; or (viii) the commencement or escalation of a war, material armed hostilities or other material international or national calamity or act of terrorism; provided that any adverse facts, circumstances, events, violations, developments, effects or changes resulting from the matters described in clauses (ii), (iv), (v), (vii) and (viii) may be taken into account in determining whether there has been a Material Adverse Effect to the extent, and only to the extent, that they have a disproportionate effect on the Company and its Subsidiary (taken as a whole) in the aggregate relative to similarly situated businesses in the industries in which the Company and its Subsidiary operates.

“Net Working Capital” means (as finally determined under Section 1.04) (i) all current assets (excluding Cash and income Tax assets and deferred Tax assets) minus (ii) all current Liabilities (excluding (A) Indebtedness, (B) income Tax Liabilities and deferred Tax Liabilities and (C) Transaction Expenses), plus or minus (iii) the other adjustments set forth on Attachment 1.04 to Section 1.04 of the

Disclosure Schedules (including the adjustment for the excluded reserves set forth therein) in each case, of the Company and its Subsidiary as of the close of business on the day immediately preceding the Closing Date as reported by the Company using accounting policies and procedures consistent with Section 1.04 of the Disclosure Schedules.

“Permitted Liens” means (i) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company and its Subsidiary and, for which adequate reserves have been established; (ii) mechanics’, carriers’, workers’, repairers’ and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not yet due and payable; (iii) zoning, entitlement, building and other land use regulations imposed by governmental agencies having jurisdiction over real property which are not violated by the current use and operation of real property; (iv) covenants, conditions, restrictions, easements and other similar matters of record affecting title to real property which do not materially impair the occupancy or use of real property for the purposes for which it is currently used; (v) public roads and highways; (vi) matters which would be disclosed by an accurate survey of each parcel of real property which do not materially impair the occupancy or use of such real property for the purposes for which it is currently used; (vii) statutory Liens arising under worker’s compensation, unemployment insurance, social security, retirement and similar legislation; (viii) Liens securing rental payments under capital lease arrangements; (ix) licenses of Intellectual Property entered into in the ordinary course of business; and (x) those matters identified in Section 12.01 of the Disclosure Schedules.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

“PF Corp NQDC Plan” has the meaning set forth in Section 8.04(b).

“Purchaser Disclosure Schedules” means the schedules of the Purchaser accompanying this Agreement.

“Purchaser Material Adverse Effect” means any fact, circumstance, event, violation, development, change or effect that materially adversely affects the ability of the Purchaser to consummate the transactions contemplated hereby, including payment in full of the amounts to be paid by the Purchaser at the Closing set forth in Section 2.02.

“Post-Closing Tax Period” means any taxable period or portion of a taxable period that is not a Pre-Closing Tax Period.

“Pre-Closing Tax Period” means any taxable period ending on or before the Closing Date and the portion through the end of the Closing Date for any Straddle Period.

“Proceeding” means any judicial, administrative or arbitral action, litigation, suit or proceeding by or before any Governmental Entity.

“Representative” of a Person means any officer, director or employee of such Person or any investment banker, attorney, accountant or other advisor or representative of such Person.

“Straddle Period” means any taxable period that includes (but does not end on) the Closing Date.

“Subsidiary” means with respect to any Person, any corporation, limited liability company or other entity whether incorporated or unincorporated, of which (a) such first Person directly or indirectly owns or

controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions or (b) if no such governing body exists, such first Person is a general partner or managing member.

“Superior Proposal” means a bona fide Competing Proposal that did not result from a breach of Section 7.05 which the board of directors of the Ultimate Parent reasonably determines in good faith (after consultation with its outside counsel and financial advisor) to be (i) more favorable to the shareholders of the Ultimate Parent from a financial point of view than the sale of Shares to the Purchaser, taking into account all relevant factors (including all the terms and conditions of such proposal and this Agreement (including any changes to the terms of this Agreement proposed by the Purchaser in accordance with Section 7.05(f) in response to such offer or otherwise)) and (ii) reasonably capable of being completed, taking into account all financial (including the status and terms of financing of such Competing Proposal), legal, regulatory and other aspects of such proposal.

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, fuel, severance, stamp, occupation, customs, duties, tariffs, levies or similar assessments, real property, personal property, goods and services, capital stock, social security, unemployment, disability, payroll, license, employee, environmental, escheat, unclaimed property, user, excess profits, windfall profits, occupational and interest equalization, withholding, or other tax, of any kind, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing, whether imposed directly or indirectly as a result of being a transferee or successor of another Person or a member of an affiliated, consolidated, unitary, combined or other group or pursuant to Law, contract or otherwise.

“Tax Returns” means any return, report, claim for refund, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any governmental entity or other authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations or administrative requirements relating to any Tax.

“Termination Fee” means an amount equal to 1% of the Base Consideration.

“Transaction Expenses” shall mean, without duplication (taking into account any payments to be made toward Transaction Expenses on the Closing Date), all fees and expenses of the Company and its Subsidiary incurred in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby, including the costs and expenses of obtaining the prepaid “tail” insurance policies contemplated by Section 8.03(c).

“Transaction Tax Deduction” means, without duplication, any item of loss or deduction resulting from or attributable to (i) transaction bonuses, change in control payments, severance payments, retention payments or similar payments made by the Company or its Subsidiary on or shortly prior to the Closing Date, (ii) the fees, expenses and interest (including amounts treated as interest for U.S. federal income Tax purposes and any breakage fees or accelerated deferred financing fees) incurred by the Company or its Subsidiary with respect to the payment of the Indebtedness and (iii) the amount of the Transaction Expenses.

“UKLA” means the FCA acting in its capacity as the competent authority in the United Kingdom for the purposes of Part VI of the FSMA.

“Ultimate Parent GM” means a general meeting of Ultimate Parent Shareholders to be convened in accordance with all applicable requirements of the Companies Act, FSMA, Listing Rules and any other applicable Law and, if thought fit, to approve the Ultimate Parent Class 1 Resolution.

“Ultimate Parent Recommendation” means the recommendation by the board of directors of the Ultimate Parent of the transactions contemplated by this Agreement substantially in the form set out below:

“The board of directors of the Ultimate Parent considers the terms of the sale of the Shares to be in the best interests of the Ultimate Parent Shareholders as a whole. Accordingly, the board of directors of the Ultimate Parent unanimously recommends that the Ultimate Parent Shareholders vote in favor of the Ultimate Parent Class 1 Resolution to be proposed at the Ultimate Parent GM. The directors of the Ultimate Parent intend to vote in favor of the Ultimate Parent Class 1 Resolution at the Ultimate Parent GM in respect of the ordinary shares to which they are beneficially entitled, representing approximately 0.09% of the total issued share capital of the Ultimate Parent as of February 2, 2016, being the last practicable day before the publication of this document.”

“Ultimate Parent Shareholders” means the holders of Ultimate Parent Shares from time to time.

“Ultimate Parent Shares” means ordinary shares of 5 pence each in the capital of the Ultimate Parent.

12.02 Other Definitional Provisions - Successor Laws

. Any reference to any particular Code section or any other Law or regulation will be interpreted to include any revision of or successor to that section regardless of how it is numbered or classified.

12.03 Cross-Reference of Other Definitions

. Each capitalized term listed below is defined in the corresponding Section of this Agreement:

Term Section No.

Agreement Preface
Alternative Arrangements 9.06(a)
Applicable Anti-Corruption Laws 4.21
Base Consideration 1.02(b)
Business Permits 4.14(b)
Cap 9.02(b)
Celdis Preface
Change in Recommendation 7.05(f)
Circular Distribution 7.06(a)
Class 1 Circular 7.06(a)
Closing 2.01
Closing Balance Sheet 1.04(a)
Closing Cash Consideration 1.02(b)
Closing Date 2.01
Closing Transactions 2.02
Code 4.13(b)
Company Preface
Company Common Stock Recitals
Company Employees 8.04(a)
Company Intellectual Property 4.10(a)

Company Plan 4.13(a)
Company Preferred Stock Recitals
Competing Business 7.07(b)
Confidential Information 7.09(a)
Confidentiality Agreement 7.02
Covered Person 7.07(a)
D&O Indemnites 8.03(a)
Deductible 9.02(a)
Disabled Company Employee 8.04(c)
Disclosure Schedules Article IV
Dispute Resolution Auditor 1.04(a)
Environmental Permits 4.15(a)
ERISA 4.13(a)
ERISA Affiliate 4.13(c)
Estimated Cash 1.03
Estimated Indebtedness 1.03
Estimated Net Working Capital 1.03
Final Cash Consideration 1.02(c)
Financial Statements 4.05(a)
Foreign Benefit Plan 4.13(f)
Fundamental Representations 9.01
General Enforceability Exceptions 4.03(a)
HSR Act 4.12
Indemnitee 9.05
Indemnitor 9.05
Latest Balance Sheet 4.05(a)
Leased Real Property 4.07(b)
Material Customers 4.23
Material Suppliers 4.23
Mini-Basket 9.02(a)
Money Laundering Laws 4.22
Net Working Capital Target 1.02(b)
New Plans 8.04(b)
Objections Statement 1.04(a)
OFAC 4.20
Outside Date 10.01(e)
Overpayment Credit 11.01(a)(vi)
Owned Real Property 4.07(c)
Payoff Letters 3.01(c)
PF Corp Preface
PF Corp NQDC Plan 8.04(b)
Plans 4.13(a)
Preferred Stock Consideration 1.02(a)
Preliminary Net Working Capital Statement 1.04(a)
Purchaser Preface
Purchaser 401(k) Plan 8.04(g)
Purchaser Disclosure Schedule Article VI
Purchaser Fundamental Representations 9.01
Purchaser Indemnified Parties 9.02(a)
Purchaser Returns 11.01(a)(ii)
Real Property 4.07(c)
Real Property Leases 4.07(b)
Releasee 7.12

Releasor 7.12
Response Actions 9.06(e)
Restricted Period 7.07(b)
Retained Occurrence Policies 9.04(b)
Schedule Article IV
Section 7.05(f) Notice 7.05(f)
Seller Preface
Seller Indemnified Parties 9.03
Seller Marks 8.07
Seller Returns 11.01(a)(i)
Sellers Preface
Shares Recitals
Significant Contracts 4.09(b)
Special Indemnification Cap 9.02(b)
Specified Representations 3.01(a)
Straddle Period 11.01(a)(ii)
Subsidiary Common Stock 4.04
Tax Authority 11.01(g)
Tax Benefit 9.06(a)
Tax Claim 11.01(g)
Tax Contests 4.08(b)
Transfer Taxes 11.01(c)
Transferred Company Plans 8.04(f)
Ultimate Parent Preface
Ultimate Parent Approval 7.06(b)
Ultimate Parent Class 1 Resolution 7.06(b)

Article XIII

MISCELLANEOUS

13.01 Press Releases and Communications

. No press release or public announcement related to this Agreement or the transactions contemplated herein, or prior to the Closing any other announcement or communication to the employees, customers or suppliers of the Company, shall be issued or made by any party hereto without the joint approval of the Purchaser and the Ultimate Parent, unless required by Law (in the reasonable opinion of counsel) in which case the Purchaser and the Ultimate Parent shall have the right to review such press release, announcement or communication prior to issuance, distribution or publication.

13.02 Expenses

. Except as otherwise expressly provided herein, the Sellers, on the one hand, and the Purchaser, on the other hand, shall pay all of their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of their obligations hereunder and the consummation of the transactions contemplated by this Agreement.

13.03 Knowledge Defined

. For purposes of this Agreement, (a) "the Company's knowledge" as used herein shall mean the actual knowledge of Sean Tillinghast, Rick Wuescher, Brian Hungerman, Fabio Ferrari, Richard Singer and Timothy Van Fleet and (b) "the Sellers' knowledge" as used herein shall mean the actual knowledge of Steven Webb and Joseph Daprile.

13.04 Notices

. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via email or facsimile to the number or email address set out below, in each case if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a business day then the next business day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third (3rd) business day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing:

Notices to the Purchaser:

IDEX Corporation

1925 West Field Court

Lake Forest, Illinois 60045

Attention: General Counsel

Facsimile No.: 803 216 7705

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP

155 N. Wacker Drive

Chicago, Illinois 60606

Attention: Shilpi Gupta (shilpi.gupta@skadden.com)

Facsimile No.: 312 407 8580

Notices to the Sellers:

Premier Farnell

150 Armley Road

Leeds, United Kingdom LS12 2QQ

Attention: Steven Webb (swebb@premierfarnell.com)

Facsimile No.: +44 0870 129 8611

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP

300 North LaSalle Drive

Chicago, Illinois 60654

Attention: Walter S. Holzer, P.C. (walter.holzer@kirkland.com)

Facsimile No.: (312) 862-2200

and

Akron Brass

c/o Premier Farnell Corp.

300 S. Riverside Plaza, Suite 2200

Chicago, Illinois 60606

Attention: Joseph R. Daprile (jdaprile@premierfarnell.com)

Facsimile No.: (773) 907-6029

Notices to the Company (prior to the Closing Date):

Akron Brass

c/o Premier Farnell Corp.

300 S. Riverside Plaza, Suite 2200

Chicago, Illinois 60606

Attention: Joseph R. Daprile (jdaprile@premierfarnell.com)

Facsimile No.: (773) 907-6029

with copies to the Sellers and Kirkland & Ellis LLP (which shall not constitute notice) to the addresses set forth above.

13.05 Assignment

. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that this Agreement and any of the rights, interests or obligations hereunder may not be assigned or delegated by any party hereto without the prior written consent of the Purchaser, in the event of a proposed assignment or delegation by any Seller or the Company, or the Ultimate Parent, in the event of a proposed assignment or delegation by the Purchaser. Notwithstanding the foregoing, the Purchaser may assign all or any portion of its rights under this Agreement, or delegate all or any portion of its obligations under this Agreement, to any of its Affiliates without the Ultimate Parent's consent; provided that no such assignment or delegation will release the Purchaser from any of its Liabilities or obligations hereunder.

13.06 Severability

. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such

prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, and the parties shall amend or otherwise modify this Agreement to replace any prohibited or invalid provision with an effective and valid provision that gives effect to the intent of the parties to the maximum extent permitted by applicable Law.

13.06 References

. The table of contents and the section and other headings and subheadings contained in this Agreement and the exhibits hereto are solely for the purpose of reference, are not part of the agreement of the parties hereto, and shall not in any way affect the meaning or interpretation of this Agreement or any exhibit hereto. All references to days or months shall be deemed references to calendar days or months. All references to "\$" shall be deemed references to United States dollars. Unless the context otherwise requires, any reference to a "Section," "Exhibit," "Disclosure Schedule," "Purchaser Disclosure Schedule" or "Schedule" shall be deemed to refer to a section of this Agreement, exhibit to this Agreement or a schedule to this Agreement, as applicable. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. English shall be the governing language of this Agreement. Any document or item will be deemed "delivered," "provided" or "made available" within the meaning of this Agreement if such document or item (a) is included in the electronic data room, (b) actually delivered or provided to the Purchaser or the Purchaser's Representatives or (c) made available upon request, including at any of the Company's or its Subsidiary's offices.

13.08 Construction

. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Disclosure Schedules or Exhibits attached hereto is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including, without limitation, whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Disclosure Schedules or Exhibits in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any Schedule or Exhibit is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or is within or outside of the ordinary course of business for purposes of this Agreement. The information contained in this Agreement and in the Disclosure Schedules and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including, without limitation, any violation of Law or breach of contract).

13.09 Amendment and Waiver

. Any provision of this Agreement or the Disclosure Schedules or Exhibits hereto may be amended or waived only in a writing signed by the Purchaser, the Company and the Sellers. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

13.10 Complete Agreement

. This Agreement and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

13.11 Third Party Beneficiaries

. Certain provisions of this Agreement are intended for the benefit of, and shall be enforceable by, the D&O Indemnitees. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement and the D&O Indemnitees any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

13.12 Waiver of Trial by Jury

. EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.12.

13.13 Prevailing Party

. In the event of a dispute between any of the parties hereto with respect to obligations under this Agreement, the prevailing party in any action or proceeding in any court or arbitration in connection therewith shall be entitled to recover from such other party its costs and expenses incurred in connection with such action or proceeding, including, without limitation, reasonable legal fees and associated court costs.

13.14 Electronic Delivery

. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an “Electronic Delivery”), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense related to lack of authenticity.

13.15 Counterparts

. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same instrument.

13.16 Governing Law

. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

13.17 Specific Performance

. The parties hereto acknowledge and agree that any party hereto would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by any party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which any party may be entitled, at law or in equity, such party shall also be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Stock Purchase Agreement on the day and year first above written.

Company: AKRON BRASS HOLDING CORP.

By: /s/ STEVEN WEBB

Name: Steven Webb

Its: Vice President

Purchaser: IDEX CORPORATION

By: /s/ DENISE R. CADE

Name: Denise R. Cade

Its: Senior Vice President and General Counsel

Sellers: PREMIER FARNELL PLC

By: /s/ STEVEN WEBB

Name: Steven Webb

Its: Secretary and General Counsel

CELDIS LIMITED

By: /s/ STEVEN WEBB

Name: Steven Webb

Its: Director and Secretary

PREMIER FARNELL CORP.

By: /s/ STEVEN WEBB

Name: Steven Webb

Its: Vice President

List of Omitted Exhibits and Schedules

The following exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

EXHIBITS

Exhibit A FIRPTA Certificate

SCHEDULES

1.04 Accounting Methodology and Practices
3.01(c) Payoff Letters
4.03 Authorization; No Breach
4.04 Capital Stock
4.05 Financial Statements; No Undisclosed Liabilities
4.06 Absence of Certain Developments
4.07(a) Title to Personal Property
4.07(b) Leased Real Property
4.07(c) Real Property
4.07(d) Real Property Used in the Operation of the Business
4.07(e) Title to Assets
4.09 Contracts and Commitments
4.10 Intellectual Property
4.10(a) Company Intellectual Property
4.10(b) Developed Company Intellectual Property
4.11 Litigation
4.12 Governmental Authorities; Consents
4.13(a) Employee Benefit Plans
4.13(c) Employee Benefit Plan Exceptions
4.13(e) Change of Control Benefits
4.15 Environmental Compliance and Conditions
4.16 Labor and Employment
4.17 Insurance
4.18 Form of Warranties
4.19 Related Party Transactions
4.21 Anti-Corruption Laws
4.23 Customers and Suppliers
4.23(a) Customer and Supplier Relationships
4.24 Brokerage
5.04 No Violation
5.06 Governmental Authorities
5.08 Brokerage
7.01 Conduct of the Business
7.08 Intercompany Arrangements
8.04(f) Transferred Company Plans
9.02 Special Indemnity
12.01 Permitted Liens

Computation of Ratio of Earnings to Fixed Charges

(\$'s in 000's)

	<u>December 2015</u>	<u>December 2014</u>	<u>December 2013</u>	<u>December 2012</u>	<u>December 2011</u>
Fixed Charges:					
Interest charges (per I/S)	\$ 41,636	\$ 41,895	\$ 42,206	\$ 42,250	\$ 29,332
Less: net amortization of debt discount and issuance expenses	1,378	1,498	1,488	1,685	1,263
Adjusted interest charges	40,258	40,397	40,718	40,565	28,069
Add: net amortization of debt discount and issuance expenses	1,378	1,498	1,488	1,685	1,263
Interest portion of rental charges	6,306	6,410	6,307.3692	6,068	6,262
Total fixed charges	\$ 47,942	\$ 48,305	\$ 48,513	\$ 48,318	\$ 35,594
Earnings:					
Pre-tax earnings	\$ 392,345	\$ 392,440	\$ 353,129	\$ 86,204	\$ 273,881
Interest charges	40,258	40,397	40,718	40,565	28,069
Net amortization of debt discount and issuance expenses	1,378	1,498	1,488	1,685	1,263
Interest portion of rental charges	6,306	6,410	6,307	6,068	6,262
Total earnings	\$ 440,287	\$ 440,745	\$ 401,642	\$ 134,522	\$ 309,475
Ratio of earnings to fixed charges	9.2	9.1	8.3	2.8	8.7

Note: Currently amortization of debt discount and premium and issuance expenses are recorded and included within the interest expense line item. The above analysis starts with interest expense per the income statement and then subtracts the amortization figure in order to get to a true interest expense amount.

SUBSIDIARIES OF IDEX CORPORATION

SUBSIDIARY	JURISDICTION OF INCORPORATION
ADS Environmental Services Pte. Ltd.	Australia
FAST & Fluid Management Australia Pty. Ltd.	Australia
Knight Equipment Pty., Ltd.	Australia
Matcon Pacific Pty., Ltd.	Australia
IDEX Holdings GmbH	Austria
iPEK Spezial-TV GmbH	Austria
The Fitzpatrick Company Europe N.V.	Belgium
Toptech Systems N.V.	Belgium
IDEX do Brasil Servicos e Vendas Ltda.	Brazil
Fluid Management Canada, Inc.	Canada
Knight Canada Limited	Canada
Quadro Engineering Corp	Canada
Viking Pump of Canada Inc.	Canada
IDEX Dinglee Technology (Tianjin) Co., Ltd.	China
IDEX Precision Products (Suzhou) Co., Ltd.	China
IDEX Technology (Suzhou) Co., Ltd.	China
IDEX Trading (Shanghai) Co., Ltd.	China
Richter EP (Nanjing) Co. Ltd.	China
CiDRA Precision Services, LLC	Connecticut, USA
ADS Corp.	Delaware, USA
ADS LLC	Delaware, USA
Advanced Thin Films, Inc.	Delaware, USA
Aegis Flow Technologies	Delaware, USA
Band-It IDEX, Inc.	Delaware, USA
Corken, Inc.	Delaware, USA
CVI Laser International LLC	Delaware, USA
CVI Laser LLC	Delaware, USA
Fluid Management Operations LLC	Delaware, USA
Fluid Management, Inc.	Delaware, USA
FM Delaware, Inc.	Delaware, USA
FM Investment, Inc.	Delaware, USA
IDEX Energy & Fuels Inc.	Delaware, USA
IDEX Health & Science LLC	Delaware, USA
IDEX Holdings, Inc.	Delaware, USA
IDEX Investment LLC	Delaware, USA
IDEX MPT Inc.	Delaware, USA
IDEX Service Corporation	Delaware, USA
Knight LLC	Delaware, USA
Knight, Inc.	Delaware, USA
Liquid Controls LLC	Delaware, USA

SUBSIDIARY**JURISDICTION OF INCORPORATION**

Microfluidics International Corporation	Delaware, USA
Micropump, Inc.	Delaware, USA
Nova Technologies Corporation	Delaware, USA
Precision Polymer Engineering LLC	Delaware, USA
Pulsafeeder, Inc.	Delaware, USA
Richter Pumps and Valves Inc.	Delaware, USA
Semrock, Inc.	Delaware, USA
Viking Pump, Inc.	Delaware, USA
Warren Rupp, Inc.	Delaware, USA
Wright Flow Technologies, Inc.	Delaware, USA
JUN-AIR International A/S	Denmark
Toptech Systems, Inc.	Florida, USA
FAST & Fluid Management France SARL	France
Faure Herman SAS	France
IDEX France SAS	France
Hale Products Europe GmbH	Germany
IDEX Europe GmbH	Germany
IDEX Leasing GmbH	Germany
iPEK International GmbH	Germany
LUKAS Hydraulik GmbH	Germany
Melles Griot GmbH	Germany
Richter-Chemie-Technik GmbH	Germany
Vetter GmbH	Germany
IDEX Sourcing Corp	Illinois, USA
IDEX Fluid & Metering Private Limited	India
IDEX India Private Ltd.	India
Richter Pumps & Valves India Private Ltd.	India
Banjo Corporation	Indiana, USA
IDEX Pump Technologies (Ireland) Limited	Ireland
CVI Technical Optics Company Ltd.	Isle of Man
Alfa Valvole S.r.l.	Italy
FAST & Fluid Management S.r.l.	Italy
IDEX Italy S.r.l.	Italy
Immobiliare B.R.S S.r.l	Italy
Novotema SpA	Italy
OBL S.r.l	Italy
S.A.M.P.I. SpA	Italy
ERC KK	Japan
IDEX Japan GK	Japan
Melles Griot KK	Japan
IDEX Korea	Korea
Korea Electro-Optics Co., Ltd.	Korea
IDEX Mexico S.A. de C.V.	Mexico
Gast Asia, Inc.	Michigan, USA

SUBSIDIARY**JURISDICTION OF INCORPORATION**

Gast Manufacturing, Inc.	Michigan, USA
Fast & Fluid Management B.V.	Netherlands
IDEX Europe Investment BV	Netherlands
Melles Griot B.V.	Netherlands
Hale Products, Inc.	Pennsylvania, USA
Hurst Jaws of Life, Inc	Pennsylvania, USA
FAST & Fluid Management East Europe Sp. z.o.o.	Poland
Band-It Clamps (Asia) Pte., Ltd.	Singapore
IDEX Asia Pacific Pte., Ltd.	Singapore
Melles Griot AB	Sweden
PPE, LLC	Texas, USA
IDEX Middle East FZE	United Arab Emirates
40Seven Ltd.	United Kingdom
Band-It Company Limited	United Kingdom
CVI Laser Limited	United Kingdom
FTL Ltd.	United Kingdom
Gast Group Ltd.	United Kingdom
Godiva Limited	United Kingdom
Godiva Products Limited	United Kingdom
Hale Products Europe Limited	United Kingdom
IDEX UK Investment Ltd.	United Kingdom
IDEX UK Ltd.	United Kingdom
IETG Ltd.	United Kingdom
Knight U.K. Limited	United Kingdom
Matcon (R&D) Limited	United Kingdom
Matcon Group Limited	United Kingdom
Matcon Limited	United Kingdom
Precision Polymer Engineering Limited	United Kingdom
Seals Limited	United Kingdom
Wright Flow Technologies Limited	United Kingdom
Trebor International, Inc.	Utah, USA

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-102882, 333-104768, 333-70450, 333-70452, 333-123558, 333-150142, 333-166981 and 333-205935 on Form S-8 of our reports dated February 19, 2016 relating to the consolidated financial statements of IDEX Corporation and subsidiaries (the "Company"), (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Accounting Standards Update 2015-17 "*Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes,*") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2015.

Deloitte & Touche LLP

Chicago, IL
February 19, 2016

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Andrew K. Silvernail, certify that:

1. I have reviewed this annual report on Form 10-K of IDEX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 19, 2016

/s/ ANDREW K. SILVERNAIL

Andrew K. Silvernail

Chairman of the Board and Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Heath A. Mitts, certify that:

1. I have reviewed this annual report on Form 10-K of IDEX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 19, 2016

/s/ HEATH A. MITTS

Heath A. Mitts

Senior Vice President and Chief Financial Officer

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the annual period ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2016

/s/ ANDREW K. SILVERNAIL

Andrew K. Silvernail

Chairman of the Board and Chief Executive Officer

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the annual period ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2016

/s/ HEATH A. MITTS

Heath A. Mitts

Senior Vice President and Chief Financial Officer