
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

(Mark One)

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

For the fiscal year ended October 31, 2016

OR

☐ **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 0-7977

NORDSON CORPORATION

(Exact name of Registrant as specified in its charter)

Ohio
(State of incorporation)

28601 Clemens Road Westlake, Ohio
(Address of principal executive offices)

34-0590250
(I.R.S. Employer
Identification No.)

44145
(Zip Code)

(440) 892-1580

(Registrant's Telephone Number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Shares, without par value

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, 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 (§232.405 of this chapter) 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 definition 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 ☐ (Do not check if smaller reporting company) Smaller reporting company ☐

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

The aggregate market value of Common Shares, no par value per share, held by nonaffiliates (based on the closing sale price on the Nasdaq Stock Market) as of April 30, 2016 was approximately \$4,357,415,366.

There were 57,348,873 Common Shares outstanding as of November 30, 2016.

Documents incorporated by reference: Portions of the Proxy Statement for the 2017 Annual Meeting - Part III

Table of Contents

PART I

Item 1.	<u>Business</u>	4
	<u>General Description of Business</u>	4
	<u>Corporate Purpose and Goals</u>	4
	<u>Financial Information About Operating Segments, Foreign and Domestic Operations and Export Sales</u>	5
	<u>Principal Products and Uses</u>	5
	<u>Manufacturing and Raw Materials</u>	7
	<u>Intellectual Property</u>	7
	<u>Seasonal Variation in Business</u>	7
	<u>Working Capital Practices</u>	8
	<u>Customers</u>	8
	<u>Backlog</u>	8
	<u>Government Contracts</u>	8
	<u>Competitive Conditions</u>	8
	<u>Research and Development</u>	8
	<u>Environmental Compliance</u>	8
	<u>Employees</u>	9
	<u>Available Information</u>	9
Item 1A.	<u>Risk Factors</u>	10
Item 1B.	<u>Unresolved Staff Comments</u>	14
Item 2.	<u>Properties</u>	15
Item 3.	<u>Legal Proceedings</u>	16
Item 4.	<u>Mine Safety Disclosures</u>	16
	<u>Executive Officers of the Company</u>	16

PART II

Item 5.	<u>Market for the Company's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	17
	<u>Market Information and Dividends</u>	17
	<u>Performance Graph</u>	17
Item 6.	<u>Selected Financial Data</u>	19
Item 7.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
	<u>Critical Accounting Policies and Estimates</u>	20
Item 7A.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	33
Item 8.	<u>Financial Statements and Supplementary Data</u>	34
	<u>Consolidated Statements of Income</u>	34
	<u>Consolidated Statements of Comprehensive Income</u>	35
	<u>Consolidated Balance Sheets</u>	36
	<u>Consolidated Statements of Shareholders' Equity</u>	37
	<u>Consolidated Statements of Cash Flows</u>	38
	<u>Notes to Consolidated Financial Statements</u>	39
	<u>Management's Report on Internal Control Over Financial Reporting</u>	68
	<u>Report of Independent Registered Public Accounting Firm</u>	69
	<u>Report of Independent Registered Public Accounting Firm</u>	70
Item 9.	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	71
Item 9A.	<u>Controls and Procedures</u>	71
Item 9B.	<u>Other Information</u>	71

<u>PART III</u>		72
Item 10.	<u>Directors, Executive Officers and Corporate Governance</u>	72
Item 11.	<u>Executive Compensation</u>	72
Item 12.	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	72
	<u>Equity Compensation Table</u>	72
Item 13.	<u>Certain Relationships and Related Transactions, and Director Independence</u>	72
Item 14.	<u>Principal Accountant Fees and Services</u>	72
<u>PART IV</u>		73
Item 15.	<u>Exhibits and Financial Statement Schedule</u>	73
	<u>(a) 1. Financial Statements</u>	73
	<u>(a) 2. Financial Statement Schedule</u>	73
	<u>(a) 3. Exhibits</u>	73
	<u>Signatures</u>	74
	<u>Schedule II – Valuation and Qualifying Accounts and Reserves</u>	76
	<u>Index to Exhibits</u>	77
	Subsidiaries of the Registrant	
	Consent of Independent Registered Public Accounting Firm	
	Certifications	

PART I

NOTE REGARDING AMOUNTS AND FISCAL YEAR REFERENCES

In this annual report, all amounts related to United States dollars and foreign currency and to the number of Nordson Corporation's common shares, except for per share earnings and dividend amounts, are expressed in thousands. Unless the context otherwise indicates, all references to "we," "us," "our," or the "Company" mean Nordson Corporation.

Unless otherwise noted, all references to years relate to our fiscal year ending October 31.

Item 1. Business

General Description of Business

Nordson engineers, manufactures and markets differentiated products and systems used to dispense, apply and control adhesives, coatings, polymers, sealants, biomaterials, and other fluids, to test and inspect for quality, and to treat and cure surfaces. These products are supported with extensive application expertise and direct global sales and service. We serve a wide variety of consumer non-durable, consumer durable and technology end markets including packaging, nonwovens, electronics, medical, appliances, energy, transportation, building and construction, and general product assembly and finishing.

Our strategy for long-term growth is based on solving customers' needs globally. We are headquartered in Westlake, Ohio, and our products are marketed through a network of direct operations in more than 35 countries. Consistent with this global strategy, approximately 71 percent of our revenues were generated outside the United States in 2016.

We have 6,127 employees worldwide. Principal manufacturing facilities are located in the United States, the People's Republic of China, Germany, Mexico, the Netherlands, Thailand and the United Kingdom.

Corporate Purpose and Goals

We strive to be a vital, self-renewing, worldwide organization that, within the framework of ethical behavior and enlightened citizenship, grows and produces wealth for our customers, employees, shareholders and communities.

We operate for the purpose of creating balanced, long-term benefits for all of our constituencies.

Although every quarter may not produce increased sales, net income and earnings per share, or exceed the comparative prior year's quarter, we do expect to produce long-term gains. When short-term swings occur, we do not intend to alter our basic objectives in efforts to mitigate the impact of these temporary occurrences.

We drive organic growth by continually introducing new products and technology, providing high levels of customer service and support, capturing rapidly expanding opportunities in emerging geographies, and by leveraging existing technology into new applications. Additional growth comes through the acquisition of companies that serve international growth markets, share our business model characteristics and can leverage our global infrastructure.

We create benefits for our customers through a Package of Values®, which includes carefully engineered, durable products; strong service support; the backing of a well-established, worldwide company with financial and technical strengths; and a corporate commitment to deliver what was promised.

We strive to provide genuine customer satisfaction; it is the foundation upon which we continue to build our business.

Complementing our business strategy is the objective to provide opportunities for employee self-fulfillment, growth, security, recognition and equitable compensation. This goal is met through the Human Resources department's facilitation of employee training, leadership training and the creation of on-the-job growth opportunities. The result is a highly qualified and professional global team capable of meeting corporate objectives.

We recognize the value of employee participation in the planning process. Strategic and operating plans are developed by all business units, resulting in a sense of ownership and commitment on the part of employees in accomplishing our objectives.

We drive continuous improvement in all areas of the company through the Nordson Business System (NBS), our collected set of tools and best practices. Rooted in Lean Six Sigma methodologies, the NBS is applied throughout all business units and corporate functions. Closely tied to the NBS are a set of key performance indicators that help define and measure progress toward corporate goals. The NBS is underpinned by our timeless corporate values of customer passion, energy, excellence, integrity and respect for people.

We are an equal opportunity employer.

We are committed to contributing approximately five percent of domestic pretax earnings to human welfare services, education and other charitable activities, particularly in communities where we have significant operations.

Financial Information About Operating Segments, Foreign and Domestic Operations and Export Sales

In accordance with generally accepted accounting standards, we have reported information about our three operating segments, including information about our foreign and domestic operations. This information is contained in Note 16 of Notes to Consolidated Financial Statements, which can be found in Part II, Item 8 of this Annual Report.

Principal Products and Uses

We engineer, manufacture and market differentiated products and systems used to dispense, apply and control adhesives, coatings, polymers, sealants, biomaterials, and other fluids, to test and inspect for quality, and to treat and cure surfaces. Our technology-based systems can be found in manufacturing facilities around the world producing a wide range of goods for consumer durable, consumer non-durable and technology end markets. Equipment ranges from single-use components to manual, stand-alone units for low-volume operations to microprocessor-based automated systems for high-speed, high-volume production lines.

We market our products globally, primarily through a direct sales force, and also through qualified distributors and sales representatives. We have built a worldwide reputation for creativity and expertise in the design and engineering of high-technology application equipment that meets the specific needs of our customers. We create value for our customers by developing solutions that increase uptime, enable faster line speeds and reduce consumption of materials.

The following is a summary of the product lines and markets served by our operating segments:

1. Adhesive Dispensing Systems

This segment delivers our proprietary precision dispensing and processing technology to diverse markets for applications that commonly reduce material consumption, increase line efficiency and enhance product strength, durability, brand and appearance.

- ***Nonwovens*** – Dispensing, coating and laminating systems for applying adhesives, lotions, liquids and fibers to disposable products and continuous roll goods. Key strategic markets include adult incontinence products, baby diapers and child-training pants, feminine hygiene products and surgical drapes, gowns, shoe covers and face masks.
- ***Packaging*** – Automated adhesive dispensing systems used in the rigid packaged goods industries. Key strategic markets include food and beverage packaging, pharmaceutical packaging, and other consumer goods packaging.
- ***Polymer Processing*** – Components and systems used in the thermoplastic melt stream in plastic extrusion, injection molding, compounding, polymerization and recycling processes. Key strategic markets include flexible packaging, electronics, medical, building and construction, transportation and aerospace, and general consumer goods.
- ***Product Assembly*** – Dispensing, coating and laminating systems for the assembly of plastic, metal and wood products, for paper and paperboard converting applications and for the manufacturing of continuous roll goods. Key strategic markets include appliances, automotive components, building and construction materials, electronics, furniture, solar energy, and the manufacturing of bags, sacks, books, envelopes and folding cartons.

2. Advanced Technology Systems

This segment integrates our proprietary product technologies found in progressive stages of a customer's production process, such as surface treatment, precisely controlled automated, semi-automated or manual dispensing of material, and post-dispense bond testing, optical inspection and X-ray inspection to ensure quality. Related single-use plastic molded syringes, cartridges, tips, tubing and fluid connection components are used to dispense or control fluids in production processes or within customers' end products. This segment primarily serves the specific needs of electronics, medical and related high-tech industries.

- **Electronic Systems** - Automated dispensing systems for high-speed, accurate application of a broad range of attachment, protection and coating fluids, and related gas plasma treatment systems for cleaning and conditioning surfaces prior to dispense. Key strategic markets include mobile phones, tablets, personal computers, wearable technology, liquid crystal displays, micro hard drives, microprocessors, printed circuit boards, micro-electronic mechanical systems (MEMS), and semiconductor packaging.
- **Fluid Management** – Precision manual and semi-automated dispensers, highly engineered single-use plastic molded syringes, cartridges, tips, fluid connection components, tubing and catheters. Products are used for applying and controlling the flow of adhesives, sealants, lubricants, and biomaterials in critical industrial production processes and within medical equipment and related surgical procedures. Key strategic markets include consumer goods, electronics, industrial assembly, and medical.
- **Test and Inspection** - Bond testing and automated optical and x-ray inspection systems used in the semiconductor and printed circuit board industries. Key strategic markets include mobile phones, tablets, personal computers, wearable technology, liquid crystal displays, micro hard drives, microprocessors, printed circuit boards, MEMS, and semiconductor packaging.

3. Industrial Coating Systems

This segment provides both standard and highly-customized equipment used primarily for applying coatings, paint, finishes, sealants and other materials, and for curing and drying of dispensed material. This segment primarily serves the consumer durables market.

- **Cold Materials** – Automated and manual dispensing products and systems used to apply multiple component adhesive and sealant materials in the general industrial and transportation manufacturing industries. Key strategic markets include aerospace, alternative energy, appliances, automotive, building and construction, composites, electronics and medical.
- **Container Coating** – Automated and manual dispensing and curing systems used to coat and cure containers. Key strategic markets include beverage containers and food cans.
- **Curing and Drying Systems** – Ultraviolet equipment used primarily in curing and drying operations for specialty coatings, semiconductor materials and paints. Key strategic markets include electronics, containers, and durable goods products.
- **Liquid Finishing** – Automated and manual dispensing systems used to apply liquid paints and coatings to consumer and industrial products. Key strategic markets include automotive components, agriculture, construction, metal shelving and drums.
- **Powder Coating** – Automated and manual dispensing systems used to apply powder paints and coatings to a variety of metal, plastic and wood products. Key strategic markets include agriculture and construction equipment, appliances, automotive components, home and office furniture, lawn and garden equipment, pipe coating, and wood and metal shelving.

Manufacturing and Raw Materials

Our production operations include machining, molding and assembly. We manufacture specially designed parts and assemble components into finished equipment. Many components are made in standard modules that can be used in more than one product or in combination with other components for a variety of models. We have principal manufacturing operations and sources of supply in the United States in Ohio, Georgia, California, Colorado, Michigan, New Jersey, North Carolina, Pennsylvania, Rhode Island, Virginia and Wisconsin; as well as in the People's Republic of China, Germany, Mexico, the Netherlands, Thailand and the United Kingdom.

Principal materials used to make our products are metals and plastics, typically in sheets, bar stock, castings, forgings, tubing and pellets. We also purchase many electrical and electronic components, fabricated metal parts, high-pressure fluid hoses, packings, seals and other items integral to our products. Suppliers are competitively selected based on cost, quality and service. All significant raw materials that we use are available through multiple sources.

Senior operating executives supervise an extensive quality control program for our equipment, machinery and systems, and manufacturing processes.

Natural gas and other fuels are our primary energy sources. However, standby capacity for alternative sources is available if needed.

Intellectual Property

We maintain procedures to protect our intellectual property (including patents, trademarks and copyrights) both domestically and internationally. Risk factors associated with our intellectual property are discussed in Item 1A, Risk Factors.

Our intellectual property portfolios include valuable patents, trade secrets, know-how, domain names, trademarks and trade names. As of October 31, 2016, we held 541 United States patents and 1,207 foreign patents and had 212 United States patent applications pending and 878 foreign patent applications pending, but there is no assurance that any patent application will be issued. We continue to apply for and obtain patent protection for new products on an ongoing basis.

Patents covering individual products extend for varying periods according to the date of filing or grant and legal term of patents in various countries where a patent is obtained. Our current patent portfolio has expiration dates ranging from November 2016 to February 2041. The actual protection a patent provides, which can vary from country to country, depends upon the type of patent, the scope of its coverage, and the availability of legal remedies in each country. We believe, however, that the duration of our patents generally exceeds the life cycles of the technologies disclosed and claimed in the patents.

We believe our trademarks are important assets and we aggressively manage our brands. We also own a number of trademarks in the United States and foreign countries, including registered trademarks for Nordson, Asymtek, Dage, EFD, Value Plastics, and Xaloy and various common law trademarks which are important to our business, inasmuch as they identify Nordson and our products to our customers. As of October 31, 2016, we had a total of 2,084 trademark registrations in the United States and in various foreign countries.

We rely upon a combination of nondisclosure and other contractual arrangements and trade secret laws to protect our proprietary rights and also enter into confidentiality and intellectual property agreements with our employees that require them to disclose any inventions created during employment, convey all rights to inventions to us, and restrict the distribution of proprietary information.

We protect and promote our intellectual property portfolio and take those actions we deem appropriate to enforce our intellectual property rights and to defend our right to sell our products. Although in aggregate our intellectual property is important to our operations, we do not believe that the loss of any one patent, trademark, or group of related patents or trademarks would have a material adverse effect on our results of operations or financial position of our overall business.

Seasonal Variation in Business

Generally, the highest volume of sales occurs in the second half of the year due in large part to the timing of customers' capital spending programs. Accordingly, first quarter sales volume is typically the lowest of the year due to timing of customers' capital spending programs and customer holiday shutdowns.

Working Capital Practices

No special or unusual practices affect our working capital. We generally require advance payments as deposits on customized equipment and systems and, in certain cases, require progress payments during the manufacturing of these products. We continue to initiate new processes focused on reduction of manufacturing lead times, resulting in lower investment in inventory while maintaining the capability to respond promptly to customer needs.

Customers

We serve a broad customer base, both in terms of industries and geographic regions. In 2016, no single customer accounted for ten percent or more of sales.

Backlog

Our backlog of open orders increased to approximately \$274,000 at October 31, 2016 from approximately \$228,000 at October 31, 2015. The amounts for both years were calculated based upon exchange rates in effect at October 31, 2016. The increase is primarily due to orders within the Advanced Technology Systems segment. All orders in the 2016 year-end backlog are expected to be shipped to customers in 2017.

Government Contracts

Our business neither includes nor depends upon a significant amount of governmental contracts or subcontracts. Therefore, no material part of our business is subject to renegotiation or termination at the option of the government.

Competitive Conditions

Our equipment is sold in competition with a wide variety of alternative bonding, sealing, finishing, coating, processing, testing, inspecting, and fluid control techniques. Potential uses for our equipment include any production processes that require preparation, modification or curing of surfaces; dispensing, application, processing or control of fluids and materials; or testing and inspecting for quality.

Many factors influence our competitive position, including pricing, product quality and service. We maintain a leadership position in our business segments by delivering high-quality, innovative products and technologies, as well as service and technical support. Working with customers to understand their processes and developing the application solutions that help them meet their production requirements also contributes to our leadership position. Our worldwide network of direct sales and technical resources also is a competitive advantage.

Research and Development

Investments in research and development are important to our long-term growth, enabling us to keep pace with changing customer and marketplace needs through the development of new products and new applications for existing products. We place strong emphasis on technology developments and improvements through internal engineering and research teams. Research and development expenses were approximately \$46,247 in 2016, compared with approximately \$46,689 in 2015 and \$47,536 in 2014. As a percentage of sales, research and development expenses were approximately 2.6, 2.8 and 2.8 percent in 2016, 2015 and 2014, respectively.

Environmental Compliance

We are subject to federal, state, local and foreign environmental, safety and health laws and regulations concerning, among other things, emissions to the air, discharges to land and water and the generation, handling, treatment and disposal of hazardous waste and other materials. Under certain of these laws, we can be held strictly liable for hazardous substance contamination of any real property we have ever owned, operated or used as a disposal site or for natural resource damages associated with such contamination. We are also required to maintain various related permits and licenses, many of which require periodic modification and renewal. The operation of manufacturing plants unavoidably entails environmental, safety and health risks, and we could incur material unanticipated costs or liabilities in the future if any of these risks were realized in ways or to an extent that we did not anticipate.

We believe that we operate in compliance, in all material respects, with applicable environmental laws and regulations. Compliance with environmental laws and regulations requires continuing management effort and expenditures. We have incurred, and will continue to incur, costs and capital expenditures to comply with these laws and regulations and to obtain and maintain the necessary permits and licenses. We believe that the cost of complying with environmental laws and regulations will not have a material effect on our earnings, liquidity or competitive position but cannot assure that material compliance-related costs and expenses may not arise in the future. For example, future adoption of new or amended environmental laws, regulations or requirements or newly discovered contamination or other circumstances that could require us to incur costs and expenses that may have a material effect, but cannot be presently anticipated.

We believe that policies, practices and procedures have been properly designed to prevent unreasonable risk of material environmental damage arising from our operations. We accrue for estimated environmental liabilities with charges to expense and believe our environmental accrual is adequate to provide for our portion of the costs of all such known environmental liabilities. Compliance with federal, state, local and foreign environmental protection laws during 2016 had no material effect on our capital expenditures, earnings or competitive position. Based upon consideration of currently available information, we believe liabilities for environmental matters will not have a material adverse effect on our financial position, operating results or liquidity, but we cannot assure that material environmental liabilities may not arise in the future.

Employees

As of October 31, 2016, we had 6,127 full-time and part-time employees, including 149 at our Amherst, Ohio, facility who are represented by a collective bargaining agreement that expires on November 3, 2019 and 37 at our New Castle, Pennsylvania facility who are represented by collective bargaining agreements that expire on August 31, 2017. No work stoppages have been experienced at any of our facilities during any of the periods covered by this report.

Available Information

Our proxy statement, annual report to the Securities and Exchange Commission (Form 10-K), quarterly reports (Form 10-Q) and current reports (Form 8-K) and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge at <http://www.nordson.com/investors> as soon as reasonably practical after such material is electronically filed with, or furnished to, the SEC. Copies of these reports may also be obtained free of charge by sending written requests to Corporate Communications, Nordson Corporation, 28601 Clemens Road, Westlake, Ohio 44145. The contents of our Internet website are not incorporated by reference herein and are not deemed to be a part of this report.

Item 1A. Risk Factors

In an enterprise as diverse as ours, a wide range of factors could affect future performance. We discuss in this section some of the risk factors that, if they actually occurred, could materially and adversely affect our business, financial condition, value and results of operations. You should consider these risk factors in connection with evaluating the forward-looking statements contained in this Annual Report on Form 10-K because these factors could cause our actual results and financial condition to differ materially from those projected in forward-looking statements.

The significant risk factors affecting our operations include the following:

Changes in United States or international economic conditions could adversely affect the profitability of any of our operations.

In 2016, approximately 29 percent of our revenue was generated in the United States, while approximately 71 percent was generated outside the United States. Our largest markets include appliance, automotive, construction, container, electronics assembly, food and beverage, furniture, medical, metal finishing, nonwovens, packaging, paper and paperboard converting, plastics processing and semiconductor. A slowdown in any of these specific end markets could directly affect our revenue stream and profitability.

A portion of our product sales is attributable to industries and markets, such as the semiconductor, mobile electronics, polymer processing and metal finishing industries, which historically have been cyclical and sensitive to relative changes in supply and demand and general economic conditions. The demand for our products depends, in part, on the general economic conditions of the industries or national economies of our customers. Downward economic cycles in our customers' industries or countries may reduce sales of some of our products. It is not possible to predict accurately the factors that will affect demand for our products in the future.

Any significant downturn in the health of the general economy, globally, regionally or in the markets in which we sell products, could have an adverse effect on our revenues and financial performance, resulting in impairment of assets.

Significant movements in foreign currency exchange rates or change in monetary policy may harm our financial results.

We are exposed to fluctuations in foreign currency exchange rates, particularly with respect to the euro, the yen, the pound sterling and the Chinese yuan. Any significant change in the value of the currencies of the countries in which we do business against the United States dollar could affect our ability to sell products competitively and control our cost structure, which could have a material adverse effect on our business, financial condition and results of operations. For additional detail related to this risk, see Item 7A, Quantitative and Qualitative Disclosure About Market Risk.

The majority of our consolidated revenues in 2016 were generated in currencies other than the United States dollar, which is our reporting currency. We recognize foreign currency transaction gains and losses arising from our operations in the period incurred. As a result, currency fluctuations between the United States dollar and the currencies in which we do business have caused and will continue to cause foreign currency transaction and translation gains and losses, which historically have been material and could continue to be material. We cannot predict the effects of exchange rate fluctuations upon our future operating results because of the number of currencies involved, the variability of currency exposures and the potential volatility of currency exchange rates. We take actions to manage our foreign currency exposure, such as entering into hedging transactions, where available, but we cannot assure that our strategies will adequately protect our consolidated operating results from the effects of exchange rate fluctuations. For example, the announcement of Brexit caused volatility in global currency exchange rate fluctuations that resulted in the strengthening of the United States dollar against foreign currencies in which we conduct business. Future adverse consequences arising from Brexit may include continued volatility in exchange rates. Any significant fluctuation in exchange rates may be harmful to our financial condition and results of operations. We also face risks arising from the imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into United States dollars or to remit dividends and other payments by our foreign subsidiaries or customers located in or conducting business in a country imposing controls. Currency devaluations diminish the United States dollar value of the currency of the country instituting the devaluation and, if they occur or continue for significant periods, could adversely affect our earnings or cash flow.

If we fail to develop new products, or our customers do not accept the new products we develop, our revenue and profitability could be adversely impacted.

Innovation is critical to our success. We believe that we must continue to enhance our existing products and to develop and manufacture new products with improved capabilities in order to continue to be a leading provider of precision technology solutions for the industrial equipment market. We also believe that we must continue to make improvements in our productivity in order to maintain our competitive position. Difficulties or delays in research, development or production of new products or failure to gain market acceptance of new products and technologies may reduce future sales and adversely affect our competitive position. We

continue to invest in the development and marketing of new products. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages or that we can recover major research and development expenses. If we fail to make innovations, launch products with quality problems or the market does not accept our new products, our financial condition, results of operations, cash flows and liquidity could be adversely affected. In addition, as new or enhanced products are introduced, we must successfully manage the transition from older products to minimize disruption in customers' ordering patterns, avoid excessive levels of older product inventories and ensure that we can deliver sufficient supplies of new products to meet customers' demands.

Our growth strategy includes acquisitions, and we may not be able to execute on our acquisition strategy or integrate acquisitions successfully.

Our recent historical growth has depended, and our future growth is likely to continue to depend, in part on our acquisition strategy and the successful integration of acquired businesses into our existing operations. We intend to continue to seek additional acquisition opportunities both to expand into new markets and to enhance our position in existing markets throughout the world. We cannot assure we will be able to successfully identify suitable acquisition opportunities, prevail against competing potential acquirers, negotiate appropriate acquisition terms, obtain financing that may be needed to consummate such acquisitions, complete proposed acquisitions, successfully integrate acquired businesses into our existing operations or expand into new markets. In addition, we cannot assure that any acquisition, once successfully integrated, will perform as planned, be accretive to earnings, or prove to be beneficial to our operations and cash flow.

The success of our acquisition strategy is subject to other risks and uncertainties, including:

- our ability to realize operating efficiencies, synergies or other benefits expected from an acquisition, and possible delays in realizing the benefits of the acquired company or products;
- diversion of management's time and attention from other business concerns;
- difficulties in retaining key employees, customers or suppliers of the acquired business;
- difficulties in maintaining uniform standards, controls, procedures and policies throughout acquired companies;
- adverse effects on existing business relationships with suppliers or customers;
- the risks associated with the assumption of contingent or undisclosed liabilities of acquisition targets; and
- the ability to generate future cash flows or the availability of financing.

In addition, an acquisition could adversely impact our operating performance as a result of the incurrence of acquisition-related debt, pre-acquisition potential tax liabilities, acquisition expenses, the amortization of acquisition-acquired assets, or possible future impairments of goodwill or intangible assets associated with the acquisition.

We may also face liability with respect to acquired businesses for violations of environmental laws occurring prior to the date of our acquisition, and some or all of these liabilities may not be covered by environmental insurance secured to mitigate the risk or by indemnification from the sellers from which we acquired these businesses. We could also incur significant costs, including, but not limited to, remediation costs, natural resources damages, civil or criminal fines and sanctions and third-party claims, as a result of past or future violations of, or liabilities associated with environmental laws.

Increased IT security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions and services.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. While we attempt to mitigate these risks by employing a number of measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our systems, networks, products, solutions and services remain potentially vulnerable to advanced persistent threats. Depending on their nature and scope, such threats could potentially lead to the compromising of confidential information, including but not limited to confidential information relating to customer or employee data, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations.

If our intellectual property protection is inadequate, others may be able to use our technologies and tradenames and thereby reduce our ability to compete, which could have a material adverse effect on us, our financial condition and results of operations.

We regard much of the technology underlying our products and the trademarks under which we market our products as proprietary. The steps we take to protect our proprietary technology may be inadequate to prevent misappropriation of our technology, or third parties may independently develop similar technology. We rely on a combination of patents, trademark, copyright and trade secret laws, employee and third-party non-disclosure agreements and other contracts to establish and protect our technology and other intellectual property rights. The agreements may be breached or terminated, and we may not have adequate remedies for any breach, and existing trade secrets, patent and copyright law afford us limited protection. Policing unauthorized use of our intellectual property is difficult. A third party could copy or otherwise obtain and use our products or technology without authorization. Litigation may be necessary for us to defend against claims of infringement or to protect our intellectual property rights and could result in substantial cost to us and diversion of our efforts. Further, we might not prevail in such litigation, which could harm our business.

Our products could infringe on the intellectual property of others, which may cause us to engage in costly litigation and, if we are not successful, could cause us to pay substantial damages and prohibit us from selling our products.

Third parties may assert infringement or other intellectual property claims against us based on their patents or other intellectual property claims, and we may have to pay substantial damages, possibly including treble damages, if it is ultimately determined our products infringe. We may have to obtain a license to sell our products if it is determined that our products infringe upon another party's intellectual property. We might be prohibited from selling our products before we obtain a license, which, if available at all, may require us to pay substantial royalties. Even if infringement claims against us are without merit, defending these types of lawsuits takes significant time, may be expensive and may divert management attention from other business concerns.

Any impairment in the value of our intangible assets, including goodwill, would negatively affect our operating results and total capitalization.

Our total assets reflect substantial intangible assets, primarily goodwill. The goodwill results from our acquisitions and represents the excess of cost over the fair value of the identifiable net assets we acquired. We assess at least annually whether there has been any impairment in the value of our intangible assets. If future operating performance at one or more of our business units were to fall significantly below current levels, if competing or alternative technologies emerge, if market conditions for acquired businesses decline, if significant and prolonged negative industry or economic trends exist, if our stock price and market capitalization declines, or if future cash flow estimates decline, we could incur, under current applicable accounting rules, a non-cash charge to operating earnings for goodwill impairment. Any determination requiring the write-off of a significant portion of unamortized intangible assets would negatively affect our results of operations and equity book value, the effect of which could be material.

We may be exposed to liabilities under the Foreign Corrupt Practices Act (FCPA), which could have a material adverse effect on our business.

We are subject to compliance with various laws and regulations, including the FCPA and similar worldwide anti-bribery and anti-corruption laws, which generally prohibit companies and their intermediaries from engaging in bribery or making other improper payments to private or public parties for the purpose of obtaining or retaining business or gaining an unfair business advantage. The FCPA also requires proper record keeping and characterization of such payments in our reports filed with the SEC. Our employees are trained and required to comply with these laws, and we are committed to legal compliance and corporate ethics. Violations of these laws could result in severe criminal or civil sanctions and financial penalties and other consequences that may have a material adverse effect on our business, reputation, financial condition or results of operations.

Inability to access capital could impede growth or the repayment or refinancing of existing indebtedness.

The limits imposed on us by the restrictive covenants contained in our credit facilities could prevent us from making acquisitions or cause us to lose access to these facilities.

Our existing credit facilities contain restrictive covenants that limit our ability to, among other things:

- borrow money or guarantee the debts of others;
- use assets as security in other transactions;
- make restricted payments or distributions; and
- sell or acquire assets or merge with or into other companies.

In addition, our credit facilities require us to meet financial ratios, including a “Leverage Ratio” and an “Interest Coverage Ratio”, both as defined in the credit facilities.

These restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs and could otherwise restrict our financing activities.

Our ability to comply with the covenants and other terms of our credit facilities will depend on our future operating performance. If we fail to comply with such covenants and terms, we may be in default and the maturity of the related debt could be accelerated and become immediately due and payable. We may be required to obtain waivers from our lenders in order to maintain compliance under our credit facilities, including waivers with respect to our compliance with certain financial covenants. If we are unable to obtain necessary waivers and the debt under our credit facilities is accelerated, we would be required to obtain replacement financing at prevailing market rates.

We may need new or additional financing in the future to expand our business or refinance existing indebtedness. If we are unable to access capital on satisfactory terms and conditions, we may not be able to expand our business or meet our payment requirements under our existing credit facilities. Our ability to obtain new or additional financing will depend on a variety of factors, many of which are beyond our control. We may not be able to obtain new or additional financing because we have substantial debt or because we may not have sufficient cash flow to service or repay our existing or future debt. In addition, depending on market conditions and our financial performance, neither debt nor equity financing may be available on satisfactory terms or at all. Finally, as a consequence of worsening financial market conditions, our credit facility providers may not provide the agreed credit if they become undercapitalized.

Changes in interest rates could adversely affect us.

Any period of interest rate increases may also adversely affect our profitability. At October 31, 2016, we had \$984,787 of total debt and notes payable outstanding, of which 64 percent was priced at interest rates that float with the market. A one percent increase in the interest rate on the floating rate debt in 2016 would have resulted in approximately \$7,205 of additional interest expense. A higher level of floating rate debt would increase the exposure to changes in interest rates. For additional detail related to this risk, see Item 7A, Quantitative and Qualitative Disclosure About Market Risk.

Failure to retain our existing senior management team or the inability to attract and retain qualified personnel could hurt our business and inhibit our ability to operate and grow successfully.

Our success will continue to depend to a significant extent on the continued service of our executive management team and the ability to recruit, hire and retain other key management personnel to support our growth and operational initiatives and replace executives who retire or resign. Failure to retain our leadership team and attract and retain other important management and technical personnel could place a constraint on our global growth and operational initiatives, possibly resulting in inefficient and ineffective management and operations, which would likely harm our revenues, operations and product development efforts and eventually result in a decrease in profitability.

The level of returns on pension plan assets and changes in the actuarial assumptions used could adversely affect us.

Our operating results may be positively or negatively impacted by the amount of expense we record for our defined benefit pension plans. U.S. GAAP requires that we calculate pension expense using actuarial valuations, which are dependent upon our various assumptions including estimates of expected long-term rate of return on plan assets, discount rates for future payment obligations, and the expected rate of increase in future compensation levels. Our pension expense and funding requirements may also be affected by our actual return on plan assets and by legislation and other government regulatory actions. Changes in assumptions, laws or regulations could lead to variability in operating results and could have a material adverse impact on liquidity.

Regulations related to conflict-free minerals may result in additional expenses that could affect our financial condition and business operations.

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC promulgated final rules regarding disclosure of the use of certain minerals, known as conflict minerals, which are mined from the Democratic Republic of the Congo and adjoining countries, as well as procedures regarding a manufacturer's efforts to prevent the sourcing of such minerals and metals produced from those minerals. These new disclosure obligations will require continuing due diligence efforts to support our future disclosure requirements. We incurred and will continue to incur costs associated with complying with such disclosure requirements, including costs associated with canvassing our supply chain to determine the source country of any conflict minerals incorporated in our products, in addition to the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. In addition, the implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in our products.

Political conditions in foreign countries in which we operate could adversely affect us.

We conduct our manufacturing, sales and distribution operations on a worldwide basis and are subject to risks associated with doing business outside the United States. In 2016, approximately 71 percent of our total sales were generated outside the United States. We expect that international operations and United States export sales will continue to be important to our business for the foreseeable future. Both sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside the United States. Such risks include, but are not limited to, the following:

- risks of economic instability;
- unanticipated or unfavorable circumstances arising from host country laws or regulations;
- threats of war, terrorism or governmental instability;
- significant foreign and U.S. taxes on repatriated cash;
- restrictions on the transfer of funds into or out of a country;
- potential negative consequences from changes to taxation policies;
- the disruption of operations from labor and political disturbances;
- the imposition of tariffs, import or export licensing requirements; and
- exchange controls or other trade restrictions including transfer pricing restrictions when products produced in one country are sold to an affiliated entity in another country.

Any of these events could reduce the demand for our products, limit the prices at which we can sell our products, interrupt our supply chain, or otherwise have an adverse effect on our operating performance.

Our international operations also depend upon favorable trade relations between the U.S. and those foreign countries in which our customers, subcontractors and materials suppliers have operations. A protectionist trade environment in either the U.S. or those foreign countries in which we do business, such as a change in the current tariff structures, export compliance or other trade policies, may materially and adversely affect our ability to sell our products in foreign markets.

Our business and operating results may be adversely affected by natural disasters or other catastrophic events beyond our control.

While we have taken precautions to prevent production and service interruptions at our global facilities, severe weather conditions such as hurricanes or tornadoes, as well as major earthquakes and other natural disasters, in areas in which we have manufacturing facilities or from which we obtain products may cause physical damage to our properties, closure of one or more of our manufacturing or distribution facilities, lack of an adequate work force in a market, temporary disruption in the supply of inventory, disruption in the transport of products and utilities, and delays in the delivery of products to our customers. Any of these factors may disrupt our operations and adversely affect our financial condition and results of operations.

The insurance that we maintain may not fully cover all potential exposures.

We maintain property, business interruption and casualty insurance but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We are potentially at risk if one or more of our insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table summarizes our principal properties as of October 31, 2016:

Location	Description of Property	Approximate Square Feet
Amherst, Ohio ^{2, 3}	A manufacturing, laboratory and office complex	521,000
Carlsbad, California ²	Three manufacturing and office buildings (leased)	181,000
Duluth, Georgia ¹	A manufacturing, laboratory and office building	176,000
Chippewa Falls, Wisconsin ¹	Three manufacturing, warehouse, and office buildings (leased)	151,000
Swainsboro, Georgia ¹	A manufacturing building (leased)	136,000
East Providence, Rhode Island ²	A manufacturing, warehouse and office building	116,000
Loveland, Colorado ²	A manufacturing, warehouse and office building	115,000
Pulaski, Virginia ¹	A manufacturing, warehouse and office building	101,000
Robbinsville, New Jersey ²	A manufacturing, warehouse and office building (leased)	88,000
New Castle, Pennsylvania ¹	A manufacturing, warehouse and office building	76,000
Youngstown, Ohio ¹	A manufacturing, warehouse and office building (leased)	58,000
Vista, California ²	A manufacturing building (leased)	41,000
Hickory, North Carolina ¹	A manufacturing, warehouse and office building (leased)	41,000
Rancho Dominguez, California ²	A manufacturing and office building (leased)	40,000
Plymouth, Michigan ³	Two manufacturing, warehouse and office buildings (leased)	35,000
Westlake, Ohio	Corporate headquarters	28,000
Concord, California ²	A manufacturing and office building (leased)	11,000
San Diego, California ²	A manufacturing and office building (leased)	7,000
Shanghai, China ^{1, 3}	Four manufacturing, warehouse and office buildings (leased)	311,000
Lüneburg, Germany ¹	A manufacturing and laboratory building	129,000
Münster, Germany ¹	Four manufacturing, warehouse and office building (leased)	112,000
Shanghai, China ^{1, 2, 3}	Two office, laboratory and engineering buildings	110,000
Guaymas, Mexico ²	Two manufacturing, warehouse and office buildings (leased)	71,000
Bangalore, India ^{1, 2, 3}	A manufacturing, warehouse and office building	56,000
Maastricht, Netherlands ^{1, 2, 3}	A manufacturing, warehouse and office building	54,000
Chonburi, Thailand ¹	A manufacturing, warehouse and office building	52,000
Tokyo, Japan ^{1, 2, 3}	Three office, laboratory and warehouse buildings (leased)	49,000
Erkrath, Germany ^{1, 2, 3}	An office, laboratory and warehouse building (leased)	48,000
Deurne, Netherlands ²	A manufacturing, warehouse and office building (leased)	46,000
Temse, Belgium ¹	A manufacturing, warehouse and office building (leased)	43,000
Suzhou, China ²	A manufacturing, warehouse and office building (leased)	42,000
Aylesbury, U.K. ^{1, 2}	A manufacturing, warehouse and office building (leased)	36,000
Seongnam-City, South Korea ^{1, 2, 3}	An office, laboratory and warehouse building (leased)	35,000
Pirmasens, Germany ¹	A manufacturing, warehouse and office building (leased)	32,000
Sao Paulo, Brazil ^{1, 2, 3}	An office, laboratory and warehouse building (leased)	23,000
El Marques, Mexico ^{1, 2, 3}	A warehouse and office building (leased)	22,000
Munich, Germany ²	An office, laboratory and warehouse building (leased)	21,000
Singapore ^{1, 2, 3}	Two warehouse and office buildings (leased)	16,000
Billerbeck, Germany ¹	An office and warehouse building (leased)	16,000
Lagny Sur Mame, France ^{1, 3}	An office building (leased)	6,000
Segrate, Italy ^{1, 3}	An office, laboratory and warehouse building (leased)	5,000

Business Segment - Property Identification Legend

- 1 - Adhesive Dispensing Systems
- 2 - Advanced Technology Systems
- 3 - Industrial Coating Systems

The facilities listed have adequate, suitable and sufficient capacity (production and nonproduction) to meet present and foreseeable demand for our products.

Other properties at international subsidiary locations and at branch locations within the United States are leased. Lease terms do not exceed 25 years and generally contain a provision for cancellation with some penalty at an earlier date. Information about leases is reported in Note 11 of Notes to Consolidated Financial Statements that can be found in Part II, Item 8 of this document.

Item 3. Legal Proceedings

We are involved in pending or potential litigation regarding environmental, product liability, patent, contract, employee and other matters arising from the normal course of business. Including the environmental matter discussed below, after consultation with legal counsel, we believe that the probability is remote that losses in excess of the amounts we have accrued would have a material adverse effect on our financial condition, quarterly or annual operating results or cash flows.

Environmental – We have voluntarily agreed with the City of New Richmond, Wisconsin and other Potentially Responsible Parties to share costs associated with the remediation of the City of New Richmond municipal landfill (the “Site”) and constructing a potable water delivery system serving the impacted area down gradient of the Site. At October 31, 2016 and 2015, our accrual for the ongoing operation, maintenance and monitoring obligation at the Site was \$516 and \$565, respectively.

The liability for environmental remediation represents management’s best estimate of the probable and reasonably estimable undiscounted costs related to known remediation obligations. The accuracy of our estimate of environmental liability is affected by several uncertainties such as additional requirements that may be identified in connection with remedial activities, the complexity and evolution of environmental laws and regulations, and the identification of presently unknown remediation requirements. Consequently, our liability could be different than our current estimate. However, we do not expect that the costs associated with remediation will have a material adverse effect on our financial condition or results of operations.

Item 4. Mine Safety Disclosures

None.

Executive Officers of the Company

Our executive officers as of October 31, 2016, were as follows:

Name	Age	Officer Since	Position or Office with The Company and Business Experience During the Past Five (5) Year Period
Michael F. Hilton	62	2010	President and Chief Executive Officer, 2010
John J. Keane	55	2003	Senior Vice President, 2005
Gregory P. Merk	45	2006	Senior Vice President, 2013 Vice President, 2006
Gregory A. Thaxton	55	2007	Senior Vice President, Chief Financial Officer, 2012 Vice President, Chief Financial Officer, 2008
Douglas C. Bloomfield	57	2005	Vice President, 2005
James E. DeVries	57	2012	Vice President, 2012 Vice President, Global Continuous Improvement, 2011
Shelly M. Peet	51	2007	Vice President, 2009
Jeffrey A. Pembroke	49	2015	Vice President, 2015
Joseph Stockunas	56	2015	Vice President, 2015
Robert E. Veillette	64	2007	Vice President, General Counsel and Secretary, 2007

PART II

Item 5. Market for the Company's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Dividends

(a) Our common shares are listed on the Nasdaq Global Select Market under the symbol NDSN. As of November 30, 2016, there were 1,494 registered shareholders. The table below is a summary of dividends paid per common share and the range of high and low sales prices during each quarter of 2016 and 2015.

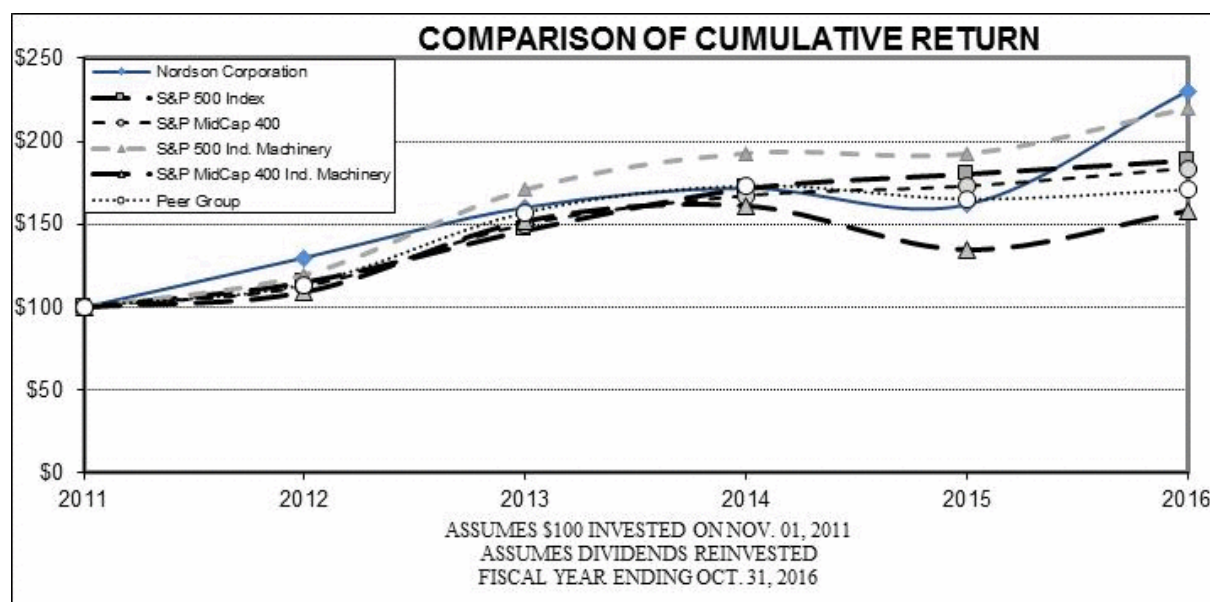
Quarters	Dividend Paid	Common Share Price High	Common Share Price Low
2016:			
First	\$.24	\$ 74.24	\$ 51.89
Second	.24	80.50	56.63
Third	.24	89.42	74.49
Fourth	.27	102.57	87.63
2015:			
First	\$.22	\$ 80.42	\$ 71.58
Second	.22	81.05	72.10
Third	.22	84.45	71.75
Fourth	.24	75.95	58.52

Source: NASDAQ OMX

While we have historically paid dividends to shareholders of our common stock on a quarterly basis, the declaration and payment of future dividends will depend on many factors, including but not limited to, our earnings, financial condition, business development needs and regulatory considerations, and are at the discretion of our board of directors.

Performance Graph

The following is a graph that compares the five-year cumulative return, calculated on a dividend-reinvested basis, from investing \$100 on November 1, 2011 in Nordson common shares, the S&P 500 Index, the S&P MidCap 400 Index, the S&P 500 Industrial Machinery Index, the S&P MidCap 400 Industrial Machinery Index and our Proxy Peer Group, which includes: AIN, AME, ATU, B, CLC, DCI, ENTG, ESL, FLIR, GGG, GTLS, IEX, ITT, LECO, ROP, TER, WTS, and WWD.



Company/Market/Peer Group	2011	2012	2013	2014	2015	2016
Nordson Corporation	\$ 100.00	\$ 129.96	\$ 160.22	\$ 171.87	\$ 161.91	\$ 230.59
S&P 500 Index	\$ 100.00	\$ 115.21	\$ 146.52	\$ 171.82	\$ 180.75	\$ 188.90
S&P MidCap 400	\$ 100.00	\$ 112.11	\$ 149.64	\$ 167.08	\$ 172.80	\$ 183.61
S&P 500 Ind. Machinery	\$ 100.00	\$ 119.68	\$ 170.88	\$ 192.70	\$ 192.41	\$ 219.70
S&P MidCap 400 Ind. Machinery	\$ 100.00	\$ 109.21	\$ 151.63	\$ 160.68	\$ 134.50	\$ 157.85
Proxy Peer Group	\$ 100.00	\$ 113.38	\$ 157.20	\$ 173.54	\$ 165.40	\$ 173.92

Source: Zack's Investment Research

- (b) Use of Proceeds. Not applicable.
- (c) Issuer Purchases of Equity Securities

	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Value of Shares That May Yet Be Purchased Under the Plans or Programs
August 1, 2016 to August 31, 2016	—	\$ —	—	\$ 118,971
September 1, 2016 to September 30, 2016	—	\$ —	—	\$ 118,971
October 1, 2016 to October 31, 2016	—	\$ —	—	\$ 118,971
Total	—	—	—	—

In December 2014, the board of directors authorized a new \$300,000 common share repurchase program. This program replaced the \$200,000 program approved by the board in August 2013. In August 2015, the board of directors authorized the repurchase of up to an additional \$200,000 of the Company's common shares. This new authorization added capacity to the board's December 2014 authorization to repurchase \$300,000 of shares. Approximately \$118,971 remained available for share repurchases at October 31, 2016. Uses for repurchased shares include the funding of benefit programs including stock options, restricted stock and 401(k) matching. Shares purchased are treated as treasury shares until used for such purposes. The repurchase program is being funded using cash from operations and proceeds from borrowings under our credit facilities.

Item 6. Selected Financial Data

	2016	2015	2014	2013	2012
(In thousands except for per-share amounts)					
Operating Data (a)					
Sales	\$ 1,808,994	\$ 1,688,666	\$ 1,704,021	\$ 1,542,921	\$ 1,409,578
Cost of sales	815,495	774,702	758,923	676,777	586,289
% of sales	45	46	45	44	42
Selling and administrative expenses	594,293	584,823	575,442	541,169	485,285
% of sales	33	35	34	35	34
Severance and restructuring costs	10,775	11,411	2,551	1,126	2,524
Long-lived asset impairments	—	—	—	—	—
Operating profit	388,431	317,730	367,105	323,849	335,480
% of sales	21	19	22	21	24
Net income	271,843	211,111	246,773	221,817	224,829
% of sales	15	13	14	14	16
Financial Data (a)					
Working capital	\$ 414,032	\$ 420,815	\$ 301,815	\$ 365,269	\$ 242,939
Net property, plant and equipment and other non-current assets	1,676,790	1,648,853	1,607,447	1,451,113	1,242,892
Total capital (b)	1,769,151	1,726,341	1,662,283	1,498,082	1,261,962
Total assets	2,422,365	2,360,444	2,280,130	2,053,179	1,829,515
Long-term liabilities	1,239,219	1,409,652	1,004,465	928,519	816,061
Shareholders' equity	851,603	660,016	904,797	887,863	669,770
Return on average total capital — % (c)	16	13	17	18	23
Return on average shareholders' equity — % (d)	37	26	27	29	38
Per-Share Data (a)					
Average number of common shares	57,060	60,652	63,656	64,214	64,407
Average number of common shares and common share equivalents	57,530	61,151	64,281	64,908	65,103
Basic earnings per share	\$ 4.76	\$ 3.48	\$ 3.88	\$ 3.45	\$ 3.49
Diluted earnings per share	4.73	3.45	3.84	3.42	3.45
Dividends per common share	0.99	0.90	0.76	0.63	0.525
Book value per common share	14.85	11.51	14.49	13.83	10.42

- (a) See accompanying Notes to Consolidated Financial Statements.
- (b) Notes payable, plus current portion of long-term debt, plus long-term debt, minus cash and marketable securities, plus shareholders' equity.
- (c) Net income plus after-tax interest expense on borrowings as a percentage of the average of quarterly borrowings (net of cash) plus shareholders' equity over five accounting periods.
- (d) Net income as a percentage of average quarterly shareholders' equity over five accounting periods.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

NOTE REGARDING AMOUNTS AND FISCAL YEAR REFERENCES

In this annual report, all amounts related to United States dollars and foreign currency and to the number of Nordson Corporation's common shares, except for per share earnings and dividend amounts, are expressed in thousands. Unless the context otherwise indicates, all references to "we," "us," "our," or the "Company" mean Nordson Corporation.

Unless otherwise noted, all references to years relate to our fiscal year ending October 31.

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate the accounting policies and estimates that are used to prepare financial statements. We base our estimates on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates used by management.

Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed below. On a regular basis, critical accounting policies are reviewed with the Audit Committee of the board of directors.

Revenue recognition – Most of our revenues are recognized upon shipment, provided that persuasive evidence of an arrangement exists, the sales price is fixed or determinable, collectibility is reasonably assured, and title and risk of loss have passed to the customer. Certain arrangements may include installation, installation supervision, training, and spare parts, which tend to be completed in a short period of time, at an insignificant cost, and utilizing skills not unique to us, and, therefore, are typically regarded as inconsequential or perfunctory. Revenue for undelivered items is deferred and included within accrued liabilities in the accompanying balance sheet. Revenues deferred in 2016, 2015 and 2014 were not material.

Translation of foreign currency financial statements and foreign currency transactions – Our reporting currency is the U.S. dollar. However, the functional currency for each of our foreign subsidiaries is its principal operating currency. We translate the amounts included in our Consolidated Statements of Income from our foreign subsidiaries into U.S. dollars at weighted-average exchange rates, which we believe are representative of the actual exchange rates on the dates of the transactions. Our foreign subsidiaries' assets and liabilities are translated into U.S. dollars from local currency at the actual exchange rates as of the end of each reporting date, and we record the resulting foreign exchange translation adjustments in our Consolidated Balance Sheets as a component of accumulated other comprehensive income (loss). If the U.S. dollar strengthens, we reflect the resulting losses as a component of accumulated other comprehensive income (loss). Conversely, if the U.S. dollar weakens, foreign exchange translation gains result, which favorably impact accumulated other comprehensive income (loss). Translation adjustments may be included in net earnings in the event of a sale or liquidation of certain of our underlying foreign investments. If we determine that the functional currency of any of our foreign subsidiaries should be the U.S. dollar, our financial statements will be affected. Should this occur, we will adjust our reporting to appropriately account for any such changes.

As appropriate, we use permanently invested intercompany loans as a source of capital to reduce exposure to foreign currency fluctuations at our foreign subsidiaries. These loans, on a consolidated basis, are treated as being analogous to equity for accounting purposes. Therefore, foreign exchange gains or losses on these intercompany loans are recorded in accumulated other comprehensive income (loss).

Goodwill – Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested for impairment annually at the reporting unit level, or more often if indications of impairment exist. Our reporting units are the Adhesive Dispensing Systems segment, the Industrial Coating Systems segment and one level below the Advanced Technology Systems segment.

We test goodwill in accordance with Accounting Standards Codification (ASC) 350. The goodwill impairment test is a two-step process. In the first step, performed in the fourth quarter of each year, we estimate a reporting unit's fair value using a combination of the discounted cash flow method of the Income Approach and the guideline public company method of the Market Approach and compare the result against the reporting unit's carrying value of net assets. If the carrying value of a reporting unit exceeds its fair value, then a second step is performed to determine if goodwill is impaired. We use an independent valuation specialist to assist with

refining our assumptions and methods used to determine fair values using these methods. In step one, the discounted cash flow method uses assumptions for revenue growth, operating margin, and working capital turnover that are based on general management's strategic plans tempered by performance trends and reasonable expectations about those trends. Terminal value calculations employ a published formula known as the Gordon Growth Model Method that essentially captures the present value of perpetual cash flows beyond the last projected period assuming a constant Weighted Average Cost of Capital (WACC) methodology and growth rate. For each reporting unit, a sensitivity analysis is performed to vary the discount and terminal growth rates in order to provide a range of reasonableness for detecting impairment.

Discount rates are developed using a WACC methodology. The WACC represents the blended average required rate of return for equity and debt capital based on observed market return data and company specific risk factors. For 2016, the discount rates used ranged from 9 percent to 15 percent depending upon the reporting unit's size, end market volatility, and projection risk. The calculated internal rate of return for the discounted cash flow method was 10 percent, the same as the calculated WACC for total Nordson. In the application of the guideline public company method, fair value is determined using transactional evidence for similar publicly traded equity. The comparable company guideline group is determined based on relative similarities to each reporting unit since exact correlations are not available. An indication of fair value for each reporting unit is based on the placement of each reporting unit within a range of multiples determined for its comparable guideline company group. Valuation multiples are derived by dividing latest twelve month performance for revenues and EBITDA into total invested capital, which is the sum of traded equity plus interest bearing debt less cash. These multiples are applied against the revenue and EBITDA of each reporting unit. While the implied indications of fair value using the guideline public company method yield meaningful results, the discounted cash flow method of the income approach includes management's thoughtful projections and insights as to what the reporting units will accomplish in the near future. Accordingly, the reasonable, implied fair value of each reporting unit is a blend based on the relative strength of the approaches employed.

To test the reasonableness of the aggregate fair value, we performed the control premium test, which compares the sum of the implied fair values calculated for our reporting units (net of debt) to the market value of equity. The control premium was 1 percent as of the test date of August 1, 2016 and a slight discount to the market value of equity as of October 31, 2016. The control premium indicated that the discounted cash flow valuation was reasonable.

In 2016 and 2015, the results of our step one testing indicated no impairment; therefore, the second step of impairment testing was not necessary.

The excess of fair value (FV) over carrying value (CV) was compared to the carrying value for each reporting unit. Based on the results shown in the table below and based on our measurement date of August 1, 2016, our conclusion is that no indicators of impairment exist in 2016. Potential events or circumstances, such as a sustained downturn in global economies, could have a negative effect on estimated fair values.

	WACC	Excess of FV over CV	Goodwill
Adhesive Dispensing Systems Segment	9%	402%	\$ 387,649
Industrial Coating Systems Segment	12%	287%	\$ 24,058
Advanced Technology Systems Segment - Electronics Systems	11%	235%	\$ 17,495
Advanced Technology Systems Segment - Fluid Management	10%	92%	\$ 608,955
Advanced Technology Systems Segment - Test & Inspection	15%	33%	\$ 46,650

The table above does not include acquisitions that occurred after the August 1 measurement date but before our fiscal year-end. We acquired LinkTech™ Quick Couplings, Inc. ("LinkTech") on September 1, 2016. Determination of the preliminary goodwill associated with this acquisition was completed with the assistance of an independent valuation specialist in the fourth quarter of 2016. Since the date of the valuation, no events or changes in circumstances have occurred that would more likely than not reduce the fair value of the acquisition below its carrying value. For future valuation purposes, LinkTech will be included in the Advanced Technology Systems – Fluid Management reporting unit.

Other long-lived assets – We test other depreciable and amortizable long-lived assets for recoverability in accordance with ASC 360 using undiscounted cash flows if indicators of impairment exist. The total carrying value of long-lived assets for each reporting unit is compared to the forecasted cash flows of each reporting unit's long-lived assets being tested. Cash flows have been defined as earnings before interest, taxes, depreciation, and amortization, less annual maintenance capital spending.

Inventories - Inventories are valued at the lower of cost or market. Cost was determined using the last-in, first-out (LIFO) method for 20 percent of consolidated inventories at October 31, 2016 and October 31, 2015, with the first-in, first-out (FIFO) method used for the remaining inventory. On an ongoing basis, inventory is tested for technical obsolescence, as well as for future demand and changes in market conditions. We have historically maintained inventory reserves to reflect those conditions when the cost of inventory is not expected to be recovered. Reserves are also maintained for inventory used for demonstration purposes. The inventory reserve balance was \$29,324, \$28,230 and \$26,744 at October 31, 2016, 2015 and 2014, respectively.

Pension plans and postretirement medical plans - The measurement of liabilities related to our pension plans and postretirement medical plans is based on management's assumptions related to future factors, including interest rates, return on pension plan assets, compensation increases, mortality and turnover assumptions, and health care cost trend rates.

The weighted-average discount rate used to determine the present value of our domestic pension plan obligations was 3.94 percent at October 31, 2016 and 4.39 percent at October 31, 2015. The weighted-average discount rate used to determine the present value of our various international pension plan obligations was 1.86 percent at October 31, 2016, compared to 2.81 percent at October 31, 2015. The discount rates used for all plans were determined by using quality fixed income investments with a duration period approximately equal to the period over which pension obligations are expected to be settled.

In determining the expected return on plan assets, we consider both historical performance and an estimate of future long-term rates of return on assets similar to those in our plans. We consult with and consider the opinions of financial and actuarial experts in developing appropriate return assumptions. The expected rate of return (long-term investment rate) on domestic pension assets used to determine net benefit costs was 6.72 percent in 2016 and 6.76 percent in 2015. The average expected rate of return on international pension assets used to determine net benefit costs was 4.22 percent in 2016 and 4.39 percent in 2015.

The assumed rate of compensation increases used to determine the present value of our domestic pension plan obligations was 3.61 percent at October 31, 2016, compared to 3.50 percent at October 31, 2015. The assumed rate of compensation increases used to determine the present value of our international pension plan obligations was 3.12 percent at October 31, 2016, compared to 3.22 percent at October 31, 2015.

Annual expense amounts are determined based on the discount rate used at the end of the prior year. Differences between actual and assumed investment returns on pension plan assets result in actuarial gains or losses that are amortized into expense over a period of years.

Economic assumptions have a significant effect on the amounts reported. The effect of a one percent change in the discount rate, expected return on assets and compensation increase is shown in the table below. Bracketed numbers represent decreases in expense and obligation amounts.

	United States		International	
	1% Point Increase	1% Point Decrease	1% Point Increase	1% Point Decrease
Discount rate:				
Effect on total service and interest cost components in 2016	\$ (5,561)	\$ 6,767	\$ (887)	\$ 1,048
Effect on pension obligation as of October 31, 2016	\$ (54,984)	\$ 69,133	\$ (15,416)	\$ 19,961
Expected return on assets:				
Effect on total service and interest cost components in 2016	\$ (3,017)	\$ 3,017	\$ (361)	\$ 361
Compensation increase:				
Effect on total service and interest cost components in 2016	\$ 4,017	\$ (2,394)	\$ 708	\$ (638)
Effect on pension obligation as of October 31, 2016	\$ 21,485	\$ (13,463)	\$ 3,626	\$ (3,289)

With respect to the domestic postretirement medical plan, the discount rate used to value the benefit plan was 4.05 percent at October 31, 2016 and 4.50 percent at October 31, 2015. The annual rate of increase in the per capita cost of covered benefits (the health care cost trend rate) is assumed to be 3.63 percent in 2017, decreasing gradually to 3.24 percent in 2026.

For the international postretirement plan, the discount rate used to value the benefit obligation was 3.40 percent at October 31, 2016 and 4.35 percent at October 31, 2015. The annual rate of increase in the per capita cost of covered benefits (the health care cost trend rate) is assumed to be 6.13 percent in 2017, decreasing gradually to 3.50 percent in 2031.

The discount rate and the health care cost trend rate assumptions have a significant effect on the amounts reported. For example, a one-percentage point change in the discount rate and the assumed health care cost trend rate would have the following effects. Bracketed numbers represent decreases in expense and obligation amounts.

	United States		International	
	1% Point Increase	1% Point Decrease	1% Point Increase	1% Point Decrease
Discount rate:				
Effect on total service and interest cost components in 2016	\$ (710)	\$ 860	\$ (6)	\$ 6
Effect on postretirement obligation as of October 31, 2016	\$ (10,287)	\$ 12,776	\$ (94)	\$ 123
Health care trend rate:				
Effect on total service and interest cost components in 2016	\$ 628	\$ (495)	\$ 10	\$ (8)
Effect on postretirement obligation as of October 31, 2016	\$ 11,024	\$ (8,836)	\$ 146	\$ (113)

Employees hired after January 1, 2002, are not eligible to participate in the domestic postretirement medical plan.

In the fourth quarter of 2016, we adopted a change in the method used to estimate the service and interest cost components of net periodic benefit cost for defined benefit pension plans and postretirement benefit plans. Historically, for the vast majority of our plans, the service and interest cost components were estimated using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Beginning in 2017, we will use a spot rate approach by applying the specific spot rates along the yield curve to the relevant projected cash flows in the estimation of the service and interest components of benefit cost, resulting in a more precise measurement. This change does not affect the measurement of total benefit obligations. The change will be accounted for as a change in estimate that is inseparable from a change in accounting principle and, accordingly, will be accounted for prospectively starting in 2017. The reductions in service and interest costs for 2017 associated with this change are expected to be \$1,100 and \$3,700, respectively.

Pension and postretirement expenses in 2017 are expected to be approximately \$1,211 lower than 2016, primarily due to the adoption of the spot rate approach as noted above.

Income taxes – Income taxes are estimated based on income for financial reporting purposes. Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and certain changes in valuation allowances. We provide valuation allowances against deferred tax assets if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Management believes the valuation allowances are adequate after considering future taxable income, allowable carryforward periods and ongoing prudent and feasible tax planning strategies. In the event we were to determine that we would be able to realize the deferred tax assets in the future in excess of the net recorded amount (including the valuation allowance), an adjustment to the valuation allowance would increase income in the period such determination was made. Conversely, should we determine that we would not be able to realize all or part of the net deferred tax asset in the future, an adjustment to the valuation allowance would be expensed in the period such determination was made.

Further, at each interim reporting period, we estimate an effective income tax rate that is expected to be applicable for the full year. Significant judgment is involved regarding the application of global income tax laws and regulations and when projecting the jurisdictional mix of income. Additionally, interpretation of tax laws, court decisions or other guidance provided by taxing authorities influences our estimate of the effective income tax rates. As a result, our actual effective income tax rates and related income tax liabilities may differ materially from our estimated effective tax rates and related income tax liabilities. Any resulting differences are recorded in the period they become known.

Financial instruments - Assets, liabilities and commitments that are to be settled in cash and are denominated in foreign currencies are sensitive to changes in currency exchange rates. We enter into foreign currency forward contracts, which are derivative financial instruments, to reduce the risk of foreign currency exposures resulting from the collection of receivables, payables and loans denominated in foreign currencies. The maturities of these contracts are usually less than 90 days. Forward contracts are not designated as hedging instruments and therefore are marked to market each accounting period, and the resulting gains or losses are included in “other-net” within other income (expense) in the Consolidated Statement of Income.

Warranties - We provide customers with a product warranty that requires us to repair or replace defective products within a specified period of time (generally one year) from the date of delivery or first use. An accrual is recorded for expected warranty costs for products shipped through the end of each accounting period. In determining the amount of the accrual, we rely primarily on historical warranty claims. Amounts charged to the warranty reserve were \$14,487, \$12,531 and \$10,813 in 2016, 2015 and 2014, respectively. The reserve balance was \$11,770, \$10,537 and \$9,918 at October 31, 2016, 2015 and 2014, respectively.

Performance share incentive awards - Executive officers and selected other key employees are eligible to receive share awards with payouts based on corporate financial performance over three-year periods. Award payouts vary based on the degree to which corporate financial performance equals or exceeds predetermined threshold, target and maximum performance levels at the end of a performance period. No award payout will occur unless certain threshold performance levels are equaled or exceeded. The amount of compensation expense is based upon current performance projections for each three-year performance period and the percentage of the requisite service that has been rendered. The calculations are also based upon the grant date fair value determined using the closing market price of Nordson Common Stock at the grant date, reduced by the implied value of dividends not to be paid. Awards are recorded as capital in excess of stated value in shareholders’ equity. The cumulative amount recorded at October 31, 2016 for the plans originating in 2014, 2015 and 2016 was \$10,951. Compensation expense attributable to all performance share incentive award periods for executive officers and selected other key employees for 2016, 2015 and 2014 was \$7,083, \$3,459 and \$4,304, respectively.

2016 compared to 2015

Sales – Worldwide sales for 2016 were \$1,808,994, an increase of 7.1 percent from 2015 sales of \$1,688,666. Sales volume increased 8.5 percent and unfavorable currency translation effects reduced sales by 1.4 percent. The volume increase consisted of 6.5 percent from organic growth and 2.0 percent from acquisitions. We had one acquisition during 2016, LinkTech, which is included within the Advanced Technology Systems segment. Three acquisitions were made during 2015: Liquidyn GmbH (“Liquidyn”) and MatriX Technologies GmbH (“MatriX”), which were included within the Advanced Technology Systems segment, and WAFO Produktionsgesellschaft GmbH (“WAFO”), which was included in the Adhesives Dispensing Systems segment. As used throughout this Form 10-K, geographic regions include the Americas (Canada, Mexico and Central and South America), Asia Pacific (excluding Japan), Europe, Japan, and the United States.

Sales of the Adhesive Dispensing Systems segment were \$879,573 in 2016, an increase of \$43,507, or 5.2 percent, from 2015 sales of \$836,066. The increase was the net result of a sales volume increase of 6.9 percent partially offset by unfavorable currency effects that reduced sales by 1.7 percent. The sales volume increase consisted of 0.7 percent from the WAFO acquisition and 6.2 percent from organic volume. Within this segment, sales volume increased in all geographic regions except for the Americas and Japan, and was particularly strong in Europe. Organic growth was driven by product lines serving consumer non-durable, disposable hygiene, general product assembly, rigid packaging and polymer processing end markets.

Sales of the Advanced Technology Systems segment were \$676,329 in 2016, an increase of \$82,471, or 13.9 percent, from 2015 sales of \$593,858. The increase was the result of a sales volume increase of 14.7 percent partially offset by unfavorable currency effects that reduced sales by 0.8 percent. The sales volume increase consisted of 10.1 percent from organic volume and 4.6 percent from the first-year effect of acquisitions. Within the segment, sales volume, inclusive of acquisitions, increased in all geographic regions, and was most pronounced in Japan and Asia Pacific. Growth was driven by increased demand for test and inspection and automated dispensing solutions serving electronics end markets, as well continued strength in fluid management product lines serving medical and industrial end markets.

Sales of the Industrial Coating Systems segment were \$253,092 in 2016, a decrease of \$5,650, or 2.2 percent, from 2015 sales of \$258,742. The decrease was the result of a sales volume decrease of 0.6 percent and unfavorable currency effects that reduced sales by 1.6 percent. Within this segment, sales volume increased in the Americas and Asia Pacific regions, and was offset by decreases in the United States, Europe and Japan. Growth in cold material product lines serving automotive end markets was offset by softness in powder coating and container product lines serving industrial end markets.

Sales outside the United States accounted for 70.6 percent of our sales in 2016, as compared to 68.6 percent in 2015. On a geographic basis, sales in the United States were \$531,117, an increase of 0.2 percent from 2015. The increase in sales volume consisted of 0.4 percent from acquisitions, offset by an organic volume decline of 0.2 percent. In the Americas region, sales were \$124,657, a decrease of 3.6 percent from 2015, with volume increasing 2.5 percent offset by unfavorable currency effects of 6.1 percent. The increase in sales volume consisted of 1.7 percent from organic volume and 0.8 percent from acquisitions. Sales in Europe were \$503,869, an increase of 8.9 percent from 2015, with volume increasing 12.3 percent partially offset by unfavorable currency effects of 3.4 percent. The increase in sales volume consisted of 9.2 percent from organic volume and 3.1 percent from acquisitions. Sales in Japan were \$122,054, an increase of 13.2 percent from 2015, with volume increasing 2.2 percent and favorable currency effects of 11.0 percent. The increase in sales volume consisted of 1.9 percent from organic volume and 0.3 percent from acquisitions. Sales in the Asia Pacific region were \$527,297, an increase of 14.9 percent from the prior year, with volume increasing 17.4 percent partially offset by unfavorable currency effects of 2.5 percent. The increase in sales volume consisted of 14.0 percent from organic growth and 3.4 percent from acquisitions.

It is estimated that the effect of pricing on total revenue was not material relative to 2015.

Operating profit – Cost of sales were \$815,495 in 2016, up 5.3 percent from 2015. Gross profit, expressed as a percentage of sales, increased to 54.9 percent in 2016 from 54.1 percent in 2015. Of the 0.8 percentage point improvement in gross margin, favorable product mix added 1.3 percentage points primarily related to higher sales growth in our Adhesive Dispensing Systems and Advanced Technology Systems segments, which have higher margins relative to our Industrial Coating Systems segment. The 0.5 percentage point offset is primarily due to unfavorable currency translation effects.

Selling and administrative expenses were \$594,293 in 2016, compared to \$584,823 in 2015. The 1.6 percent increase includes 2.9 percent primarily in support of higher sales growth, offset by 1.3 percent due to currency translation effects.

Selling and administrative expenses as a percentage of sales decreased to 32.9 percent in 2016 from 34.6 percent in 2015. The 1.7 percentage point improvement is primarily due to leveraging higher sales growth in our Adhesive Dispensing Systems and Advanced Technology Systems segments.

Severance and restructuring costs of \$10,775 were recorded in 2016. Within the Adhesives Dispensing Systems segment, restructuring initiatives to optimize operations in the U.S. and Belgium and consolidate certain polymer processing product line facilities in the U.S. resulted in severance and restructuring costs of \$7,800. To enhance operational efficiency and customer service within the Advanced Technology Systems segment, a restructuring initiative resulted in severance and restructuring costs of \$1,054. Within the Industrial Coatings Systems segment, a restructuring program to enhance operational efficiency and customer service resulted in severance costs of \$1,921. Additional costs related to these initiatives are not expected to be material in future periods. All severance and restructuring costs are included in selling and administrative expenses in the Consolidated Statements of Income.

Operating capacity for each of our segments can support fluctuations in order activity without significant changes in operating costs. Also, currency translation affects reported operating margins. Operating margins for each segment were unfavorably impacted by a stronger dollar primarily against the British Pound and Chinese Yuan during 2016 as compared to 2015.

Operating profit as a percentage of sales increased to 21.5 percent in 2016 compared to 18.8 percent in 2015. Of the 2.7 percentage point improvement in operating margin, favorable leverage of our selling and administrative expenses contributed 1.8 percentage points, favorable product mix added 1.3 percentage points primarily related to higher sales growth in our Adhesives Dispensing Systems and Advanced Technology Systems segments, which have higher margins relative to our Industrial Coating Systems segment, and lower severance and restructuring expenses contributed 0.1 percentage points. The 0.5 percentage point offset is primarily due to unfavorable currency translation effects.

For the Adhesive Dispensing Systems segment, operating profit as a percentage of sales increased to 26.1 percent in 2016 compared to 23.4 percent in 2015. Of the 2.7 percentage point improvement in operating margin, favorable leverage of our selling and administrative expenses contributed 2.0 percentage points, favorable product mix added 1.2 percentage points due to increased sales to consumer non-durable, disposable hygiene, general product assembly and rigid packaging end markets, and lower severance and restructuring expense added 0.1 percentage points. The 0.6 percentage point offset is primarily due to unfavorable currency translation effects.

For the Advanced Technology Systems segment, operating profit as a percentage of sales increased to 23.6 percent in 2016 compared to 20.4 percent in 2015. Of the 3.2 percentage point improvement in operating margin, favorable leverage of our selling and administrative expenses contributed 2.2 percentage points, favorable product mix added 0.9 percentage points, and lower severance and restructuring expenses contributed 0.3 percentage points. The 0.2 percentage point offset is primarily due to unfavorable currency translation effects.

For the Industrial Coating Systems segment, operating profit as a percentage of sales increased to 17.2 percent in 2016 compared to 16.0 percent in 2015. Of the 1.2 percentage point improvement in operating margin, favorable product mix added 2.3 percentage points, primarily related to sales of engineered systems for which margins vary depending on the type of customer application, and favorable leverage of our selling and administrative expenses contributed 0.2 percentage points. The remaining 1.3 percentage point offset was primarily due to severance and restructuring expenses and unfavorable currency translation effects.

Interest and other income (expense) - Interest expense in 2016 was \$21,322, an increase of \$3,218, or 17.8 percent, from 2015. The increase was due to higher average borrowing levels between periods, offset by reversals of interest accruals related to the effective settlement of a tax exam. Other income in 2016 was \$657 compared to \$678 in 2015. Included in the current year's other income were a litigation settlement of \$800 and \$2,004 of foreign currency gains. These gains were partially offset by \$1,530 of charges primarily related to the reversal of an indemnification asset resulting from the effective settlement of a tax exam. Significant items in 2015 were proceeds from a favorable litigation settlement of \$1,608 and loss on disposal of fixed assets of \$653.

Income taxes - Income tax expense in 2016 was \$96,651, or 26.2 percent of pre-tax income, as compared to \$89,751, or 29.8 percent of pre-tax income in 2015.

On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 was enacted which retroactively reinstated the Federal Research and Development Tax Credit (Federal R&D Tax Credit) as of January 1, 2015, and made it permanent. As a result, our income tax provision for 2016 includes a discrete tax benefit of \$2,200 related to 2015. The tax rate for 2016 also includes a discrete tax benefit of \$6,154 related to dividends paid from previously taxed foreign earnings generated prior to 2015, and a benefit of \$2,682 related to the effective settlement of a tax exam.

Net income - Net income was \$271,843, or \$4.73 per diluted share, in 2016, compared to net income of \$211,111, or \$3.45 per diluted share, in 2015. This represents a 28.8 percent increase in net income and a 37.1 percent increase in diluted earnings per share. The percentage change in earnings per share is more than the percentage change in net income due to a lower number of shares outstanding in the current year as a result of share repurchases.

Recently issued accounting standards - In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard regarding revenue recognition. Under this standard, a company recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard implements a five-step process for customer contract revenue recognition that focuses on transfer of control. In August 2015, the FASB issued a standard to delay the effective date by one year. In accordance with this delay, the new standard is effective for us beginning in the first quarter of 2019. Early adoption is permitted, but not before the original effective date of the standard. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We are performing a preliminary review of the new guidance as compared to our current accounting policies. We are currently assessing the impact this standard, along with the subsequent updates and clarifications, will have on our consolidated financial statements and disclosures. During 2017, we plan to assess our contracts and consider our method of adoption.

In April 2015, the FASB issued a new standard regarding the presentation of debt issuance costs. Under this standard, a company is required to present unamortized debt issuance costs related to a recognized debt liability in the balance sheet as a direct deduction from the carrying amount of that debt liability, rather than as a separate asset. The recognition and measurement guidance for debt issuance costs are not affected by this new standard. In August 2015, the FASB issued an amendment to this standard, which added clarification to the presentation of debt issuance costs. This amendment allows debt issuance costs related to line-of-credit arrangements to be presented as an asset and subsequently amortized ratably over the term of the line-of-credit agreement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. It will be effective for us beginning in 2017. We do not expect this standard to have a material impact on our consolidated financial statements as it will only impact presentation.

In July 2015, the FASB issued a new standard regarding the measurement of inventory. Under this standard, inventory that is measured using the first-in, first-out ("FIFO") or average cost methods is required to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This standard does not impact inventory measured on a last-in, last-out ("LIFO") method. It will be effective for us beginning in 2017. We do not expect this standard to have a material impact on our consolidated financial statements.

In September 2015, the FASB issued a new standard intended to simplify the accounting for measurement period adjustments in a business combination. Measurement period adjustments are changes to provisional amounts recorded when the accounting for a business combination is incomplete as of the end of a reporting period. The measurement period can extend for up to a year following the transaction date. During the measurement period, companies may make adjustments to provisional amounts when information

necessary to complete the measurement is received. The new guidance requires companies to recognize these adjustments, including any related impacts to net income, in the reporting period in which the adjustments are determined. Companies are no longer required to retroactively apply measurement period adjustments to all periods presented. It will be effective for us beginning in 2017. The new guidance will be applied prospectively and the impact of adoption will be dependent on the nature of measurement period adjustments that may be necessary.

In November 2015, the FASB issued a new standard regarding the balance sheet classification of deferred taxes, which will require entities to present deferred tax assets and liabilities as noncurrent on the balance sheet. This guidance simplifies the current guidance, which requires entities to separately present deferred tax assets and liabilities as current and noncurrent on the balance sheet. We have elected to early adopt this standard prospectively as of October 31, 2016, as is permitted under the standard. Due to the prospective treatment, prior periods presented in these financial statements have not been adjusted.

In February 2016, the FASB issued a new standard which requires a lessee to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with a lease term of more than twelve months. Leases will continue to be classified as either financing or operating, with classification affecting the recognition, measurement and presentation of expenses and cash flows arising from a lease. It will be effective for us beginning in 2020. We are currently assessing the impact this standard will have on our consolidated financial statements.

In March 2016, the FASB issued a new standard which simplifies the accounting for share-based payment transactions. This guidance requires that excess tax benefits and tax deficiencies be recognized as income tax expense or benefit in the Consolidated Statements of Income rather than additional paid-in capital. Additionally, the excess tax benefits will be classified along with other income tax cash flows as an operating activity, rather than a financing activity, on the Statement of Cash Flows. Further, the update allows an entity to make a policy election to recognize forfeitures as they occur or estimate the number of awards expected to be forfeited. It will be effective for us beginning in 2018 and should be applied prospectively, with certain cumulative effect adjustments. Early adoption is permitted. We are currently assessing the impact this standard will have on our consolidated financial statements.

2015 compared to 2014

Sales – Worldwide sales for 2015 were \$1,688,666, a decrease of 0.9 percent from 2014 sales of \$1,704,021. Sales volume increased 5.8 percent, and unfavorable currency translation effects caused by the stronger U.S. dollar reduced sales by 6.7 percent. The volume increase consisted of 3.4 percent from organic growth and 2.4 percent from acquisitions. Three acquisitions were made during 2015: Liquidyn and MatriX, which are included within the Advanced Technology Systems segment, and WAFO, which is included in the Adhesives Dispensing Systems segment. Two acquisitions were made during 2014: Avalon Laboratories and Dima Group B.V., both of which were included within the Advanced Technology Systems segment. As used throughout this Form 10-K, geographic regions include the Americas (Canada, Mexico and Central and South America), Asia Pacific (excluding Japan), Europe, Japan, and the United States.

Sales of the Adhesive Dispensing Systems segment were \$836,066 in 2015, a decrease of \$63,630, or 7.1 percent, from 2014 sales of \$899,696. The decrease was the net result of a sales volume increase of 2.3 percent offset by unfavorable currency effects that reduced sales by 9.4 percent. The sales volume increase consisted of 0.3 percent from acquisitions and 2.0 percent from organic volume. Within this segment, sales volume, inclusive of acquisitions, increased in all geographic regions except for the United States, and was particularly strong in the Americas. Organic growth in product lines serving disposable hygiene, general product assembly, rigid packaging and injection molding end markets was offset by softness in product lines serving extrusion, polymer compounding and pelletizing end markets.

Sales of the Advanced Technology Systems segment were \$593,858 in 2015, an increase of \$32,074, or 5.7 percent, from 2014 sales of \$561,784. The increase was the result of a sales volume increase of 8.6 percent offset by unfavorable currency effects that reduced sales by 2.9 percent. The sales volume increase consisted of 1.7 percent from organic volume and 6.9 percent from the first-year effect of acquisitions. Within the segment, sales volume, inclusive of acquisitions, increased in all geographic regions, except for Japan, and was most pronounced in the United States, Europe and the Americas. Growth in surface treatment, test and inspection and plasma solutions in electronics end markets, as well as growth in fluid management applications serving medical end markets, was offset by lower demand for automated dispensing systems.

Sales of the Industrial Coating Systems segment were \$258,742 in 2015, an increase of \$16,201, or 6.7 percent, from 2014 sales of \$242,541. The increase was the result of a sales volume increase of 12.5 percent offset by unfavorable currency effects that reduced sales by 5.8 percent. The sales volume increase was entirely due to organic growth. Within this segment, sales volume increased in all geographic regions, and was most pronounced in the Americas and Europe. Sales growth was driven by demand in our consumer durable, automotive, cold materials, industrial and container end markets.

Sales outside the United States accounted for 68.6 percent of our sales in 2015, as compared to 70.4 percent in 2014. On a geographic basis, sales in the United States were \$529,893, an increase of 5.2 percent from 2014. The increase consisted of 0.6 percent organic volume and 4.6 percent from acquisitions. In the Americas region, sales were \$129,325, an increase of 6.9 percent from 2014, with volume increasing 18.8 percent offset by unfavorable currency effects of 11.9 percent. The increase in sales volume consisted of 18.6 percent from organic volume and 0.2 percent from acquisitions. Sales in Europe were \$462,565, down 6.5 percent from 2014, with volume increasing 8.1 percent offset by unfavorable currency effects of 14.6 percent. The increase in sales volume consisted of 5.5 percent from organic growth and 2.6 percent from acquisitions. Sales in Japan were \$107,797, down 15.2 percent from the prior year. The decrease was due to lower volume of 1.3 percent and unfavorable currency effects of 13.9 percent. The decrease in sales volume consisted of an organic volume decline of 1.4 percent offset by a 0.1 percent increase from acquisitions. Sales in the Asia Pacific region were \$459,086, an increase of 0.3 percent from the prior year, with volume increasing 2.6 percent, offset by unfavorable currency effects of 2.3 percent. The increase in sales volume consisted of 1.4 percent from organic growth and 1.2 percent from acquisitions.

It is estimated that the effect of pricing on total revenue was not material relative to 2014.

Operating profit – Cost of sales were \$774,702 in 2015, up 2.1 percent from 2014. Gross profit, expressed as a percentage of sales, decreased to 54.1 percent in 2015 from 55.5 percent in 2014. The reduction in gross margin was primarily a result of unfavorable currency translation effects.

Selling and administrative expenses, were \$584,823 in 2015, an increase of \$9,381, or 1.6 percent, from 2014. Of the 1.6 percent increase, 7.5 percent was due to the addition of acquired businesses in the second half of 2014 and 2015 and higher compensation expenses related to increased employment levels. The 5.9 percent offset was due to unfavorable currency translation effects.

Selling and administrative expenses as a percentage of sales increased to 34.6 percent in 2015 from 33.8 percent in 2014. Of the 0.8 percent increase, 0.4 percent was due to acquisitions and higher compensation expenses related to increased employment levels and 0.4 percent was due to unfavorable currency translation effects.

Severance and restructuring costs of \$11,411 were recorded in 2015. Within the Adhesives Dispensing Systems segment, restructuring initiatives to optimize operations in the U.S. and Belgium resulted in severance and restructuring costs of \$7,972. Within the Advanced Technology Systems segment, certain restructuring programs to enhance operational efficiency and customer service in the U.S. and Germany resulted in severance and restructuring costs of \$3,060. Within the Industrial Coatings Systems segment, a restructuring program to enhance operational efficiency and customer service resulted in severance costs of \$379.

Operating capacity for each of our segments can support fluctuations in order activity without significant changes in operating costs. Also, currency translation affects reported operating margins. Operating margins for each segment were unfavorably impacted by a much stronger dollar during 2015 as compared to 2014.

Operating profit as a percentage of sales decreased to 18.8 percent in 2015 compared to 21.5 percent in 2014. Of the 2.7 percentage point decrease in operating margin, 1.9 percentage points were due to unfavorable currency translation effects, 0.5 percentage points were due to higher severance and restructuring costs and 0.3 percentage points were due to higher selling and administrative expenses.

For the Adhesive Dispensing Systems segment, operating profit as a percentage of sales decreased to 23.4 percent in 2015 compared to 25.5 percent in 2014. Of the 2.1 percentage point decline in operating margin, 2.3 percentage points were attributed to unfavorable currency translation effects, 1.5 percentage points were attributed to higher selling and administrative expenses, and 0.7 percentage points were attributed to higher severance and restructuring costs. The 2.4 percentage point offset was due to 2.2 percentage points attributed to favorable product mix and 0.2 percentage points due to lower inventory purchase price adjustments.

For the Advanced Technology Systems segment, operating profit as a percentage of sales decreased to 20.4 percent in 2015 compared to 25.0 percent in 2014. Of the 4.6 percentage point decline in operating margin, 2.2 percentage points were attributed to higher selling and administrative expenses, 1.3 percentage points were attributed to product line and customer mix, 0.7 percentage points were attributed to unfavorable currency translation effects, and 0.4 percentage points were attributed to higher severance and restructuring costs.

For the Industrial Coating Systems segment, operating profit as a percentage of sales increased to 16.0 percent in 2015 from 15.7 percent in 2014. Of the 0.3 percentage point improvement in operating margin, favorable leverage of our selling and administrative expenses contributed 2.0 percentage points and favorable product mix added 0.2 percentage points. The remaining 1.9 percentage point offset was primarily due to unfavorable currency translation effects.

Interest and other income (expense) - Interest expense in 2015 was \$18,104, an increase of \$3,069, or 20.4 percent, from 2014. The increase was due to higher borrowing levels used primarily to fund acquisitions in the second half of 2014 and in 2015, and to fund the purchase of treasury shares in 2015.

Other income in 2015 was \$678 compared to other expense of \$138 in 2014. Significant items included in 2015 were proceeds from a favorable litigation settlement of \$1,608 and loss on disposal of fixed assets of \$653. Significant items included in 2014 were a gain on property insurance settlement of \$1,005 and foreign currency losses of \$478.

Income taxes – Income tax expense in 2015 was \$89,751, or 29.8 percent of pre-tax income, as compared to \$105,740, or 30.0 percent of pre-tax income in 2014.

On December 19, 2014, the Tax Increase Prevention Act of 2014 was enacted which retroactively reinstated the Federal Research and Development Tax Credit (Federal R&D Tax Credit) from January 1, 2014 to December 31, 2014 and extended certain other tax provisions. As a result, our income tax provision for 2015 included discrete tax benefits of \$2,486 primarily related to 2014.

Net income – Net income was \$211,111, or \$3.45 per diluted share, in 2015, compared to net income of \$246,773, or \$3.84 per diluted share, in 2014. This represents a 14.5 percent decrease in net income and a 10.2 percent decrease in diluted earnings per share.

Liquidity and Capital Resources

Cash and cash equivalents increased \$16,971 in 2016. Cash provided by operating activities was \$331,158 in 2016, compared to \$261,951 in 2015. The primary sources were net income adjusted for non-cash income and expenses (consisting of depreciation and amortization, non-cash stock compensation, deferred income taxes, other non-cash expense and loss on sale of property, plant and equipment) and the tax benefit from the exercise of stock options, the sum of which was \$358,984 in 2016, compared to \$291,452 in 2015. The increase in cash provided by operating activities was primarily due to higher net income. Operating assets and liabilities used \$27,826 of cash in 2016, compared to \$29,501 in 2015.

Cash used by investing activities was \$102,201 in 2016, down from \$138,535 in 2015. In the current year, cash of \$42,650 was used for the LinkTech acquisition, compared to the 2015 acquisitions of Liquidyn, WAFO and MatriX which used \$75,565 of cash.

Cash of \$210,280 was used by financing activities in 2016, compared to \$110,978 in 2015. Included in 2016 were net short and long-term repayments of \$130,217, compared to net borrowings of \$325,486 in the prior year. The change was primarily due to increased repayments on our revolving credit facility in 2016. Issuance of common shares related to employee benefit plans generated \$11,476 of cash in 2016, up from \$5,372 in 2015. This increase was the result of higher stock option exercises. In 2016 cash of \$33,421 was used for the purchase of treasury shares, down from \$383,851 in 2015. Dividend payments were \$56,436 in 2016, up from \$54,849 in 2015 due to an increase in the annual dividend to \$0.99 per share from \$0.90 per share.

The following is a summary of significant changes by balance sheet caption from October 31, 2015 to October 31, 2016. Receivables increased \$39,010 primarily due to higher year-end shipments. Net property, plant and equipment increased \$23,189 primarily due to capital expenditures and the LinkTech acquisition, partially offset by depreciation expense. Goodwill increased \$24,762 due to the LinkTech acquisition completed in 2016 that added \$25,169 of goodwill, offset by \$407 from the effects of currency translation. The decrease in net other intangibles of \$17,124 was due to \$14,610 of intangibles added as a result of the LinkTech acquisition, offset by \$29,061 of amortization expense and \$2,673 from the effects of currency translation.

The decrease in income taxes payable of \$5,880 was due to the timing of required tax payments. The increase of \$21,867 in accrued liabilities was primarily due to higher compensation-related accruals. Current maturities of long-term debt increased \$15,251 primarily as a result of the \$37,956 reclassification from long-term debt to current maturities for the scheduled repayments of our senior notes and New York Life credit facility, partially offset by \$11,287 repayments under our €100,000 agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd. and \$10,556 repayments under our New York Life credit facility. The long-term debt decrease of \$148,090 primarily reflects \$212,345 of net repayments under our revolving credit agreement, the \$37,956 reclassification from long-term debt to current maturities as noted above, partially offset by \$100,000 in borrowings under our New York Life credit facility. The \$12,305 increase in long-term pension obligations and the \$3,707 increase in postretirement obligations were primarily the result of lower global weighted-average discount rates.

In December 2014, the board of directors authorized a new \$300,000 common share repurchase program. This program replaced the \$200,000 program approved by the board in August 2013. In August 2015, the board of directors authorized the repurchase of up to an additional \$200,000 of the Company's common shares. This new authorization added capacity to the board's December 2014 authorization to repurchase \$300,000 of shares. Approximately \$118,971 remained available for share repurchases at October 31, 2016. Uses for repurchased shares include the funding of benefit programs including stock options, restricted stock and 401(k) matching. Shares purchased are treated as treasury shares until used for such purposes. The repurchase program is being funded using cash from operations and proceeds from borrowings under our credit facilities.

As of October 31, 2016, approximately 93 percent of our consolidated cash and cash equivalents were held at various foreign subsidiaries. Deferred income taxes are not provided on undistributed earnings of international subsidiaries that are intended to be permanently invested in those operations. These undistributed earnings represent the post-income tax earnings under U.S. GAAP not adjusted for previously taxed income which aggregated approximately \$757,501 and \$712,913 at October 31, 2016 and 2015, respectively. Should these earnings be distributed, applicable foreign tax credits, distributions of previously taxed income, and utilization of other attributes would substantially offset taxes due upon the distribution. It is not practical to estimate the amount of additional taxes that might be payable on such undistributed earnings.

Contractual Obligations

The following table summarizes contractual obligations as of October 31, 2016:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt (1)	\$ 982,646	\$ 38,093	\$ 234,710	\$ 451,605	\$ 258,238
Interest payments on long-term debt (1)	54,243	11,019	17,768	12,834	12,622
Capital lease obligations (2)	19,230	5,966	6,335	1,546	5,383
Operating leases (2)	53,565	13,725	17,838	10,707	11,295
Notes payable (3)	2,141	2,141	—	—	—
Contributions related to pension and postretirement benefits (4)	20,100	20,100	—	—	—
Purchase obligations (5)	80,563	80,336	227	—	—
Total obligations	<u>\$ 1,212,488</u>	<u>\$ 171,380</u>	<u>\$ 276,878</u>	<u>\$ 476,692</u>	<u>\$ 287,538</u>

- (1) In February 2015, we increased, amended and extended our existing syndicated revolving credit agreement that was scheduled to expire in December 2016. We entered into a \$600,000 unsecured, multicurrency credit facility with a group of banks. This facility has a five-year term and includes a \$50,000 subfacility for swing-line loans and may be increased from \$600,000 to \$850,000 under certain conditions. It expires in February 2020. At October 31, 2016, \$244,680 was outstanding under this facility, compared to \$457,025 outstanding at October 31, 2015. Balances outstanding under the prior credit agreement were transferred to the new credit agreement. The weighted average interest rate for borrowings under this agreement was 1.53 percent at October 31, 2016. There are two primary financial covenants that must be met under this facility. The first covenant limits the amount of total net indebtedness that can be incurred to 3.50 times consolidated trailing four-quarter EBITDA (both indebtedness and EBITDA as defined in the credit agreement). The second covenant requires consolidated trailing four-quarter EBITDA to be at least 3.0 times consolidated trailing four-quarter interest expense (both as defined in the credit agreement). At October 31, 2016, we were in compliance with all debt covenants, and the amount we could borrow under the credit facility would not have been limited by any debt covenants.

In 2011, we entered into a \$150,000 three-year Note Purchase and Private Shelf Note agreement with New York Life Investment Management LLC. In 2013, the amount of the facility was increased from \$150,000 to \$175,000. In 2015, the amount of the facility was increased to \$180,000. In 2016, the amount of the facility was increased to \$200,000. Notes issued under the agreement may have a maturity of up to 12 years, with an average life of up to 10 years, and are unsecured. The interest rate on each note can be fixed or floating and is based upon the market rate at the borrowing date. This agreement contains customary events of default and covenants related to limitations on indebtedness and the maintenance of certain financial ratios. At October 31, 2016, there was \$157,222 outstanding under this facility, compared to \$67,778 at October 31, 2015. The interest rates for notes within this agreement were 2.21 percent and 2.56 percent at October 31, 2016. We were in compliance with all covenants at October 31, 2016, and the amount we could borrow would not have been limited by any debt covenants.

In 2012, we entered into a Note Purchase Agreement with a group of insurance companies under which we sold \$200,000 of Senior Notes. The notes mature between July 2017 and July 2025 and bear interest at fixed rates between 2.27 percent and 3.13 percent. We were in compliance with all covenants at October 31, 2016.

In 2013, we entered into a €100,000 agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd. The term of the agreement was three years and could be extended by one year at the end of the third and fourth anniversaries. The interest rate was variable based upon the EUR LIBOR rate. We paid down the remaining \$11,501 balance of the loan in 2016.

In April 2015, we entered into a \$200,000 term loan facility with a group of banks. The interest rate is variable based on the LIBOR rate plus applicable margin based on our leverage ratio. As of October 31, 2016, \$100,000 is due in three years and has an interest rate spread of 1.00 percent over LIBOR and \$100,000 is due in five years and has an interest rate spread of 1.10 percent over LIBOR. This loan was used to pay down \$100,000 of our 364-day unsecured credit facility with PNC Bank and \$100,000 of our revolving credit facility in 2015. We were in compliance with all covenants at October 31, 2016.

In July 2015, we entered into a Note Purchase Agreement under which \$100,000 of Senior Unsecured Notes were purchased primarily by a group of insurance companies. The notes mature in July 2025 and July 2027 and bear interest at fixed rates of 2.89 percent and 3.19 percent. We were in compliance with all covenants at October 31, 2016.

In October 2015, we entered into a €70,000 agreement with Bank of America Merrill Lynch International Limited. The term of the agreement is three years and can be extended by one year on two annual occasions if notice is given between 180 days and 30 days before the maturity date. The interest rate is variable based on the LIBOR rate plus applicable margin based on our leverage ratio. The loan was amended in 2016 to extend the term by one year and increase the principal amount. At October 31, 2016, the balance outstanding was €72,300 (\$79,389) and the interest rate was 0.875 percent over LIBOR. We were in compliance with all covenants at October 31, 2016.

See Note 10 for additional information.

- (2) See Note 11 for additional information.
- (3) See Note 9 for additional information.
- (4) Pension and postretirement plan funding amounts after 2016 will be determined based on the future funded status of the plans and therefore cannot be estimated at this time. See Note 7 for additional information.
- (5) Purchase obligations primarily represent commitments for materials used in our manufacturing processes that are not recorded in our Consolidated Balance Sheet.

We believe that the combination of present capital resources, cash from operations and unused financing sources are more than adequate to meet cash requirements for 2017. There are no significant restrictions limiting the transfer of funds from international subsidiaries to the parent company.

Outlook

Our operating performance, balance sheet position, and financial ratios for 2016 remained strong relative to recent years, although uncertainties persisted in global financial markets and the general economic environment. Going forward, we are well-positioned to manage our liquidity needs that arise from working capital requirements, capital expenditures, contributions related to pension and postretirement obligations, and principal and interest payments on indebtedness. Primary sources of capital to meet these needs as well as other opportunistic investments are cash provided by operations and borrowings under our loan agreements. In 2016, cash from operations was 18.3 percent of revenue. With respect to borrowing under existing loan agreements, as of October 31, 2016, we had \$355,320 available capacity under our five-year term, \$600,000 unsecured, multicurrency credit facility which may be increased to \$850,000 under certain conditions. This credit facility expires in February 2020. In addition, we had \$42,778 borrowing capacity remaining on our \$200,000 three-year Private Shelf agreement with New York Life Investment Management LLC. While these facilities provide the contractual terms for any borrowing, we cannot be assured that these facilities would be available in the event that these financial institutions failed to remain sufficiently capitalized.

Other loan agreements exist with no remaining borrowing capacity, but factor into debt covenant calculations that affect future borrowing capacity. In July 2012, we entered into a note purchase agreement with a group of insurance companies under which we sold \$200,000 of senior notes. The notes mature between July 2017 and July 2025 and bear interest at fixed rates between 2.27 percent and 3.13 percent. As of April 2015, we entered into a \$200,000 term loan facility with PNC Bank. \$100,000 is due in three years and has an interest rate spread of 1 percent over LIBOR, and \$100,000 is due in five years and has an interest rate spread of 1.1 percent over LIBOR. In July 2015, we entered into a Note Purchase Agreement under which \$100,000 of senior unsecured notes were purchased primarily by a group of insurance companies. The notes consist of two tranches, Series A and B at \$50,000 each, maturing in July 2025 and July 2027, and bearing interest at fixed rates of 2.89 percent and 3.19 percent, respectively. In October 2015, we entered into a €70,000 three year term loan agreement with Bank of America Merrill Lynch International in London. This agreement was amended in September 2016 to extend the term by one year and increase the principal balance. The balance of this loan at October 31, 2016 was €72,300. The interest rate is variable based on the LIBOR rate plus applicable margin based on our leverage ratio, and was 0.875 percent over LIBOR at October 31, 2016.

Respective to all of these loans are two primary covenants, the leverage ratio that restricts indebtedness (net of cash) to a maximum 3.50 times consolidated four-quarter trailing EBITDA and the interest coverage ratio that requires four-quarter trailing EBITDA to be at minimum 3.0 times consolidated trailing four-quarter interest expense. (Debt, EBITDA, and interest expense are as defined in respective credit agreements.) With respect to these two primary covenants as of October 31, 2016, we were approximately 54 percent of the most restrictive leverage ratio and approximately 13 percent of the most restrictive interest coverage ratio. Unused borrowing capacity under existing loan agreements would amount to an additional 23 percent of the most restrictive leverage ratio.

Regarding expectations for 2017, we are optimistic about longer term growth opportunities in the diverse consumer durable, non-durable, medical, electronics and industrial end markets we serve. However, we move forward in the near-term with caution given continued slow growth in emerging markets, expectations for global GDP indicating a low-growth macroeconomic environment, and marketplace effects of political instability in certain areas of the world. With respect to the United Kingdom's (UK) expected exit (Brexit) from the European Union (EU), resulting effects upon markets we serve and tax jurisdictions in which we operate will depend upon terms of agreements the UK makes to retain access to EU markets during the near-term and more permanently and also to national laws and regulations that may replace and diverge from EU laws and regulations. Until more specific details are determined, the economic and political uncertainty in the UK and EU likely will continue along with implications upon the global economy. While the announcement of Brexit initially resulted in significant volatility in global stock markets and currency exchange markets, the interim effects at this time upon the way we do business and results from operations have not been material.

Though the pace of improvement in the global economy remains unclear, our growth potential has been demonstrated over time from our capacity to build and enhance our core businesses by entering emerging markets and pursuing market adjacencies. We drive value for our customers through our application expertise, differentiated technology, and direct sales and service support. Our priorities also are focused on operational efficiencies by employing continuous improvement methodologies in our business processes. We expect our efforts will continue to provide more than sufficient cash from operations for meeting our liquidity needs and paying dividends to common shareholders, as well as enabling us to invest in the development of new applications and markets for our technologies. Cash from operations have been 16 to 19 percent of revenues over the past five years, resulting in more than sufficient cash for our ordinary business requirements. We believe our cash provided from operations and available borrowing capacity will enable us to make other opportunistic investments in our own common shares and strategic business combinations.

With respect to contractual spending, the table above presents our financial obligations as \$1,212,488 of which \$171,380 is payable in 2017. In August 2015, the board of directors approved a \$200,000 common share repurchase program that added capacity to the board's December 2014 approval authorizing management at its discretion to repurchase shares up to \$300,000. Approximately \$118,971 remained available for share repurchases as of October 31, 2016. The repurchase program is funded using cash from operations and proceeds from borrowings under our credit facilities. Timing and actual number of shares subject to repurchase are contingent on a number of factors including levels of cash generation from operations, cash requirements for acquisitions, repayment of debt and our share price. Capital expenditures for 2017 will be focused on continued investments in our information systems and projects that improve both capacity and efficiency of manufacturing and distribution operations.

Effects of Foreign Currency

The impact of changes in foreign currency exchange rates on sales and operating results cannot be precisely measured due to fluctuating selling prices, sales volume, product mix and cost structures in each country where we operate. As a general rule, a weakening of the United States dollar relative to foreign currencies has a favorable effect on sales and net income, while a strengthening of the dollar has a detrimental effect.

In 2016, as compared with 2015, the United States dollar was generally stronger against foreign currencies. If 2015 exchange rates had been in effect during 2016, sales would have been approximately \$23,249 higher and third-party costs would have been approximately \$8,332 higher. In 2015, as compared with 2014, the United States dollar was stronger against foreign currencies. If 2014 exchange rates had been in effect during 2015, sales would have been approximately \$114,844 higher and third-party costs would have been approximately \$67,414 higher. These effects on reported sales do not include the impact of local price adjustments made in response to changes in currency exchange rates.

Inflation

Inflation affects profit margins as the ability to pass cost increases on to customers is restricted by the need for competitive pricing. Although inflation has been modest in recent years and has had no material effect on the years covered by these financial statements, we continue to seek ways to minimize the impact of inflation through focused efforts to increase productivity.

Trends

The Five-Year Summary in Item 6 documents our historical financial trends. Over this period, the world's economic conditions fluctuated significantly. Our solid performance is attributed to our participation in diverse geographic and industrial markets and our long-term commitment to develop and provide quality products and worldwide service to meet our customers' changing needs.

Safe Harbor Statements Under the Private Securities Litigation Reform Act of 1995

This Form 10-K, particularly "Management's Discussion and Analysis," contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, businesses in which we operate and the United States and global economies. Statements in this 10-K that are not historical are hereby identified as "forward-looking statements" and may be indicated by words or phrases such as "anticipates," "supports," "plans," "projects," "expects," "believes," "should," "would," "could," "hope," "forecast," "management is of the opinion," use of the future tense and similar words or phrases.

In light of these risks and uncertainties, actual events and results may vary significantly from those included in or contemplated or implied by such statements. Readers are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Factors that could cause our actual results to differ materially from the expected results are discussed in Item 1A, Risk Factors.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We operate internationally and enter into intercompany transactions denominated in foreign currencies. Consequently, we are subject to market risk arising from exchange rate movements between the dates foreign currencies are recorded and the dates they are settled. We regularly use foreign exchange contracts to reduce our risks related to most of these transactions. These contracts, primarily associated with the euro, yen and pound sterling, typically have maturities of 90 days or less, and generally require the exchange of foreign currencies for United States dollars at rates stated in the contracts. Gains and losses from changes in the market value of these contracts offset foreign exchange losses and gains, respectively, on the underlying transactions. Other transactions denominated in foreign currencies are designated as hedges of our net investments in foreign subsidiaries or are intercompany transactions of a long-term investment nature. As a result of the use of foreign exchange contracts on a routine basis to reduce the risks related to most of our transactions denominated in foreign currencies, as of October 31, 2016, we did not have material foreign currency exposure.

Note 13 to the financial statements contains additional information about our foreign currency transactions and the methods and assumptions used to record these transactions.

A portion of our operations is financed with short-term and long-term borrowings and is subject to market risk arising from changes in interest rates.

The tables that follow present principal repayments and weighted-average interest rates on outstanding borrowings of fixed-rate debt.

At October 31, 2016

	2017	2018	2019	2020	2021	Thereafter	Total Value	Fair Value
Annual repayments of long-term debt	\$ 38,093	\$ 26,586	\$ 28,734	\$ 68,738	\$ 38,187	\$158,239	\$358,577	\$367,990
Average interest rate on total borrowings outstanding during the year	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%	2.9%	

At October 31, 2015

	2016	2017	2018	2019	2020	Thereafter	Total Value	Fair Value
Annual repayments of long-term debt	\$ 11,340	\$ 38,093	\$ 26,587	\$ 28,734	\$ 68,738	\$196,425	\$369,917	\$365,572
Average interest rate on total borrowings outstanding during the year	2.9%	2.7%	2.7%	2.8%	2.8%	3.0%	2.7%	

We also have variable-rate notes payable and long-term debt. The weighted average interest rate of this debt was 1.6 percent at October 31, 2016 and 1.2 percent at October 31, 2015. A one percent increase in interest rates would have resulted in additional interest expense of approximately \$7,205 on the variable rate notes payable and long-term debt in 2016.

Item 8. Financial Statements and Supplementary Data

Consolidated Statements of Income

Years ended October 31, 2016, 2015 and 2014

(In thousands except for per-share amounts)

	2016	2015	2014
Sales	\$ 1,808,994	\$ 1,688,666	\$ 1,704,021
Operating costs and expenses:			
Cost of sales	815,495	774,702	758,923
Selling and administrative expenses	594,293	584,823	575,442
Severance and restructuring costs	10,775	11,411	2,551
	<u>1,420,563</u>	<u>1,370,936</u>	<u>1,336,916</u>
Operating profit	388,431	317,730	367,105
Other income (expense):			
Interest expense	(21,322)	(18,104)	(15,035)
Interest and investment income	728	558	581
Other - net	657	678	(138)
	<u>(19,937)</u>	<u>(16,868)</u>	<u>(14,592)</u>
Income before income taxes	368,494	300,862	352,513
Income tax provision:			
Current	100,248	87,651	102,251
Deferred	(3,597)	2,100	3,489
	<u>96,651</u>	<u>89,751</u>	<u>105,740</u>
Net income	\$ 271,843	\$ 211,111	\$ 246,773
Average common shares	57,060	60,652	63,656
Incremental common shares attributable to outstanding stock options, restricted stock and deferred stock-based compensation	470	499	625
Average common shares and common share equivalents	57,530	61,151	64,281
Basic earnings per share	\$ 4.76	\$ 3.48	\$ 3.88
Diluted earnings per share	\$ 4.73	\$ 3.45	\$ 3.84
Dividends declared per common share	\$ 0.99	\$ 0.90	\$ 0.76

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

Consolidated Statements of Comprehensive Income

Years ended October 31, 2016, 2015 and 2014

(In thousands)

	2016	2015	2014
Net income	\$ 271,843	\$ 211,111	\$ 246,773
Components of other comprehensive income (loss), net of tax:			
Translation adjustments	(8,693)	(45,154)	(23,972)
Pension and postretirement benefit plans:			
Prior service credit arising during the year	1,831	—	175
Net actuarial loss arising during the year	(22,482)	(7,588)	(29,158)
Amortization of prior service cost	92	(303)	(251)
Amortization of actuarial loss	6,724	10,146	6,989
Settlement loss recognized	111	1,369	398
Curtailment (gain) loss recognized	(1,144)	43	—
Total pension and postretirement benefit plans	(14,868)	3,667	(21,847)
Total other comprehensive income (loss)	(23,561)	(41,487)	(45,819)
Total comprehensive income	\$ 248,282	\$ 169,624	\$ 200,954

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

Consolidated Balance Sheets

October 31, 2016 and 2015

(In thousands)

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 67,239	\$ 50,268
Receivables - net	428,560	389,550
Inventories - net	220,361	225,672
Deferred income taxes	—	24,865
Prepaid expenses	29,415	21,236
Total current assets	745,575	711,591
Property, plant and equipment - net	273,129	249,940
Goodwill	1,107,137	1,082,375
Intangible assets - net	260,302	277,426
Deferred income taxes	10,681	5,705
Other assets	25,541	33,407
	\$ 2,422,365	\$ 2,360,444
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable	\$ 2,141	\$ 1,108
Accounts payable	75,130	68,229
Income taxes payable	22,762	28,642
Accrued liabilities	162,798	140,931
Customer advance payments	26,175	22,884
Current maturities of long-term debt	38,093	22,842
Deferred income taxes	—	1,256
Current obligations under capital leases	4,444	4,884
Total current liabilities	331,543	290,776
Long-term debt	944,553	1,092,643
Obligations under capital leases	9,714	9,698
Pension obligations	130,376	118,071
Postretirement obligations	70,397	66,690
Deferred income taxes	61,836	89,770
Other liabilities	22,343	32,780
Shareholders' equity:		
Preferred shares, no par value; 10,000 shares authorized; none issued	—	—
Common shares, no par value; 160,000 shares authorized; 98,023 shares issued at October 31, 2016 and 2015	12,253	12,253
Capital in excess of stated value	376,625	348,986
Retained earnings	1,932,635	1,717,228
Accumulated other comprehensive loss	(168,247)	(144,686)
Common shares in treasury, at cost	(1,301,663)	(1,273,765)
Total shareholders' equity	851,603	660,016
	\$ 2,422,365	\$ 2,360,444

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

Consolidated Statements of Shareholders' Equity

Years ended October 31, 2016, 2015 and 2014

(In thousands)

	2016	2015	2014
Number of common shares in treasury			
Balance at beginning of year	40,665	35,588	33,805
Shares issued under company stock and employee benefit plans	(421)	(318)	(480)
Purchase of treasury shares	472	5,395	2,263
Balance at end of year	<u>40,716</u>	<u>40,665</u>	<u>35,588</u>
Common shares			
Balance at beginning and ending of year	<u>\$ 12,253</u>	<u>\$ 12,253</u>	<u>\$ 12,253</u>
Capital in excess of stated value			
Balance at beginning of year	\$ 348,986	\$ 328,605	\$ 304,549
Shares issued under company stock and employee benefit plans	5,952	1,458	264
Tax benefit from stock option and restricted stock transactions	3,476	3,661	6,385
Stock-based compensation	18,211	15,262	17,407
Balance at end of year	<u>\$ 376,625</u>	<u>\$ 348,986</u>	<u>\$ 328,605</u>
Retained earnings			
Balance at beginning of year	\$ 1,717,228	\$ 1,560,966	\$ 1,362,584
Net income	271,843	211,111	246,773
Dividends paid (\$.99 per share in 2016, \$.90 per share in 2015, and \$.76 per share in 2014)	(56,436)	(54,849)	(48,391)
Balance at end of year	<u>\$ 1,932,635</u>	<u>\$ 1,717,228</u>	<u>\$ 1,560,966</u>
Accumulated other comprehensive income (loss)			
Balance at beginning of year	\$ (144,686)	\$ (103,199)	\$ (57,380)
Translation adjustments	(8,693)	(45,154)	(23,972)
Settlement and curtailment loss (gain) recognized, net of tax of \$332 in 2016, \$(491) in 2015 and \$(234) in 2014	(1,033)	1,412	398
Defined benefit and OPEB activity - prior service cost, net of tax of \$(558) in 2016, \$191 in 2015 and \$125 in 2014	1,923	(303)	(76)
Defined benefit and OPEB activity - actuarial gain (loss), net of tax of \$8,642 in 2016, \$(1,242) in 2015 and \$11,457 in 2014	(15,758)	2,558	(22,169)
Balance at end of year	<u>\$ (168,247)</u>	<u>\$ (144,686)</u>	<u>\$ (103,199)</u>
Common shares in treasury, at cost			
Balance at beginning of year	\$ (1,273,765)	\$ (893,828)	\$ (734,143)
Shares issued under company stock and employee benefit plans	5,735	4,359	6,749
Purchase of treasury shares	(33,633)	(384,296)	(166,434)
Balance at end of year	<u>\$ (1,301,663)</u>	<u>\$ (1,273,765)</u>	<u>\$ (893,828)</u>
Total shareholders' equity	<u>\$ 851,603</u>	<u>\$ 660,016</u>	<u>\$ 904,797</u>

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

Consolidated Statements of Cash Flows

Years ended October 31, 2016, 2015 and 2014	2016	2015	2014
(In thousands)			
Cash flows from operating activities:			
Net income	\$ 271,843	\$ 211,111	\$ 246,773
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	41,243	37,707	34,446
Amortization	29,061	27,487	25,308
Provision for losses on receivables	1,867	1,014	867
Deferred income taxes	(3,597)	2,100	3,489
Tax benefit from the exercise of stock options	(3,476)	(3,661)	(6,385)
Non-cash stock compensation	18,211	15,262	17,407
Loss on sale of property, plant and equipment	859	376	218
Other non-cash	2,973	56	406
Changes in operating assets and liabilities:			
Receivables	(41,247)	(37,179)	(65,692)
Inventories	1,784	(14,208)	(8,699)
Prepaid expenses	(8,667)	1,799	(1,852)
Other noncurrent assets	7,773	1,733	(232)
Accounts payable	7,296	(1,261)	6,906
Income taxes payable	(2,684)	15,616	9,524
Accrued liabilities	23,328	5,817	27,932
Customer advance payments	3,631	(1,062)	(2,103)
Other noncurrent liabilities	(17,739)	2,830	59
Other	(1,301)	(3,586)	(217)
Net cash provided by operating activities	331,158	261,951	288,155
Cash flows from investing activities:			
Additions to property, plant and equipment	(60,851)	(62,087)	(43,574)
Proceeds from sale of property, plant and equipment	1,300	597	323
Acquisition of businesses, net of cash acquired	(42,650)	(75,565)	(186,420)
Equity investments	—	(1,480)	(854)
Net cash used in investing activities	(102,201)	(138,535)	(230,525)
Cash flows from financing activities:			
Proceeds from short-term borrowings	13,456	59,870	108,679
Repayment of short-term borrowings	(12,059)	(164,716)	(6,093)
Proceeds from long-term debt	261,161	719,534	158,828
Repayment of long-term debt	(392,775)	(289,202)	(107,591)
Repayment of capital lease obligations	(5,059)	(5,240)	(5,854)
Payment of debt issuance costs	(99)	(1,557)	—
Issuance of common shares	11,476	5,372	7,013
Purchase of treasury shares	(33,421)	(383,851)	(166,434)
Tax benefit from the exercise of stock options	3,476	3,661	6,385
Dividends paid	(56,436)	(54,849)	(48,391)
Net cash used in financing activities	(210,280)	(110,978)	(53,458)
Effect of exchange rate changes on cash	(1,706)	(4,484)	(4,233)
Increase (decrease) in cash and cash equivalents	16,971	7,954	(61)
Cash and cash equivalents at beginning of year	50,268	42,314	42,375
Cash and cash equivalents at end of year	\$ 67,239	\$ 50,268	\$ 42,314

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

Notes to Consolidated Financial Statements

NOTE REGARDING AMOUNTS AND FISCAL YEAR REFERENCES

In this annual report, all amounts related to United States dollars and foreign currency and to the number of Nordson Corporation's common shares, except for per share earnings and dividend amounts, are expressed in thousands. Unless the context otherwise indicates, all references to "we" or the "Company" mean Nordson Corporation.

Unless otherwise noted, all references to years relate to our fiscal year.

Note 1 — Significant accounting policies

Consolidation — The consolidated financial statements include the accounts of Nordson Corporation and its majority-owned and controlled subsidiaries. Investments in affiliates and joint ventures in which our ownership is 50 percent or less or in which we do not have control but have the ability to exercise significant influence, are accounted for under the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Actual amounts could differ from these estimates.

Fiscal year — Our fiscal year is November 1 through October 31.

Revenue recognition — Most of our revenues are recognized upon shipment, provided that persuasive evidence of an arrangement exists, the sales price is fixed or determinable, collectibility is reasonably assured, and title and risk of loss have passed to the customer.

Certain arrangements may include installation, installation supervision, training, and spare parts, which tend to be completed in a short period of time, at an insignificant cost, and utilizing skills not unique to us, therefore, are typically regarded as inconsequential or perfunctory. Revenue for undelivered items is deferred and included within accrued liabilities in the accompanying balance sheet. Revenues deferred in 2016, 2015 and 2014 were not material.

Shipping and handling costs — Amounts billed to customers for shipping and handling are recorded as revenue. Shipping and handling expenses are included in cost of sales.

Advertising costs — Advertising costs are expensed as incurred and were \$11,095, \$11,943 and \$10,823 in 2016, 2015 and 2014, respectively.

Research and development — Research and development costs are expensed as incurred and were \$46,247, \$46,689 and \$47,536 in 2016, 2015 and 2014, respectively.

Earnings per share — Basic earnings per share are computed based on the weighted-average number of common shares outstanding during each year, while diluted earnings per share are based on the weighted-average number of common shares and common share equivalents outstanding. Common share equivalents consist of shares issuable upon exercise of stock options computed using the treasury stock method, as well as restricted stock and deferred stock-based compensation. Options whose exercise price is higher than the average market price are excluded from the calculation of diluted earnings per share because the effect would be anti-dilutive. Options for 396, 373 and 69 common shares were excluded from the diluted earnings per share calculation in 2016, 2015 and 2014, respectively, because their effect would have been anti-dilutive. Under the 2012 Stock Incentive and Award Plan, executive officers and selected other key employees receive common share awards based on corporate performance measures over three-year performance periods. Awards for which performance measures have not been met were excluded from the calculation of diluted earnings per share.

Cash and cash equivalents — Highly liquid instruments with maturities of 90 days or less at date of purchase are considered to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

Allowance for doubtful accounts — An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of customers to make required payments. The amount of the allowance is determined principally on the basis of past collection experience and known factors regarding specific customers. Accounts are written off against the allowance when it becomes evident that collection will not occur.

Inventories — Inventories are valued at the lower of cost or market. Cost was determined using the last-in, first-out (LIFO) method for 20 percent of consolidated inventories at October 31, 2016 and 2015. The first-in, first-out (FIFO) method is used for all other inventories. Consolidated inventories would have been \$7,400 and \$7,638 higher than reported at October 31, 2016 and 2015, respectively, had the FIFO method, which approximates current cost, been used for valuation of all inventories.

Property, plant and equipment and depreciation — Property, plant and equipment are carried at cost. Additions and improvements that extend the lives of assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred. Plant and equipment are depreciated for financial reporting purposes using the straight-line method over the estimated useful lives of the assets or, in the case of property under capital leases, over the terms of the leases. Leasehold improvements are depreciated over the shorter of the lease term or their useful lives. Useful lives are as follows:

Land improvements	15-25 years
Buildings	20-40 years
Machinery and equipment	3-18 years
Enterprise management systems	5-13 years

Depreciation expense is included in cost of sales and selling and administrative expenses.

Internal use software costs are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage or the post-implementation stage. Amounts capitalized are amortized over the estimated useful lives of the software beginning with the project's completion. All re-engineering costs are expensed as incurred. Interest costs on significant capital projects are capitalized. No interest was capitalized in 2016, 2015 or 2014.

Goodwill and intangible assets — Goodwill is the excess of cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed in a business combination. Goodwill relates to and is assigned directly to specific reporting units. Goodwill is not amortized but is subject to annual impairment testing. Our annual impairment testing is performed as of August 1. Testing is done more frequently if an event occurs or circumstances change that would indicate the fair value of a reporting unit is less than the carrying amount of those assets.

Other amortizable intangible assets, which consist primarily of patent/technology costs, customer relationships, noncompete agreements, and trade names, are amortized over their useful lives on a straight-line basis. At October 31, 2016, the weighted-average useful lives for each major category of amortizable intangible assets were:

Patent/technology costs	13 years
Customer relationships	14 years
Noncompete agreements	3 years
Trade names	16 years

Foreign currency translation — The financial statements of subsidiaries outside the United States are generally measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet dates. Income and expense items are translated at average monthly rates of exchange. The resulting translation adjustments are included in accumulated other comprehensive income (loss), a separate component of shareholders' equity. Generally, gains and losses from foreign currency transactions, including forward contracts, of these subsidiaries and the United States parent are included in net income. Gains and losses from intercompany foreign currency transactions of a long-term investment nature are included in accumulated other comprehensive income (loss).

Accumulated other comprehensive loss — Accumulated other comprehensive loss at October 31, 2016 and 2015 consisted of:

	Cumulative translation adjustments	Pension and postretirement benefit plan adjustments	Accumulated other comprehensive loss
Balance at October 31, 2015	\$ (42,427)	\$ (102,259)	\$ (144,686)
Pension and postretirement plan changes, net of tax of \$(8,416)	—	(14,868)	(14,868)
Currency translation losses	(8,693)	—	(8,693)
Balance at October 31, 2016	<u>\$ (51,120)</u>	<u>\$ (117,127)</u>	<u>\$ (168,247)</u>

Warranties — We offer warranties to our customers depending on the specific product and terms of the customer purchase agreement. A typical warranty program requires that we repair or replace defective products within a specified time period (generally one year) measured from the date of delivery or first use. We record an estimate for future warranty-related costs based on actual historical return rates. Based on analysis of return rates and other factors, the adequacy of our warranty provisions are adjusted as necessary. The liability for warranty costs is included in accrued liabilities in the Consolidated Balance Sheet.

Following is a reconciliation of the product warranty liability for 2016 and 2015:

	2016	2015
Balance at beginning of year	\$ 10,537	\$ 9,918
Accruals for warranties	14,487	12,531
Warranty assumed from acquisitions	—	11
Warranty payments	(12,575)	(11,487)
Currency adjustments	(679)	(436)
Balance at end of year	<u>\$ 11,770</u>	<u>\$ 10,537</u>

Note 2 — Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard regarding revenue recognition. Under this standard, a company recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard implements a five-step process for customer contract revenue recognition that focuses on transfer of control. In August 2015, the FASB issued a standard to delay the effective date by one year. In accordance with this delay, the new standard is effective for us beginning in the first quarter of 2019. Early adoption is permitted, but not before the original effective date of the standard. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We are performing a preliminary review of the new guidance as compared to our current accounting policies. We are currently assessing the impact this standard, along with the subsequent updates and clarifications, will have on our consolidated financial statements and disclosures. During 2017, we plan to assess our contracts and consider our method of adoption.

In April 2015, the FASB issued a new standard regarding the presentation of debt issuance costs. Under this standard, a company is required to present unamortized debt issuance costs related to a recognized debt liability in the balance sheet as a direct deduction from the carrying amount of that debt liability, rather than as a separate asset. The recognition and measurement guidance for debt issuance costs are not affected by this new standard. In August 2015, the FASB issued an amendment to this standard, which added clarification to the presentation of debt issuance costs. This amendment allows debt issuance costs related to line-of-credit arrangements to be presented as an asset and subsequently amortized ratably over the term of the line-of-credit agreement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. It will be effective for us beginning in 2017. We do not expect this standard to have a material impact on our consolidated financial statements as it will only impact presentation.

In July 2015, the FASB issued a new standard regarding the measurement of inventory. Under this standard, inventory that is measured using the first-in, first-out (“FIFO”) or average cost methods is required to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This standard does not impact inventory measured on a last-in, last-out (“LIFO”) method. It will be effective for us beginning in 2017. We do not expect this standard to have a material impact on our consolidated financial statements.

In September 2015, the FASB issued a new standard intended to simplify the accounting for measurement period adjustments in a business combination. Measurement period adjustments are changes to provisional amounts recorded when the accounting for a business combination is incomplete as of the end of a reporting period. The measurement period can extend for up to a year following the transaction date. During the measurement period, companies may make adjustments to provisional amounts when information necessary to complete the measurement is received. The new guidance requires companies to recognize these adjustments, including any related impacts to net income, in the reporting period in which the adjustments are determined. Companies are no longer required to retroactively apply measurement period adjustments to all periods presented. It will be effective for us beginning in 2017. The new guidance will be applied prospectively and the impact of adoption will be dependent on the nature of measurement period adjustments that may be necessary.

In November 2015, the FASB issued a new standard regarding the balance sheet classification of deferred taxes, which will require entities to present deferred tax assets and liabilities as noncurrent on the balance sheet. This guidance simplifies the current guidance, which requires entities to separately present deferred tax assets and liabilities as current and noncurrent on the balance sheet. We have elected to early adopt this standard prospectively as of October 31, 2016, as is permitted under the standard. Due to the prospective treatment, prior periods presented in these financial statements have not been adjusted.

In February 2016, the FASB issued a new standard which requires a lessee to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with a lease term of more than twelve months. Leases will continue to be classified as either financing or operating, with classification affecting the recognition, measurement and presentation of expenses and cash flows arising from a lease. It will be effective for us beginning in 2020. We are currently assessing the impact this standard will have on our consolidated financial statements.

In March 2016, the FASB issued a new standard which simplifies the accounting for share-based payment transactions. This guidance requires that excess tax benefits and tax deficiencies be recognized as income tax expense or benefit in the Consolidated Statements of Income rather than additional paid-in capital. Additionally, the excess tax benefits will be classified along with other income tax cash flows as an operating activity, rather than a financing activity, on the Statement of Cash Flows. Further, the update allows an entity to make a policy election to recognize forfeitures as they occur or estimate the number of awards expected to be forfeited. It will be effective for us beginning in 2018 and should be applied prospectively, with certain cumulative effect adjustments. Early adoption is permitted. We are currently assessing the impact this standard will have on our consolidated financial statements.

Note 3 – Severance and restructuring costs

During the fourth quarter of 2016, we implemented an initiative within our Adhesive Dispensing Systems segment to consolidate certain polymer processing product line facilities in the U.S. This initiative is designed to improve customer experience, accelerate growth, optimize performance and realize synergies for sustained long term success. Costs of \$5,565 were recognized in 2016 relating to this initiative, which consisted primarily of severance costs. Payments of \$624 related to these actions were paid during 2016. Additional costs related to this initiative are not expected to be material in future periods. Cash payments related to this initiative are expected to be paid during 2017 and 2018.

The following table summarizes severance and restructuring activity during 2016 related this action:

	Employee severance charges	Other one-time costs	Total
Accrual Balance at October 31, 2015	\$ —	\$ —	\$ —
Charged to expense	4,576	989	5,565
Cash payments	—	(624)	(624)
Non cash utilization	—	(261)	(261)
Accrual Balance at October 31, 2016	<u>\$ 4,576</u>	<u>\$ 104</u>	<u>\$ 4,680</u>

During the second half of 2015, we implemented initiatives across each of our segments to optimize operations and to enhance operational efficiency and customer service. Costs of \$5,210 and \$11,411 were recognized in 2016 and 2015, respectively, related to these initiatives, which consisted primarily of severance costs.

Within the Adhesives Dispensing Systems segment, restructuring initiatives to optimize operations in the U.S. and Belgium resulted in costs of \$2,235 and \$7,972 in 2016 and 2015, respectively. Payments of \$7,586 related to these actions were paid during 2016.

Within the Advanced Technology Systems segment, a restructuring initiative to enhance operational efficiency and customer service resulted in costs of \$1,054 and \$3,060 in 2016 and 2015, respectively. Payments of \$3,144 related to these actions were paid during 2016.

Within the Industrial Coating Systems segment, a restructuring program to enhance operational efficiency and customer service resulted in severance costs of \$1,921 and \$379 in 2016 and 2015, respectively. Payments of \$1,844 related to these actions were paid during 2016.

Total costs for these actions to-date have been \$16,621, which include \$12,592 of severance costs, \$759 of fixed asset impairment charges, \$1,383 of lease termination costs and \$1,887 of other one-time restructuring costs.

The following table summarizes severance and restructuring activity during 2016 related to actions initiated in 2015:

	Fixed asset impairment charges	Employee severance charges	Lease termination charges	Other one-time costs	Total
Accrual Balance at October 31, 2015	\$ —	\$ 7,908	\$ 1,322	\$ 244	\$ 9,474
Charged to expense	205	3,562	61	1,382	5,210
Cash payments	—	(10,334)	(1,240)	(1,000)	(12,574)
Non cash utilization	(205)	—	—	(129)	(334)
Accrual Balance at October 31, 2016	\$ —	\$ 1,136	\$ 143	\$ 497	\$ 1,776

Additional costs related to these initiatives are not expected to be material in future periods. The remainder of the cash payments related to these initiatives are expected to be paid during the first half of 2017.

Note 4 — Acquisitions

Business acquisitions have been accounted for using the acquisition method, with the acquired assets and liabilities recorded at estimated fair value on the dates of acquisition. The cost in excess of the net assets of the business acquired is included in goodwill. Operating results since the respective dates of acquisitions are included in the Consolidated Statement of Income. Pro-forma results of operations would not have been materially different from reported results and, therefore, are not presented.

2016 acquisition

On September 1, 2016, we purchased 100 percent of the outstanding shares of LinkTech, a Ventura, California designer, manufacturer and distributor of highly engineered precision couplings and fittings. We acquired LinkTech for an aggregate purchase price of \$42,650, net of cash acquired of \$36. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$25,169 and identifiable intangible assets of \$14,610 were recorded. The identifiable intangible assets consist primarily of \$8,600 of customer relationships (amortized over 11 years), \$2,800 of tradenames (amortized over 12 years), \$2,300 of technology (amortized over 8 years) and \$910 of non-compete agreements (amortized over 5 years). Goodwill associated with this acquisition is tax deductible. This acquisition is being reported in our Advanced Technology Systems segment. As of October 31, 2016, the purchase price allocations remain preliminary as we complete our assessments of deferred taxes, intangible assets and certain reserves.

2015 acquisitions

On June 15, 2015, we purchased 100 percent of the outstanding shares of Liquidyn, a German based manufacturer of micro dispensing systems, including micro dispensing pneumatic valves, controllers, and process equipment used in the electronics, automobile, medical, packaging, furniture and aerospace markets. We acquired Liquidyn for an aggregate purchase price of \$14,565, net of cash acquired of \$657. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$10,487 and identifiable intangible assets of \$3,991 were recorded. The identifiable intangible assets consist primarily of \$1,285 of customer relationships (amortized over 6 years), \$1,049 of tradenames (amortized over 11 years), \$1,421 of technology (amortized over 5 years) and \$236 of non-compete agreements (amortized over 2 years). Goodwill associated with this acquisition is not tax deductible. This acquisition is being reported in our Advanced Technology Systems segment.

On August 3, 2015, we purchased 100 percent of the outstanding shares of WAFO, a German based manufacturer and refurbisher of screws and barrels for the synthetic material and rubber industries. We acquired WAFO for an aggregate purchase price of \$7,429, net of cash acquired of \$236. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$3,463 and identifiable intangible assets of \$1,708 were recorded. The identifiable intangible assets consist of \$635 of customer relationships (amortized over 5 years), \$679 of tradenames (amortized over 10 years), \$142 of technology (amortized over 3 years) and \$252 of non-compete agreements (amortized over 3 years). Goodwill associated with this acquisition is not tax deductible. This acquisition is being reported in our Adhesive Dispensing Systems segment.

On September 1, 2015, we purchased 100 percent of the outstanding shares of MatriX, a German based developer of automated in-line and off-line x-ray tools and solutions used for inspection applications. We acquired MatriX for an aggregate purchase price of \$53,759, net of cash acquired of \$966 and debt assumed of \$481. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$32,439 and identifiable intangible assets of \$16,382 were recorded. The identifiable intangible assets consist of \$6,485 of customer relationships (amortized over 8 years), \$4,046 of tradenames (amortized over 11 years), \$5,328 of technology (amortized over 6 years) and \$523 of non-compete agreements (amortized over 3 years). Goodwill associated with this acquisition is not tax deductible. This acquisition is being reported in our Advanced Technology Systems segment.

2014 acquisitions

On August 8, 2014, we purchased 100 percent of the outstanding shares of Avalon Laboratories Holding Corp. (Avalon). Avalon, a leading designer and manufacturer of highly specialized catheters and medical tubing products for cardiology, pulmonology and related applications, complements our existing lines of highly engineered, single-use plastic components for fluid management in medical applications. We acquired Avalon for an aggregate purchase price of \$179,966, net of cash acquired of \$1,324. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$122,011 and identifiable intangible assets of \$52,000 were recorded. The identifiable intangible assets consist of \$32,200 of customer relationships (amortized over 10 years), \$9,800 of technology (amortized over 10 years) and \$10,000 of tradenames (amortized over 15 years). Goodwill associated with this acquisition is not tax deductible; however there is \$15,800 from a previous acquisition that is tax deductible.

On August 29, 2014, we purchased 100 percent of the outstanding shares of Dima Group B.V. (Dima), a Netherlands based manufacturer of conformal coating, dispensing and surface mount technology equipment for the global electronics assembly market. We acquired Dima for an aggregate purchase price of \$6,454, net of cash acquired of \$149. Based on the fair value of the assets acquired and the liabilities assumed, goodwill of \$2,380 and identifiable intangible assets of \$1,281 were recorded. The identifiable intangible assets consist of \$1,017 of customer relationships (amortized over 7 years), and \$264 of tradenames (amortized over 15 years). Goodwill associated with this acquisition is not tax deductible.

Both of these acquisitions are being reported in our Advanced Technology Systems segment.

Note 5 — Details of balance sheet

	2016	2015
Receivables:		
Accounts	\$ 415,311	\$ 372,705
Notes	7,971	7,303
Other	10,813	14,044
	<u>434,095</u>	<u>394,052</u>
Allowance for doubtful accounts	(5,535)	(4,502)
	<u>\$ 428,560</u>	<u>\$ 389,550</u>
Inventories:		
Raw materials and component parts	\$ 85,802	\$ 97,215
Work-in-process	36,681	35,509
Finished goods	134,602	128,816
	<u>257,085</u>	<u>261,540</u>
Obsolescence and other reserves	(29,324)	(28,230)
LIFO reserve	(7,400)	(7,638)
	<u>\$ 220,361</u>	<u>\$ 225,672</u>
Property, plant and equipment:		
Land	\$ 9,914	\$ 9,947
Land improvements	4,020	3,926
Buildings	169,995	161,924
Machinery and equipment	372,479	355,066
Enterprise management system	50,051	46,382
Construction-in-progress	25,873	17,326
Leased property under capitalized leases	24,231	25,684
	<u>656,563</u>	<u>620,255</u>
Accumulated depreciation and amortization	(383,434)	(370,315)
	<u>\$ 273,129</u>	<u>\$ 249,940</u>
Accrued liabilities:		
Salaries and other compensation	\$ 67,257	\$ 54,801
Pension and retirement	4,046	1,973
Taxes other than income taxes	5,955	6,178
Other	85,540	77,979
	<u>\$ 162,798</u>	<u>\$ 140,931</u>

Note 6 — Goodwill and intangible assets

We account for goodwill and other intangible assets in accordance with the provisions of ASC 350 and account for business combinations using the acquisition method of accounting and accordingly, the assets and liabilities of the entities acquired are recorded at their estimated fair values at the acquisition date. Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested for impairment annually at the reporting unit level, or more often if indications of impairment exist. We assess the fair value of reporting units on a non-recurring basis using a combination of two valuation methods, a market approach and an income approach, to estimate the fair value of our reporting units. The implied fair value of our reporting units is determined based on significant unobservable inputs; accordingly, these inputs fall within Level 3 of the fair value hierarchy.

Our reporting units are the Adhesive Dispensing Systems segment, the Industrial Coating Systems segment and one level below the Advanced Technology Systems segment.

The goodwill impairment test is a two-step process. In the first step, performed in the fourth quarter of each year, we estimate a reporting unit's fair value using a combination of the discounted cash flow method of the Income Approach and the guideline public company method of the Market Approach and compare the result against the reporting unit's carrying value of net assets. If the carrying value of a reporting unit exceeds its fair value, then a second step is performed to determine if goodwill is impaired. In the second step, a hypothetical purchase price allocation of the reporting unit's assets and liabilities is performed using the fair value calculated in step one. The difference between the fair value of the reporting unit and the hypothetical fair value of assets and liabilities is the implied goodwill amount. Impairment is recorded if the carrying value of the reporting unit's goodwill is higher than its implied goodwill. Based upon results of step one in 2016, 2015 and 2014, the second step of the goodwill impairment test was not necessary.

We acquired LinkTech on September 1, 2016. Determination of the preliminary goodwill associated with this acquisition was completed with the assistance of an independent valuation specialist in the fourth quarter of 2016. Since the date of the valuation, no events or changes in circumstances have occurred that would more likely than not reduce the fair value of this acquisition below its carrying value.

Changes in the carrying amount of goodwill during 2016 by operating segment follow:

	Adhesive Dispensing Systems	Advanced Technology Systems	Industrial Coating Systems	Total
Balance at October 31, 2015	\$ 385,975	\$ 672,342	\$ 24,058	\$ 1,082,375
Acquisition	—	25,169	—	25,169
Currency effect	(242)	(165)	—	(407)
Balance at October 31, 2016	<u>\$ 385,733</u>	<u>\$ 697,346</u>	<u>\$ 24,058</u>	<u>\$ 1,107,137</u>

Changes in the carrying amount of goodwill during 2015 by operating segment follow:

	Adhesive Dispensing Systems	Advanced Technology Systems	Industrial Coating Systems	Total
Balance at October 31, 2014	\$ 397,046	\$ 631,433	\$ 24,058	\$ 1,052,537
Acquisitions	3,463	42,926	—	46,389
Currency effect	(14,534)	(2,017)	—	(16,551)
Balance at October 31, 2015	<u>\$ 385,975</u>	<u>\$ 672,342</u>	<u>\$ 24,058</u>	<u>\$ 1,082,375</u>

Accumulated impairment losses, which were recorded in 2009, were \$232,789 at October 31, 2016 and October 31, 2015. Of these losses, \$229,173 related to the Advanced Technology Systems segment and \$3,616 related to the Industrial Coating Systems segment.

Information regarding intangible assets subject to amortization follows:

October 31, 2016			
	Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	\$ 207,493	\$ 71,608	\$ 135,885
Patent/technology costs	97,640	37,873	59,767
Trade name	85,271	22,140	63,131
Noncompete agreements	9,855	8,347	1,508
Other	1,400	1,389	11
Total	<u>\$ 401,659</u>	<u>\$ 141,357</u>	<u>\$ 260,302</u>

October 31, 2015			
	Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	\$ 201,282	\$ 56,315	\$ 144,967
Patent/technology costs	98,063	32,764	65,299
Trade name	83,022	17,003	66,019
Noncompete agreements	8,952	7,819	1,133
Other	1,365	1,357	8
Total	<u>\$ 392,684</u>	<u>\$ 115,258</u>	<u>\$ 277,426</u>

Amortization expense for 2016, 2015 and 2014 was \$29,061, \$27,487 and \$25,308 respectively.

Estimated amortization expense for each of the five succeeding years follows:

Year	Amounts
2016	\$ 30,347
2017	\$ 29,944
2018	\$ 29,696
2019	\$ 29,155
2020	\$ 23,749

Note 7 — Retirement, pension and other postretirement plans

Retirement plans — We have funded contributory retirement plans covering certain employees. Our contributions are primarily determined by the terms of the plans, subject to the limitation that they shall not exceed the amounts deductible for income tax purposes. We also sponsor unfunded contributory supplemental retirement plans for certain employees. Generally, benefits under these plans vest gradually over a period of approximately three years from date of employment, and are based on the employee's contribution. The expense applicable to retirement plans for 2016, 2015 and 2014 was approximately \$17,194, \$15,747 and \$14,423, respectively.

Pension plans — We have various pension plans covering a portion of our United States and international employees. Pension plan benefits are generally based on years of employment and, for salaried employees, the level of compensation. Actuarially determined amounts are contributed to United States plans to provide sufficient assets to meet future benefit payment requirements. We also sponsor an unfunded supplemental pension plan for certain employees. International subsidiaries fund their pension plans according to local requirements.

A reconciliation of the benefit obligations, plan assets, accrued benefit cost and the amount recognized in financial statements for pension plans is as follows:

	United States		International	
	2016	2015	2016	2015
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 361,039	\$ 345,479	\$ 90,615	\$ 96,831
Service cost	11,490	10,851	2,448	2,816
Interest cost	15,932	15,037	2,294	2,561
Participant contributions	—	—	115	127
Plan amendments	173	—	(3,050)	—
Settlements	—	—	—	(3,260)
Curtailments	—	—	(6,790)	—
Other	—	—	—	475
Foreign currency exchange rate change	—	—	(7,675)	(7,906)
Actuarial loss	31,781	1,371	15,749	2,751
Benefits paid	(10,956)	(11,699)	(2,310)	(3,780)
Benefit obligation at end of year	<u>\$ 409,459</u>	<u>\$ 361,039</u>	<u>\$ 91,396</u>	<u>\$ 90,615</u>
Change in plan assets:				
Beginning fair value of plan assets	\$ 295,320	\$ 277,912	\$ 37,473	\$ 39,618
Actual return on plan assets	23,280	5,868	2,205	1,960
Company contributions	26,223	23,239	3,793	4,888
Participant contributions	—	—	115	127
Settlements	—	—	—	(3,277)
Other	—	—	(145)	—
Foreign currency exchange rate change	—	—	(5,527)	(2,063)
Benefits paid	(10,956)	(11,699)	(2,310)	(3,780)
Ending fair value of plan assets	<u>\$ 333,867</u>	<u>\$ 295,320</u>	<u>\$ 35,604</u>	<u>\$ 37,473</u>
Funded status at end of year	<u>\$ (75,592)</u>	<u>\$ (65,719)</u>	<u>\$ (55,792)</u>	<u>\$ (53,142)</u>
Amounts recognized in financial statements:				
Noncurrent asset	\$ —	\$ —	\$ —	\$ —
Accrued benefit liability	(1,000)	(784)	(8)	(7)
Long-term pension and retirement obligations	(74,592)	(64,935)	(55,784)	(53,135)
Total amount recognized in financial statements	<u>\$ (75,592)</u>	<u>\$ (65,719)</u>	<u>\$ (55,792)</u>	<u>\$ (53,142)</u>
	United States		International	
	2016	2015	2016	2015
Amounts recognized in accumulated other comprehensive (gain) loss:				
Net actuarial loss	\$ 134,586	\$ 114,898	\$ 35,090	\$ 30,544
Prior service cost (credit)	(139)	(235)	(3,445)	(818)
Accumulated other comprehensive loss	<u>\$ 134,447</u>	<u>\$ 114,663</u>	<u>\$ 31,645</u>	<u>\$ 29,726</u>
Amounts expected to be recognized during next fiscal year:				
Amortization of net actuarial loss	\$ 9,336	\$ 7,691	\$ 2,558	\$ 1,902
Amortization of prior service cost (credit)	47	77	(304)	(89)
Total	<u>\$ 9,383</u>	<u>\$ 7,768</u>	<u>\$ 2,254</u>	<u>\$ 1,813</u>

The following table summarizes the changes in accumulated other comprehensive (gain) loss:

	United States		International	
	2016	2015	2016	2015
Balance at beginning of year	\$ 114,663	\$ 111,290	\$ 29,726	\$ 33,688
Net (gain) loss arising during the year	28,167	13,820	8,255	2,380
Prior service cost (credit) arising during the year	173	—	(3,050)	—
Net gain (loss) recognized during the year	(8,480)	(9,742)	(1,723)	(2,268)
Prior service (cost) credit recognized during the year	(76)	(121)	203	90
Settlement loss	—	(516)	(160)	(1,319)
Curtailment gain (loss)	—	(68)	1,526	—
Exchange rate effect during the year	—	—	(3,132)	(2,845)
Balance at end of year	\$ 134,447	\$ 114,663	\$ 31,645	\$ 29,726

Information regarding the accumulated benefit obligation is as follows:

	United States		International	
	2016	2015	2016	2015
For all plans:				
Accumulated benefit obligation	\$ 397,350	\$ 354,567	\$ 77,166	\$ 69,489
For plans with benefit obligations in excess of plan assets:				
Projected benefit obligation	409,459	361,039	90,852	82,521
Accumulated benefit obligation	397,350	354,567	77,121	69,444
Fair value of plan assets	333,867	295,320	35,533	37,424

Net pension benefit costs include the following components:

	United States			International		
	2016	2015	2014	2016	2015	2014
Service cost	\$ 11,490	\$ 10,851	\$ 8,071	\$ 2,448	\$ 2,816	\$ 2,597
Interest cost	15,932	15,037	13,921	2,294	2,561	3,185
Expected return on plan assets	(19,666)	(18,316)	(17,297)	(1,501)	(1,589)	(1,772)
Amortization of prior service cost (credit)	76	121	237	(203)	(90)	(101)
Amortization of net actuarial (gain) loss	8,480	9,742	7,940	1,723	2,285	1,233
Settlement loss	—	516	632	160	1,319	—
Curtailment (gain) loss	—	68	—	(1,526)	—	—
Total benefit cost	\$ 16,312	\$ 18,019	\$ 13,504	\$ 3,395	\$ 7,302	\$ 5,142

Net periodic pension cost for 2016 included a settlement loss of \$160 due to lump sum retirement payments and a curtailment gain of \$1,526 due to a plan amendment allowing participants to elect a new defined contribution plan or a new defined benefit plan. Net periodic pension cost for 2015 included a settlement loss of \$593, due to lump sum retirement payments and \$1,242 due to a plan termination.

The weighted average assumptions used in the valuation of pension benefits were as follows:

	United States			International		
	2016	2015	2014	2016	2015	2014
Assumptions used to determine benefit obligations at October 31:						
Discount rate	3.94%	4.39%	4.29%	1.86%	2.81%	2.94%
Rate of compensation increase	3.61	3.50	3.49	3.12	3.22	3.19
Assumptions used to determine net benefit costs for the years ended October 31:						
Discount rate	4.39	4.29	4.75	2.81	2.94	3.72
Expected return on plan assets	6.72	6.76	7.24	4.22	4.39	4.60
Rate of compensation increase	3.50	3.49	3.30	3.22	3.19	3.18

The amortization of prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plans.

The discount rate reflects the current rate at which pension liabilities could be effectively settled at the end of the year. The discount rate used considers a yield derived from matching projected pension payments with maturities of a portfolio of available bonds that receive the highest rating given from a recognized investments ratings agency. The decrease in the discount rate in 2016 and increase in 2015 are due to changes in yields for these types of investments as a result of the economic environment.

In determining the expected return on plan assets using the calculated value of plan assets, we consider both historical performance and an estimate of future long-term rates of return on assets similar to those in our plans. We consult with and consider the opinions of financial and other professionals in developing appropriate return assumptions. The rate of compensation increase is based on managements' estimates using historical experience and expected increases in rates.

Net actuarial gains or losses are amortized to expense on a plan-by-plan basis when they exceed the accounting corridor, which is set at 10% of the greater of the plan assets or benefit obligations. Gains or losses outside of the corridor are subject to amortization over an average employee future service period that differs by plan. If substantially all of the plan's participants are no longer actively accruing benefits, the average life expectancy is used.

In the fourth quarter of 2016, we adopted a change in the method to be used to estimate the service and interest cost components of net periodic benefit cost for defined benefit pension plans. Historically, for the vast majority of its plans, the service and interest cost components were estimated using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Beginning in 2017, we will use a spot rate approach by applying the specific spot rates along the yield curve to the relevant projected cash flows in the estimation of the service and interest components of benefit cost, resulting in a more precise measurement. This change does not affect the measurement of total benefit obligations. The change will be accounted for as a change in estimate that is inseparable from a change in accounting principle and, accordingly, will be accounted for prospectively starting in fiscal year 2017. The spot rates used to determine service and interest costs ranged from 2.4 percent to 3.3 percent for the U.S. pension plans and 0.9 percent to 2.6 percent for the non-U.S. pension plans. The reductions in service and interest costs for 2017 associated with this change in estimate are expected to be \$1,000 and \$3,200, respectively.

The allocation of pension plan assets as of October 31, 2016 and 2015 is as follows:

Asset Category	United States		International	
	2016	2015	2016	2015
Equity securities	15%	19%	—%	—%
Debt securities	31	29	—	—
Insurance contracts	—	—	59	54
Pooled investment funds	53	51	39	46
Other	1	1	2	—
Total	100%	100%	100%	100%

Our investment objective for defined benefit plan assets is to meet the plans' benefit obligations, while minimizing the potential for future required plan contributions.

Our United States plans comprise 90 percent of the worldwide pension assets. In general, the investment strategies focus on asset class diversification, liquidity to meet benefit payments and an appropriate balance of long-term investment return and risk. Target ranges for asset allocations are determined by dynamically matching the actuarial projections of the plans' future liabilities and benefit payments with expected long-term rates of return on the assets, taking into account investment return volatility and correlations across asset classes. For 2016, the target in "return-seeking assets" is 40 percent and 60 percent in fixed income. Plan assets are diversified across several investment managers and are invested in liquid funds that are selected to track broad market indices. Investment risk is carefully controlled with plan assets rebalanced to target allocations on a periodic basis and continual monitoring of investment managers' performance relative to the investment guidelines established with each investment manager.

Our international plans comprise 10 percent of the worldwide pension assets. Asset allocations are developed on a country-specific basis. Our investment strategy is to cover pension obligations with insurance contracts or to employ independent managers to invest the assets.

The fair values of our pension plan assets at October 31, 2016 by asset category are in the table below:

	United States				International			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash	\$ 896	\$ 896	\$ —	\$ —	\$ 798	\$ 798	\$ —	\$ —
Money market funds	2,471	2,471	—	—	—	—	—	—
Equity securities:								
Basic materials	2,144	2,144	—	—	—	—	—	—
Consumer goods	3,457	3,457	—	—	—	—	—	—
Financial	5,930	5,930	—	—	—	—	—	—
Healthcare	3,344	3,344	—	—	—	—	—	—
Industrial goods	2,671	2,671	—	—	—	—	—	—
Technology	3,490	3,490	—	—	—	—	—	—
Utilities	857	857	—	—	—	—	—	—
Mutual funds	27,220	27,220	—	—	—	—	—	—
Fixed income securities:								
U.S. Government	38,466	6,888	31,578	—	—	—	—	—
Corporate	63,077	—	63,077	—	—	—	—	—
Other	3,403	—	3,403	—	—	—	—	—
Other types of investments:								
Insurance contracts	—	—	—	—	20,927	—	—	20,927
Real estate collective funds	20,402	—	—	20,402	—	—	—	—
Pooled investment funds	155,247	—	155,247	—	13,879	—	13,879	—
Other	792	792	—	—	—	—	—	—
	<u>\$ 333,867</u>	<u>\$ 60,160</u>	<u>\$ 253,305</u>	<u>\$ 20,402</u>	<u>\$ 35,604</u>	<u>\$ 798</u>	<u>\$ 13,879</u>	<u>\$ 20,927</u>

The fair values of our pension plan assets at October 31, 2015 by asset category are in the table below:

	United States				International			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash	\$ 1,781	\$ 1,781	\$ —	\$ —	\$ 8	\$ 8	\$ —	\$ —
Money market funds	4,286	4,286	—	—	—	—	—	—
Equity securities:								
Basic materials	2,705	2,705	—	—	—	—	—	—
Consumer goods	4,173	4,173	—	—	—	—	—	—
Financial	6,989	6,989	—	—	—	—	—	—
Healthcare	3,436	3,436	—	—	—	—	—	—
Industrial goods	3,105	3,105	—	—	—	—	—	—
Technology	4,080	4,080	—	—	—	—	—	—
Utilities	822	822	—	—	—	—	—	—
Mutual funds	28,112	28,112	—	—	—	—	—	—
Fixed income securities:								
U.S. Government	29,219	7,276	21,943	—	—	—	—	—
Corporate	54,224	—	54,224	—	—	—	—	—
Other	1,546	—	1,546	—	—	—	—	—
Other types of investments:								
Insurance contracts	—	—	—	—	20,432	—	—	20,432
Real estate collective funds	18,827	—	—	18,827	—	—	—	—
Pooled investment funds	131,347	—	131,347	—	17,033	—	17,033	—
Other	668	668	—	—	—	—	—	—
	<u>\$ 295,320</u>	<u>\$ 67,433</u>	<u>\$ 209,060</u>	<u>\$ 18,827</u>	<u>\$ 37,473</u>	<u>\$ 8</u>	<u>\$ 17,033</u>	<u>\$ 20,432</u>

These investment funds did not own a significant number of shares of Nordson Corporation common stock for any year presented.

The inputs and methodology used to measure fair value of plan assets are consistent with those described in Note 12. Following are the valuation methodologies used to measure these assets:

- **Money market funds** - Money market funds are public investment vehicles that are valued with a net asset value of one dollar. This is a quoted price in an active market and is classified as Level 1.
- **Equity securities** - Common stocks are valued at the closing price reported on the active market on which the individual securities are traded and are classified as Level 1. Mutual funds are valued at the net asset values of the shares at year-end, as determined by the closing price reported on the active market on which the individual securities are traded and are classified as Level 1.
- **Fixed income securities** - U.S. Treasury bills reflect the closing price on the active market in which the securities are traded and are classified as Level 1. Securities of U.S. agencies are valued using bid evaluations and are classified as Level 2. Corporate fixed income securities are valued using evaluated prices, such as dealer quotes, bids and offers and are therefore classified as Level 2.
- **Insurance contracts** - Insurance contracts are investments with various insurance companies. The contract value represents the best estimate of fair value. These contracts do not hold any specific assets. These investments are classified as Level 3.
- **Real estate collective funds** - These funds are valued at the estimated fair value of the underlying properties. Estimated fair value is calculated using a combination of key inputs, such as revenue and expense growth rates, terminal capitalization rates and discount rates. These investments are classified as Level 3.
- **Pooled investment funds** - These are public investment vehicles valued using the net asset value. The net asset value is based on the value of the assets owned by the plan, less liabilities. These investments are not quoted on an active exchange and are classified as Level 2.

The following tables present an analysis of changes during the years ended October 31, 2016 and 2015 in Level 3 plan assets, by plan asset class, for U.S. and International pension plans using significant unobservable inputs to measure fair value:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Real estate collective funds	Insurance contracts	Total
Beginning balance at October 31, 2015	\$ 18,827	\$ 20,432	\$ 39,259
Actual return on plan assets:			
Assets held, end of year	1,720	1,683	3,403
Assets sold during the period	49	—	49
Purchases	—	2,799	2,799
Sales	(194)	(2,140)	(2,334)
Foreign currency translation	—	(1,847)	(1,847)
Ending balance at October 31, 2016	<u>\$ 20,402</u>	<u>\$ 20,927</u>	<u>\$ 41,329</u>

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Real estate collective funds	Insurance contracts	Total
Beginning balance at October 31, 2014	\$ 16,495	\$ 23,174	\$ 39,669
Actual return on plan assets:			
Assets held, end of year	2,469	724	3,193
Assets sold during the period	36	7	43
Purchases	—	3,769	3,769
Sales	(173)	(5,763)	(5,936)
Foreign currency translation	—	(1,479)	(1,479)
Ending balance at October 31, 2015	<u>\$ 18,827</u>	<u>\$ 20,432</u>	<u>\$ 39,259</u>

Contributions to pension plans in 2017 are estimated to be approximately \$18,000.

Retiree pension benefit payments, which reflect expected future service, are anticipated to be paid as follows:

Year	United States	International
2017	\$ 13,103	\$ 1,456
2018	14,145	2,208
2019	15,347	3,815
2020	16,616	2,423
2021	17,925	2,588
2022-2026	109,799	16,433

Other postretirement plans - We sponsor an unfunded postretirement health care benefit plan covering certain of our United States employees. Employees hired after January 1, 2002, are not eligible to participate in this plan. For eligible retirees under the age of 65 who enroll in the plan, the plan is contributory in nature, with retiree contributions in the form of premiums that are adjusted annually. For eligible retirees age 65 and older who enroll in the plan, the plan delivers a benefit in the form of a Health Reimbursement Account (HRA), which retirees use for eligible reimbursable expenses, including premiums paid for purchase of a Medicare supplement plan or other out-of-pocket medical expenses such as deductibles or co-pays.

A reconciliation of the benefit obligations, accrued benefit cost and the amount recognized in financial statements for other postretirement plans is as follows:

	United States		International	
	2016	2015	2016	2015
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 68,315	\$ 69,479	\$ 524	\$ 897
Service cost	849	979	16	29
Interest cost	2,923	2,946	23	35
Participant contributions	446	412	—	—
Foreign currency exchange rate change	—	—	(14)	(111)
Actuarial (gain) loss	1,818	(3,677)	81	(321)
Benefits paid	(2,447)	(1,824)	(7)	(5)
Benefit obligation at end of year	\$ 71,904	\$ 68,315	\$ 623	\$ 524
Change in plan assets:				
Beginning fair value of plan assets	\$ —	\$ —	\$ —	\$ —
Company contributions	2,001	1,412	7	5
Participant contributions	446	412	—	—
Benefits paid	(2,447)	(1,824)	(7)	(5)
Ending fair value of plan assets	\$ —	\$ —	\$ —	\$ —
Funded status at end of year	\$ (71,904)	\$ (68,315)	\$ (623)	\$ (524)
Amounts recognized in financial statements:				
Accrued benefit liability	\$ (2,123)	\$ (2,142)	\$ (7)	\$ (7)
Long-term postretirement obligations	(69,781)	(66,173)	(616)	(517)
Total amount recognized in financial statements	\$ (71,904)	\$ (68,315)	\$ (623)	\$ (524)
	United States		International	
	2016	2015	2016	2015
Amounts recognized in accumulated other comprehensive (gain) loss:				
Net actuarial (gain) loss	\$ 18,786	\$ 17,652	\$ (265)	\$ (379)
Prior service credit	(306)	(573)	—	—
Accumulated other comprehensive (gain) loss	\$ 18,480	\$ 17,079	\$ (265)	\$ (379)
Amounts expected to be recognized during next fiscal year:				
Amortization of net actuarial (gain) loss	\$ 917	\$ 847	\$ (17)	\$ (25)
Amortization of prior service cost (credit)	(164)	(267)	—	—
Total	\$ 753	\$ 580	\$ (17)	\$ (25)

The following table summarizes the changes in accumulated other comprehensive (gain) loss:

	United States		International	
	2016	2015	2016	2015
Balance at beginning of year	\$ 17,079	\$ 21,422	\$ (379)	\$ (86)
Net (gain) loss arising during the year	1,818	(3,677)	81	(321)
Net gain (loss) recognized during the year	(684)	(1,104)	25	—
Prior service credit recognized during the year	267	438	—	—
Exchange rate effect during the year	—	—	8	28
Balance at end of year	<u>\$ 18,480</u>	<u>\$ 17,079</u>	<u>\$ (265)</u>	<u>\$ (379)</u>

Net postretirement benefit costs include the following components:

	United States			International		
	2016	2015	2014	2016	2015	2014
Service cost	\$ 849	\$ 979	\$ 1,037	\$ 16	\$ 29	\$ 28
Interest cost	2,923	2,946	3,062	23	35	38
Amortization of prior service credit	(267)	(438)	(449)	—	—	—
Amortization of net actuarial (gain) loss	684	1,104	1,435	(24)	—	(13)
Total benefit cost	<u>\$ 4,189</u>	<u>\$ 4,591</u>	<u>\$ 5,085</u>	<u>\$ 15</u>	<u>\$ 64</u>	<u>\$ 53</u>

The weighted average assumptions used in the valuation of postretirement benefits were as follows:

	United States			International		
	2016	2015	2014	2016	2015	2014
Assumptions used to determine benefit obligations at October 31:						
Discount rate	4.05%	4.50%	4.40%	3.40%	4.35%	4.25%
Health care cost trend rate	3.63	3.72	3.93	6.13	6.31	6.48
Rate to which health care cost trend rate is assumed to decline (ultimate trend rate)	3.24	3.27	3.41	3.50	3.50	3.50
Year the rate reaches the ultimate trend rate	2026	2025	2024	2031	2031	2031
Assumption used to determine net benefit costs for the years ended October 31:						
Discount rate	4.50%	4.40%	4.80%	4.35%	4.25%	4.95%

The weighted average health care trend rates reflect expected increases in the Company's portion of the obligation.

Net actuarial gains or losses are amortized to expense on a plan-by-plan basis when they exceed the accounting corridor, which is set at 10% of the greater of the plan assets or benefit obligations. Gains or losses outside of the corridor are subject to amortization over an average employee future service period that differs by plan. If substantially all of the plan's participants are no longer actively accruing benefits, the average life expectancy is used.

Similar to the changes in the discount rate approach discussed for the pension plans above, beginning in 2017 we elected to use an approach that discounts the individual expected cash flows underlying interest and service costs using the applicable spot rates derived from the yield curve used to determine the benefit obligation to the relevant projected cash flows. The spot rates used to determine service and interest costs ranged from 3.2 percent to 3.3 percent for the postretirement benefit plans. Based on current economic conditions, the Company estimates that the service cost and interest cost in 2017 will be reduced by approximately \$100 and \$500, respectively. The Company has accounted for this change in estimate that is inseparable from a change in accounting principle on a prospective basis.

A one-percentage point change in the assumed health care cost trend rate would have the following effects. Bracketed numbers represent decreases in expense and obligation amounts.

	United States		International	
	1% Point Increase	1% Point Decrease	1% Point Increase	1% Point Decrease
Health care trend rate:				
Effect on total service and interest cost components in 2016	\$ 628	\$ (495)	\$ 10	\$ (8)
Effect on postretirement obligation as of October 31, 2016	\$ 11,024	\$ (8,836)	\$ 146	\$ (113)

Contributions to postretirement plans in 2017 are estimated to be approximately \$2,100.

Retiree postretirement benefit payments are anticipated to be paid as follows:

Year	United States	International
2017	\$ 2,123	\$ 7
2018	2,310	10
2019	2,442	11
2020	2,663	12
2021	2,904	11
2022-2026	17,542	84

Note 8 — Income taxes

Income tax expense includes the following:

	2016	2015	2014
Current:			
U.S. federal	\$ 44,156	\$ 36,875	\$ 52,985
State and local	2,256	1,623	1,900
Foreign	53,836	49,153	47,366
Total current	100,248	87,651	102,251
Deferred:			
U.S. federal	(2,334)	4,950	8,695
State and local	563	1,031	(1,635)
Foreign	(1,826)	(3,881)	(3,571)
Total deferred	(3,597)	2,100	3,489
	<u>\$ 96,651</u>	<u>\$ 89,751</u>	<u>\$ 105,740</u>

Earnings before income taxes of domestic operations, which are calculated after intercompany profit eliminations, were \$156,723, \$140,044 and \$184,894 in 2016, 2015 and 2014, respectively.

On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 was enacted which retroactively reinstated the Federal Research and Development Tax Credit (Federal R&D Tax Credit) as of January 1, 2015, and made it permanent. As a result, our income tax provision for 2016 includes a discrete tax benefit of \$2,200 related to 2015. The tax rate for 2016 also includes a discrete tax benefit of \$6,154 related to dividends paid from previously taxed foreign earnings generated prior to 2015, and a benefit of \$2,682 related to the effective settlement of a tax exam.

On December 19, 2014, the Tax Increase Prevention Act of 2014 was enacted which retroactively reinstated the Federal Research and Development Tax Credit (Federal R&D Tax Credit) from January 1, 2014 to December 31, 2014 and extended certain other tax provisions. As a result, our income tax provision for 2015 included discrete tax benefits of \$2,486 primarily related to 2014.

A reconciliation of the U.S. statutory federal rate to the worldwide consolidated effective tax rate follows:

	2016	2015	2014
Statutory federal income tax rate	35.00%	35.00%	35.00%
Domestic Production Deduction	(1.43)	(1.47)	(1.74)
Foreign tax rate variances, net of foreign tax credits	(4.59)	(3.25)	(3.42)
State and local taxes, net of federal income tax benefit	0.50	0.43	0.05
Amounts related to prior years	(1.20)	(1.04)	(0.24)
Tax benefit from previously taxed dividends paid	(1.67)	—	—
Other – net	(0.38)	0.16	0.35
Effective tax rate	26.23%	29.83%	30.00%

The Domestic Production Deduction, enacted by the American Jobs Creation Act of 2004, allows a deduction with respect to income from certain United States manufacturing activities.

Earnings before income taxes of international operations, which are calculated before intercompany profit elimination entries, were \$211,771, \$160,818 and \$167,619 in 2016, 2015 and 2014, respectively. Deferred income taxes are not provided on undistributed earnings of international subsidiaries that are intended to be permanently invested in their operations. These undistributed earnings represent the post-income tax earnings under U.S. GAAP not adjusted for previously taxed income which aggregated approximately \$757,501 and \$712,913 at October 31, 2016 and 2015, respectively. Should these earnings be distributed, applicable foreign tax credits, distributions of previously taxed income, and utilization of other attributes would substantially offset taxes due upon the distribution. It is not practical to estimate the amount of additional taxes that might be payable on such undistributed earnings.

At October 31, 2016 and 2015, total unrecognized tax benefits were \$3,336 and \$6,258, respectively. The amounts that, if recognized, would impact the effective tax rate were \$2,775 and \$5,650 at October 31, 2016 and 2015, respectively. During 2016, unrecognized tax benefits related primarily to foreign positions and, as recognized, a substantial portion of the gross unrecognized tax benefits were offset against assets recorded in the Consolidated Balance Sheet. A reconciliation of the beginning and ending amount of unrecognized tax benefits for 2016, 2015 and 2014 is as follows:

	2016	2015	2014
Balance at beginning of year	\$ 6,258	\$ 5,812	\$ 5,717
Additions based on tax positions related to the current year	522	288	196
Additions for tax positions of prior years	310	331	319
Reductions for tax positions of prior years	(140)	(28)	—
Settlements	(3,091)	—	(110)
Lapse of statute of limitations	(523)	(145)	(310)
Balance at end of year	\$ 3,336	\$ 6,258	\$ 5,812

At October 31, 2016 and 2015, we had accrued interest and penalty expense related to unrecognized tax benefits of \$541 and \$2,664, respectively. We include interest accrued related to unrecognized tax benefits in interest expense. Penalties, if incurred, would be recognized as other income (expense).

We are subject to United States Federal income tax as well as income taxes in numerous state and foreign jurisdictions. We are subject to examination in the U.S. by the Internal Revenue Service (IRS) for the 2013 through 2016 tax years; tax years prior to the 2013 year are closed to further examination by the IRS. Generally, major state and foreign jurisdiction tax years remain open to examination for tax years after 2010. Within the next twelve months, it is reasonably possible that certain statute of limitations periods would expire, which could result in a minimal decrease in our unrecognized tax benefits.

Significant components of deferred tax assets and liabilities are as follows:

	2016	2015
Deferred tax assets:		
Employee benefits	\$ 93,837	\$ 84,651
Other accruals not currently deductible for taxes	16,861	17,259
Tax credit and loss carryforwards	11,111	9,242
Inventory adjustments	7,915	6,591
Total deferred tax assets	129,724	117,743
Valuation allowance	(8,304)	(6,768)
Total deferred tax assets	121,420	110,975
Deferred tax liabilities:		
Depreciation and amortization	171,209	171,234
Other - net	1,366	196
Total deferred tax liabilities	172,575	171,430
Net deferred tax liabilities	\$ (51,155)	\$ (60,455)

At October 31, 2016, we had \$4,112 of tax credit carryforwards of which \$103 will expire in 2017 through 2022, and \$4,009 of which has an indefinite carryforward period. We also had \$5,273 Federal, \$73,809 state and \$16,121 foreign operating loss carryforwards, of which \$79,616 will expire in 2017 through 2036, and \$15,587 of which has an indefinite carryforward period. The net change in the valuation allowance was an increase of \$1,537 in 2016 and a decrease of \$904 in 2015. The valuation allowance of \$8,304 at October 31, 2016, related primarily to tax credits and loss carryforwards that may expire before being realized. We continue to assess the need for valuation allowances against deferred tax assets based on determinations of whether it is more likely than not that deferred tax benefits will be realized.

Note 9 — Notes payable

Bank lines of credit and notes payable are summarized as follows:

	2016	2015
Maximum borrowings under bank lines of credit (all foreign banks)	\$ 61,519	\$ 45,102
Outstanding notes payable (all foreign bank debt)	2,141	1,108
Weighted-average interest rate on notes payable	4.35%	2.75%
Unused bank lines of credit	\$ 59,378	\$ 43,994

In 2014, we entered into a 364-day unsecured credit facility with PNC Bank National Association. In August 2014, we borrowed \$100,000 under this facility to partially fund the Avalon acquisition. In January 2015, we amended the agreement and borrowed an additional \$50,000 to fund daily operations. In April 2015, we paid down \$100,000 of the \$150,000 outstanding. In May 2015, we paid down the remaining \$50,000 outstanding.

Note 10 — Long-term debt

A summary of long-term debt is as follows:

	2016	2015
Revolving credit agreement, due 2020	\$ 244,680	\$ 457,025
Senior notes, due 2017-2025	200,000	200,000
Senior notes, due 2019-2027	100,000	100,000
Term loan, due 2018-2020	200,000	200,000
Euro loan, due 2019	79,389	77,042
Euro loan, due 2016	—	11,501
Private shelf facility, due 2017-2026	157,222	67,778
Development loans, due 2017-2026	1,344	1,467
Other	11	672
	<u>982,646</u>	<u>1,115,485</u>
Less current maturities	<u>38,093</u>	<u>22,842</u>
Long-term maturities	<u>\$ 944,553</u>	<u>\$ 1,092,643</u>

Revolving credit agreement — This \$600,000 unsecured multi-currency revolving credit agreement is with a group of banks and expires in February 2020. Payment of quarterly fees is required. The interest rate is variable based upon the LIBOR rate. The weighted average interest rate for borrowings under this agreement was 1.53 percent at October 31, 2016.

Senior notes, due 2017-2025 — These fixed-rate notes entered into in 2012 with a group of insurance companies had a remaining weighted-average life of 4.51 years. The weighted-average interest rate at October 31, 2016 was 2.93 percent.

Senior notes, due 2019-2027 — These fixed-rate notes entered into in 2015 with a group of insurance companies had a remaining weighted-average life of 7.24 years. The weighted-average interest rate at October 31, 2016 was 3.04 percent.

Term loan, due 2018-2020 — In 2015, we entered into a \$200,000 term loan facility with a group of banks. The interest rate is variable based upon the LIBOR rate. \$100,000 is due in three years with a weighted-average interest rate of 1.53 percent and \$100,000 is due in five years with a weighted-average interest rate of 1.63 percent.

Euro loan, due 2019 — This Euro denominated loan was entered into in 2015 with Bank of America Merrill Lynch International Limited. It can be extended by one year at the end of the third and fourth anniversaries. The loan was amended in 2016 to extend the term by one year and increase the principal amount. The interest rate is variable based upon the EUR LIBOR rate. The weighted average interest rate at October 31, 2016 was 1.00 percent.

Euro loan, due 2016 — This Euro denominated loan was entered into in 2013 with The Bank of Tokyo-Mitsubishi UFJ, Ltd. It could be extended by one year at the end of the third and fourth anniversaries. The interest rate was variable based upon the EUR LIBOR rate. We paid down the remaining balance of the loan in 2016.

Private shelf facility — In 2011, we entered into a \$150,000 three-year Private Shelf Note agreement with New York Life Investment Management LLC (NYLIM). The amount of the facility was increased to \$180,000 in 2015, and then increased to \$200,000 in 2016. Borrowings under the agreement may be up to 12 years and are unsecured. The interest rate on each borrowing is fixed based upon the market rate at the borrowing date or is variable based upon the LIBOR rate. At October 31, 2016, the amount outstanding under this facility was at fixed rates of 2.21 percent and 2.56 percent and at variable rates of 1.78 percent and 2.12 percent.

Development loans, due 2011-2026 — These fixed-rate loans with the State of Ohio and Cuyahoga County, Ohio were issued in 2011 in connection with the construction of our corporate headquarters building and are payable in monthly installments over 15 years beginning in 2011. The interest rate on the State of Ohio loan is 3.00 percent, and the interest rate on the Cuyahoga County loan is 3.50 percent.

Annual maturities — The annual maturities of long-term debt for the five years subsequent to October 31, 2016, are as follows: \$38,093 in 2017; \$126,587 in 2018; and \$108,123 in 2019; \$413,418 in 2020 and \$38,187 in 2021.

Note 11 — Leases

We have lease commitments expiring at various dates, principally for manufacturing, warehouse and office space, automobiles and office equipment. Many leases contain renewal options and some contain purchase options and residual guarantees.

Rent expense for all operating leases was approximately \$18,047, \$15,721 and \$15,135 in 2016, 2015 and 2014, respectively.

Amortization of assets recorded under capital leases is recorded in depreciation expense.

Assets held under capitalized leases and included in property, plant and equipment are as follows:

	2016	2015
Transportation equipment	\$ 15,991	\$ 15,614
Other	8,240	10,070
Total capitalized leases	24,231	25,684
Accumulated amortization	(10,235)	(10,743)
Net capitalized leases	<u>\$ 13,996</u>	<u>\$ 14,941</u>

At October 31, 2016, future minimum lease payments under non-cancelable capitalized and operating leases are as follows:

	Capitalized Leases	Operating Leases
Year:		
2017	\$ 5,966	\$ 13,725
2018	4,077	9,559
2019	2,258	8,279
2020	899	5,965
2021	647	4,742
Later years	5,383	11,295
Total minimum lease payments	19,230	\$ 53,565
Less amount representing executory costs	1,722	
Net minimum lease payments	17,508	
Less amount representing interest	3,350	
Present value of net minimum lease payments	14,158	
Less current portion	4,444	
Long-term obligations at October 31, 2016	<u>\$ 9,714</u>	

Note 12 — Fair value measurements

The inputs to the valuation techniques used to measure fair value are classified into the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following table presents the classification of our assets and liabilities measured at fair value on a recurring basis at October 31, 2016:

	Total	Level 1	Level 2	Level 3
Assets:				
Foreign currency forward contracts (a)	\$ 2,805	\$ —	\$ 2,805	\$ —
Total assets at fair value	<u>\$ 2,805</u>	<u>\$ —</u>	<u>\$ 2,805</u>	<u>\$ —</u>
Liabilities:				
Deferred compensation plans (b)	\$ 9,837	\$ —	\$ 9,837	\$ —
Foreign currency forward contracts (a)	2,844	—	2,844	—
Total liabilities at fair value	<u>\$ 12,681</u>	<u>\$ —</u>	<u>\$ 12,681</u>	<u>\$ —</u>

- (a) We enter into foreign currency forward contracts to reduce the risk of foreign currency exposures resulting from receivables, payables, intercompany receivables, intercompany payables and loans denominated in foreign currencies. Foreign exchange contracts are valued using market exchange rates. These foreign exchange contracts are not designated as hedges.
- (b) Executive officers and other highly compensated employees may defer up to 100 percent of their salary and annual cash incentive compensation and for executive officers, up to 90 percent of their long-term incentive compensation, into various non-qualified deferred compensation plans. Deferrals can be allocated to various market performance measurement funds. Changes in the value of compensation deferred under these plans are recognized each period based on the fair value of the underlying measurement funds.

Fair value disclosures related to goodwill and indefinite-lived intangible assets are disclosed in Note 6.

Note 13 — Financial instruments

We operate internationally and enter into intercompany transactions denominated in foreign currencies. Consequently, we are subject to market risk arising from exchange rate movements between the dates foreign currency transactions occur and the dates they are settled. We regularly use foreign currency forward contracts to reduce our risks related to most of these transactions. These contracts usually have maturities of 90 days or less and generally require us to exchange foreign currencies for U.S. dollars at maturity, at rates stated in the contracts. These contracts are not designated as hedging instruments under U.S. GAAP. Accordingly, the changes in the fair value of the foreign currency forward contracts are recognized in each accounting period in “other – net” on the Consolidated Statement of Income together with the transaction gain or loss from the related balance sheet position. In 2016, we recognized net gains of \$2,317 on foreign currency forward contracts and net losses of \$312 from the change in fair value of balance sheet positions. In 2015, we recognized net losses of \$3,866 on foreign currency forward contracts and net gains of \$3,862 from the change in fair value of balance sheet positions. In 2014, we recognized net losses of \$826 on foreign currency forward contracts and net gains of \$348 from the change in fair value of balance sheet positions.

The following table summarizes, by currency, the contracts outstanding at October 31, 2016 and 2015:

	Sell		Buy	
	Notional Amounts	Fair Market Value	Notional Amounts	Fair Market Value
October 31, 2016 contract amounts:				
Euro	\$ 107,860	\$ 105,635	\$ 51,377	\$ 50,495
Pound sterling	36,692	36,125	37,473	36,302
Japanese yen	31,844	31,000	23,998	23,185
Australian dollar	380	380	8,096	8,095
Hong Kong dollar	1,702	1,702	79,516	79,411
Singapore dollar	1,031	995	12,062	11,735
Others	1,863	1,832	32,511	32,066
Total	\$ 181,372	\$ 177,669	\$ 245,033	\$ 241,289
October 31, 2015 contract amounts:				
Euro	\$ 182,503	\$ 180,406	\$ 188,021	\$ 184,174
Pound sterling	55,234	55,543	37,714	37,513
Japanese yen	17,046	17,067	13,646	13,706
Australian dollar	—	—	7,120	6,981
Hong Kong dollar	—	—	59,734	59,739
Singapore dollar	858	857	11,519	11,561
Others	3,018	2,993	29,744	29,674
Total	\$ 258,659	\$ 256,866	\$ 347,498	\$ 343,348

We also use intercompany foreign currency transactions of a long-term investment nature to hedge the value of investment in wholly-owned subsidiaries. For hedges of the net investment in foreign operations, realized and unrealized gains and losses are shown in the cumulative translation adjustment account included in total comprehensive income. For 2016 and 2015, net gains of \$2,439 and \$427, respectively, were included in the cumulative translation adjustment account related to foreign denominated fixed-rate debt designated as a hedge of net investment in foreign operations.

We are exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments. These financial instruments include cash deposits and foreign currency forward contracts. We periodically monitor the credit ratings of these counterparties in order to minimize our exposure. Our customers represent a wide variety of industries and geographic regions. As of October 31, 2016, there were no significant concentrations of credit risk.

The carrying amounts and fair values of financial instruments, other than receivables and accounts payable, are shown in the table below. The carrying values of receivables and accounts payable approximate fair value due to the short-term nature of these instruments.

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 67,239	\$ 67,239	\$ 50,268	\$ 50,268
Notes payable	2,141	2,141	1,108	1,108
Long-term debt (including current portion)	982,646	992,060	1,115,485	1,113,140
Foreign currency forward contracts (net)	(39)	(39)	(2,356)	(2,356)

We used the following methods and assumptions in estimating the fair value of financial instruments:

- Cash, cash equivalents and notes payable are valued at their carrying amounts due to the relatively short period to maturity of the instruments.
- Long-term debt is valued by discounting future cash flows at currently available rates for borrowing arrangements with similar terms and conditions, which are considered to be Level 2 inputs under the fair value hierarchy.
- Foreign currency forward contracts are estimated using quoted exchange rates, which are considered to be Level 2 inputs under the fair value hierarchy.

Note 14 — Capital shares

Preferred — We have authorized 10,000 Series A convertible preferred shares without par value. No preferred shares were outstanding in 2016, 2015 or 2014.

Common — We have 160,000 authorized common shares without par value. At October 31, 2016 and 2015, there were 98,023 common shares issued. At October 31, 2016 and 2015, the number of outstanding common shares, net of treasury shares, was 57,307 and 57,358, respectively.

Common shares repurchased as part of publicly announced programs during 2016, 2015 and 2014 were as follows:

Year	Number of Shares	Total Amount	Average per Share
2016	447	\$ 31,877	\$ 71.37
2015	5,360	\$ 381,598	\$ 71.19
2014	2,224	\$ 163,584	\$ 73.55

Note 15 — Stock-based compensation

During the 2013 Annual Meeting of Shareholders, our shareholders approved the 2012 Stock Incentive and Award Plan (the “2012 Plan”). The 2012 Plan provides for the granting of stock options, stock appreciation rights, restricted stock, performance shares, stock purchase rights, stock equivalent units, cash awards and other stock or performance-based incentives. A maximum of 2,900 common shares is available for grant under the Plan.

Stock options — Nonqualified or incentive stock options may be granted to our employees and directors. Generally, options granted to employees may be exercised beginning one year from the date of grant at a rate not exceeding 25 percent per year and expire 10 years from the date of grant. For grants made prior to November 2012, vesting ceases upon retirement, death and disability, and unvested shares are forfeited. For grants made during or after November 2012, in the event of termination of employment due to early retirement or normal retirement at age 65, options granted within 12 months prior to termination are forfeited, and vesting continues post retirement for all other unvested options granted. In the event of disability or death, all unvested stock options fully vest. Termination for any other reason results in forfeiture of unvested options and vested options in certain circumstances. The amortized cost of options is accelerated if the retirement eligibility date occurs before the normal vesting date. Option exercises are satisfied through the issuance of treasury shares on a first-in, first-out basis. We recognized compensation expense related to stock options of \$7,874, \$8,772 and \$10,251 for 2016, 2015 and 2014, respectively. The increase in the 2014 expense was primarily related to accelerated amortization of the cost of options.

The following table summarizes activity related to stock options during 2016:

	Number of Options	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value	Weighted-Average Remaining Term
Outstanding at October 31, 2015	1,759	\$ 50.74		
Granted	490	\$ 70.91		
Exercised	(333)	\$ 35.12		
Forfeited or expired	(35)	\$ 69.23		
Outstanding at October 31, 2016	1,881	\$ 58.41	\$ 78,461	6.4 years
Vested at October 31, 2016 or expected to vest	1,861	\$ 58.27	\$ 77,925	6.4 years
Exercisable at October 31, 2016	996	\$ 45.90	\$ 54,031	4.7 years

Summarized information on currently outstanding options follows:

	Range of Exercise Price		
	\$14 - \$28	\$29 - \$44	\$45 - \$81
Number outstanding	236	434	1,211
Weighted-average remaining contractual life, in years	2.4	4.4	7.9
Weighted-average exercise price	\$ 22.68	\$ 41.49	\$ 71.44
Number exercisable	236	434	326
Weighted-average exercise price	\$ 22.68	\$ 41.49	\$ 68.53

As of October 31, 2016, there was \$5,498 of total unrecognized compensation cost related to nonvested stock options. That cost is expected to be amortized over a weighted average period of approximately 1.6 years.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. The fair value of each option grant was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	2016	2015	2014
Expected volatility	29.1%-30.4%	30.3%-39.5%	40.1%-44.7%
Expected dividend yield	1.54%	1.06%-1.10%	0.98%-1.03%
Risk-free interest rate	1.78%-1.90%	1.57%-1.85%	1.51%-1.79%
Expected life of the option (in years)	5.4-6.2	5.4-6.1	5.4-6.1

The weighted-average expected volatility used to value options granted in 2016, 2015 and 2014 was 29.6 percent, 34.3 percent and 44.5 percent, respectively.

Historical information was the primary basis for the selection of the expected volatility, expected dividend yield and the expected lives of the options. The risk-free interest rate was selected based upon yields of United States Treasury issues with terms equal to the expected life of the option being valued.

The weighted average grant date fair value of stock options granted during 2016, 2015 and 2014 was \$18.23, \$24.63 and \$27.92, respectively.

The total intrinsic value of options exercised during 2016, 2015 and 2014 was \$17,271, \$10,406 and \$17,223, respectively.

Cash received from the exercise of stock options for 2016, 2015 and 2014 was \$11,476, \$5,372 and \$7,013, respectively. The tax benefit realized from tax deductions from exercises for 2016, 2015 and 2014 was \$3,476, \$3,661 and \$6,385, respectively.

Restricted shares and restricted share units — We may grant restricted shares and/or restricted share units to our employees and directors. These shares or units may not be transferred for a designated period of time (generally one to three years) defined at the date of grant.

For employee recipients, in the event of termination of employment due to early retirement, restricted shares granted within 12 months prior to termination are forfeited, and other restricted shares vest on a pro-rata basis. In the event of termination of employment due to normal retirement at age 65, restricted shares granted within 12 months prior to termination are forfeited, and, for other restricted shares, the restriction period will lapse and the shares will vest and be transferable. Restrictions lapse in the event of a recipient's disability or death. Termination for any other reason prior to the lapse of any restrictions results in forfeiture of the shares.

For non-employee directors, all restrictions lapse in the event of disability or death. Termination of service as a director for any other reason within one year of date of grant results in a pro-rata vesting of shares or units.

As shares or units are issued, deferred stock-based compensation equivalent to the fair market value on the date of grant is expensed over the vesting period. Tax benefits arising from the lapse of restrictions are recognized when realized and credited to capital in excess of stated value.

The following table summarizes activity related to restricted shares during 2016:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted at October 31, 2015	53	\$ 73.23
Granted	30	\$ 70.80
Vested	(23)	\$ 69.17
Restricted at October 31, 2016	60	\$ 73.56

As of October 31, 2016, there was \$2,115 of unrecognized compensation cost related to restricted shares. The cost is expected to be amortized over a weighted average period of 1.7 years. The amount charged to expense related to restricted shares was \$1,963, \$1,840 and \$1,784 in 2016, 2015 and 2014, respectively. These amounts included common share dividends of \$60, \$51, and \$52 in 2016, 2015 and 2014, respectively.

The following table summarizes activity related to restricted share units in 2016:

	Number of Units	Weighted-Average Grant Date Fair Value
Restricted share units at October 31, 2015	0	\$ —
Granted	13	\$ 72.01
Vested	(13)	\$ 72.01
Restricted share units at October 31, 2016	0	\$ —

As of October 31, 2016, there was no remaining expense to be recognized related to outstanding restricted share units. The amount charged to expense related to restricted share units during 2016, 2015 and 2014 was \$974, \$972 and \$890, respectively.

Deferred directors' compensation — Non-employee directors may defer all or part of their cash and equity-based compensation until retirement. Cash compensation may be deferred as cash or as share equivalent units. Deferred cash amounts are recorded as liabilities, and share equivalent units are recorded as equity. Additional share equivalent units are earned when common share dividends are declared.

The following table summarizes activity related to director deferred compensation share equivalent units during 2016:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding at October 31, 2015	100	\$ 36.76
Deferrals	1	\$ 78.59
Restricted stock units vested	8	\$ 72.09
Dividend equivalents	1	\$ 77.95
Distributions	(11)	\$ 26.33
Outstanding at October 31, 2016	99	\$ 41.72

The amount charged to expense related to director deferred compensation was \$158, \$91 and \$101 in 2016, 2015 and 2014, respectively.

Performance share incentive awards — Executive officers and selected other key employees are eligible to receive common share-based incentive awards. Payouts, in the form of unrestricted common shares, vary based on the degree to which corporate financial performance exceeds predetermined threshold, target and maximum performance levels over three-year performance periods. No payout will occur unless certain threshold performance measures are exceeded.

The amount of compensation expense is based upon current performance projections for each three-year period and the percentage of the requisite service that has been rendered. The calculations are also based upon the grant date fair value determined using the closing market price of our common shares at the grant date, reduced by the implied value of dividends not to be paid. This value was \$67.69 per share for 2016, \$76.48 per share for 2015 and \$69.25 per share for 2014. The amounts charged to expense for executive officers and selected other key employees in 2016, 2015 and 2014 were \$7,083, \$3,459 and \$4,304, respectively. The cumulative amount recorded in shareholders' equity at October 31, 2016, and 2015 was \$10,951 and \$7,561, respectively.

Deferred compensation — Our executive officers and other highly compensated employees may elect to defer up to 100 percent of their base pay and cash incentive compensation and, for executive officers, up to 90 percent of their performance share incentive award payout each year. Additional share units are credited for quarterly dividends paid on our common shares. Expense related to dividends paid under this plan was \$219, \$179 and \$129 for 2016, 2015 and 2014, respectively.

Shares reserved for future issuance — At October 31, 2016, there were 2,664 of common shares reserved for future issuance through the exercise of outstanding options or rights.

Note 16 — Operating segments and geographic area data

We conduct business in three primary operating segments: Adhesive Dispensing Systems, Advanced Technology Systems, and Industrial Coating Systems. The composition of segments and measure of segment profitability is consistent with that used by our chief operating decision maker. The primary measure used by the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing performance is operating profit, which equals sales less cost of sales and certain operating expenses. Items below the operating profit line of the Consolidated Statement of Income (interest and investment income, interest expense and other income/expense) are excluded from the measure of segment profitability reviewed by our chief operating decision maker and are not presented by operating segment. The accounting policies of the segments are generally the same as those described in Note 1, Significant Accounting Policies.

No single customer accounted for 10 percent or more of sales in 2016, 2015 or 2014.

The following table presents information about our reportable segments:

	Adhesive Dispensing Systems	Advanced Technology Systems	Industrial Coating Systems	Corporate	Total
Year ended October 31, 2016					
Net external sales	\$ 879,573	\$ 676,329	\$ 253,092	\$ —	\$ 1,808,994
Depreciation	15,229	15,386	3,308	7,320	41,243
Operating profit (loss)	229,143 (a)	159,531 (b)	43,511 (c)	(43,754)	388,431
Identifiable assets (e)	751,153	1,080,711	140,169	465,424 (d)	2,437,457
Expenditures for long-lived assets	17,407	18,967	17,357	7,120	60,851
Year ended October 31, 2015					
Net external sales	\$ 836,066	\$ 593,858	\$ 258,742	\$ —	\$ 1,688,666
Depreciation	14,804	13,015	3,194	6,694	37,707
Operating profit (loss)	195,902 (a)	120,940 (b)	41,458 (c)	(40,570)	317,730
Identifiable assets (e)	734,145	1,021,221	130,421	486,852 (d)	2,372,639
Expenditures for long-lived assets	12,880	36,182	5,112	7,913	62,087
Year ended October 31, 2014					
Net external sales	\$ 899,696	\$ 561,784	\$ 242,541	\$ —	\$ 1,704,021
Depreciation	15,467	10,433	3,368	5,178	34,446
Operating profit (loss)	229,556 (a)	140,240 (b)	38,117 (c)	(40,808)	367,105
Identifiable assets (e)	747,063	919,052	130,624	495,676 (d)	2,292,415
Expenditures for long-lived assets	15,886	15,163	4,057	8,468	43,574

(a) Includes \$7,800, \$7,972 and \$1,731 of severance and restructuring costs in 2016, 2015 and 2014, respectively.

(b) Includes \$1,054, \$3,060 and \$579 of severance and restructuring costs 2016, 2015 and 2014, respectively.

(c) Includes \$1,921, \$379 and \$241 of severance and restructuring costs in 2016, 2015 and 2014, respectively.

(d) Corporate assets are principally cash and cash equivalents, deferred income taxes, capital leases, headquarter facilities, the major portion of our enterprise management system, and intangible assets.

(e) Operating segment identifiable assets include notes and accounts receivable net of customer advance payments and allowance for doubtful accounts, inventories net of reserves, property, plant and equipment net of accumulated depreciation and goodwill.

We have significant sales and long-lived assets in the following geographic areas:

	2016	2015	2014
Net external sales			
United States	\$ 531,117	\$ 529,893	\$ 503,776
Americas	124,657	129,325	120,993
Europe	503,869	462,565	494,538
Japan	122,054	107,797	127,057
Asia Pacific	527,297	459,086	457,657
Total net external sales	\$ 1,808,994	\$ 1,688,666	\$ 1,704,021
Long-lived assets			
United States	\$ 209,959	\$ 187,212	\$ 159,946
Americas	1,730	1,735	2,451
Europe	23,943	21,231	21,039
Japan	6,408	5,876	5,967
Asia Pacific	31,089	33,886	35,036
Total long-lived assets	\$ 273,129	\$ 249,940	\$ 224,439

A reconciliation of total segment operating income to total consolidated income before income taxes is as follows:

	2016	2015	2014
Total profit for reportable segments	\$ 388,431	\$ 317,730	\$ 367,105
Interest expense	(21,322)	(18,104)	(15,035)
Interest and investment income	728	558	581
Other-net	657	678	(138)
Income before income taxes	\$ 368,494	\$ 300,862	\$ 352,513

A reconciliation of total assets for reportable segments to total consolidated assets is as follows:

	2016	2015	2014
Total assets for reportable segments	\$ 2,437,457	\$ 2,372,639	\$ 2,292,415
Customer advance payments	26,175	22,884	25,578
Eliminations	(41,267)	(35,079)	(37,863)
Total consolidated assets	\$ 2,422,365	\$ 2,360,444	\$ 2,280,130

Note 17 — Supplemental information for the statement of cash flows

	2016	2015	2014
Cash operating activities:			
Interest paid	\$ 23,423	\$ 17,312	\$ 14,115
Income taxes paid	102,592	72,175	87,797
Non-cash investing and financing activities:			
Capitalized lease obligations incurred	\$ 5,639	\$ 5,562	\$ 8,584
Capitalized lease obligations terminated	1,033	672	864
Shares acquired and issued through exercise of stock options	212	445	—

Note 18 — Quarterly financial data (unaudited)

	First	Second	Third	Fourth
2016:				
Sales	\$ 372,220	\$ 437,592	\$ 489,899	\$ 509,283
Gross margin	196,907	248,405	273,220	274,967
Net income	41,161	70,601	84,214	75,867
Earnings per share:				
Basic	0.72	1.24	1.48	1.33
Diluted	0.72	1.23	1.46	1.31
2015:				
Sales	\$ 379,008	\$ 400,727	\$ 462,731	\$ 446,200
Gross margin	208,721	221,890	248,492	234,861
Net income	42,885	49,214	69,388	49,624
Earnings per share:				
Basic	0.69	0.81	1.15	0.84
Diluted	0.69	0.80	1.14	0.84

The sum of the per-share amounts for the four quarters may not always equal the annual per-share amounts due to differences in the average number of shares outstanding during the respective periods.

During the fourth quarter of 2016, we recorded pre-tax severance and restructuring costs of \$6,411.

During the third quarter of 2016, we recorded pre-tax severance and restructuring costs of \$1,714 and we recorded other expense of \$2,722 related to the reversal of an indemnification asset resulting from the effective settlement of a tax exam. Additionally, our income tax provision for the third quarter included a discrete tax benefit of \$1,651 related to the effective settlement of a tax exam.

During the second quarter of 2016, we recorded pre-tax severance and restructuring costs of \$1,633. Additionally, we recorded other income of \$800 related to a favorable litigation settlement and a \$1,192 favorable adjustment to unrecognized tax benefits related to the effective settlement of a tax exam. Furthermore, our income tax provision for the second quarter included a discrete tax benefit of \$1,136 related to the effective settlement of a tax exam.

During the first quarter of 2016, we recorded pre-tax severance and restructuring costs of \$1,017.

On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 was enacted which retroactively reinstated the Federal Research and Development Tax Credit (Federal R&D Tax Credit) as of January 1, 2015, and made it permanent. As a result, our income tax provision for the three months ended January 31, 2016 includes a discrete tax benefit of \$2,025 primarily related to 2015. Additionally, our income tax provision for the first quarter included a discrete tax benefit of \$6,184 related to dividends paid from previously taxed foreign earnings.

During the fourth quarter of 2015, we recorded pre-tax severance and restructuring costs of \$9,092. Additionally, we recorded other income of \$1,608 related to a favorable litigation settlement.

During the third quarter of 2015, we recorded pre-tax severance and restructuring costs of \$2,319.

During the first quarter of 2015, we recorded a pre-tax loss of \$1,572 related to a pension settlement.

On December 19, 2014, the Tax Increase Prevention Act of 2014 was enacted which retroactively reinstated the Federal R&D Tax Credit from January 1, 2014 to December 31, 2014 and extended certain other tax provisions. As a result, our income tax provision for the first quarter of 2015 included a discrete tax benefit of \$1,786 primarily related to 2014.

Note 19 — Contingencies

We are involved in pending or potential litigation regarding environmental, product liability, patent, contract, employee and other matters arising from the normal course of business. Including the environmental matter discussed below, after consultation with legal counsel, we believe that the probability is remote that losses in excess of the amounts we have accrued would have a material adverse effect on our financial condition, quarterly or annual operating results or cash flows.

Environmental – We have voluntarily agreed with the City of New Richmond, Wisconsin and other Potentially Responsible Parties to share costs associated with the remediation of the City of New Richmond municipal landfill (the “Site”) and constructing a potable water delivery system serving the impacted area down gradient of the Site. At October 31, 2016, and 2015 our accrual for the ongoing operation, maintenance and monitoring obligation at the Site was \$516 and \$565, respectively. The liability for environmental remediation represents management’s best estimate of the probable and reasonably estimable undiscounted costs related to known remediation obligations. The accuracy of our estimate of environmental liability is affected by several uncertainties such as additional requirements that may be identified in connection with remedial activities, the complexity and evolution of environmental laws and regulations, and the identification of presently unknown remediation requirements. Consequently, our liability could be different than our current estimate. However, we do not expect that the costs associated with remediation will have a material adverse effect on our financial condition or results of operations.

Management's Report on Internal Control Over Financial Reporting

The management of Nordson Corporation is responsible for establishing and maintaining adequate internal control over financial reporting.

Using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 framework), Nordson's management assessed the effectiveness of our internal control over financial reporting as of October 31, 2016.

We acquired LinkTech Quick Couplings, Inc. on September 1, 2016. It represented less than two percent of our total assets as of October 31, 2016. As the acquisition occurred during the last 12 months, the scope of our assessment of the effectiveness of internal control over financial reporting does not include LinkTech. This exclusion is in accordance with the SEC's general guidance that assessments of recently acquired businesses may be omitted from our scope in the year of acquisition.

Based on our assessment, management concluded that our internal control over financial reporting was effective as of October 31, 2016.

The independent registered public accounting firm, Ernst & Young LLP, has also audited the effectiveness of our internal control over financial reporting as of October 31, 2016. Their report is included herein.

/s/ Michael F. Hilton

President and
Chief Executive Officer
December 15, 2016

/s/ Gregory A. Thaxton

Senior Vice President, Chief Financial Officer
December 15, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Nordson Corporation

We have audited Nordson Corporation's internal control over financial reporting as of October 31, 2016, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Nordson Corporation'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 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. 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of LinkTech Quick Couplings, Inc. which is included in the 2016 consolidated financial statements of Nordson Corporation and constituted less than two percent of total assets as of October 31, 2016. Our audit of internal control over financial reporting of Nordson Corporation also did not include an evaluation of the internal control over financial reporting of LinkTech Quick Couplings, Inc.

In our opinion, Nordson Corporation maintained, in all material respects, effective internal control over financial reporting as of October 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Nordson Corporation as of October 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended October 31, 2016 of Nordson Corporation and our report dated December 15, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Ernst & Young LLP

Cleveland, Ohio
December 15, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Nordson Corporation

We have audited the accompanying consolidated balance sheets of Nordson Corporation as of October 31, 2016 and 2015 and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended October 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nordson Corporation at October 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Nordson Corporation's internal control over financial reporting as of October 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated December 15, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP

Cleveland, Ohio
December 15, 2016

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

None.

Item 9A. Controls and Procedures

- (a) Evaluation of disclosure controls and procedures. Our management, with the participation of the principal executive officer (president and chief executive officer) and the principal financial officer (senior vice president and chief financial officer), has reviewed and evaluated our disclosure controls and procedures (as defined in the Securities Exchange Act Rule 13a-15e) as of October 31, 2016. Based on that evaluation, our management, including the principal executive and financial officers, has concluded that our disclosure controls and procedures were effective as of October 31, 2016 in ensuring that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including the principal executive officer and the principal financial officer, as appropriate to allow timely decisions regarding required disclosure.
- (b) Management's report on internal control over financial reporting. The Report of Management on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon are set forth in Part II, Item 8 of this Annual Report on Form 10-K.
- (c) Changes in internal control over reporting. There were no changes in our internal controls over financial reporting that occurred during the fourth quarter of 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference to the captions “Election of Directors Whose Terms Expire in 2020” and “Section 16(a) Beneficial Ownership Reporting Compliance” of our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders. Information regarding Audit Committee financial experts is incorporated by reference to the caption “Election of Directors Whose Terms Expire in 2020” of our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders.

Our executive officers serve for a term of one year from date of election to the next organizational meeting of the board of directors and until their respective successors are elected and qualified, except in the case of death, resignation or removal. Information concerning executive officers is contained in Part I of this report under the caption “Executive Officers of the Company.”

We have adopted a code of ethics for all employees and directors, including the principal executive officer, other executive officers, principal finance officer and other finance personnel. A copy of the code of ethics is available free of charge on our Web site at <http://www.nordson.com/en/our-company/corporate-governance>. We intend to satisfy our disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to or waiver of a provision of our code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K by posting such information on our Web site.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the “Executive Compensation Discussion and Analysis” section of the definitive Proxy Statement for the 2017 Annual Meeting of Shareholders, along with the sections captioned “Directors Compensation,” “Summary Compensation Table,” “Grants of Plan-Based Awards,” “Outstanding Equity Awards at October 31, 2016,” “Option Exercises and Stock Vested Tables,” “Pension Benefits Table,” “Nonqualified Deferred Compensation” and “Potential Benefits Upon Termination” in our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders.

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

The information required by this Item is incorporated by reference to the caption “Security Ownership of Nordson Common Shares by Directors, Executive Officers and Large Beneficial Owners” in our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders.

Equity Compensation Table

The following table sets forth information regarding equity compensation plans in effect as of October 31, 2016:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first reporting column)
Equity compensation plans approved by security holders	1,881	\$ 58.41	5,000
Equity compensation plans not approved by security holders	—	—	—
Total	1,881	\$ 58.41	5,000

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

The information required by this Item is incorporated by reference to the caption “Review of Transactions with Related Persons” in our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference to the caption “Fees Paid to Ernst & Young LLP” in our definitive Proxy Statement for the 2017 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits and Financial Statement Schedule

The following are filed as part of this report:

(a) 1. Financial Statements

The following financial statements are included in Part II, Item 8:

Consolidated Statements of Income for each of the three years in the period ended October 31, 2016

Consolidated Statements of Comprehensive Income for each of the three years in the period ended October 31, 2016

Consolidated Balance Sheets as of October 31, 2016 and October 31, 2015

Consolidated Statements of Shareholders' Equity for each of the three years in the period ended October 31, 2016

Consolidated Statements of Cash Flows for each of the three years in the period ended October 31, 2016

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

(a) 2. Financial Statement Schedule

Schedule II Valuation and Qualifying Accounts and Reserves for each of the three years in the period ending October 31, 2016.

No other consolidated financial statement schedules are presented because the schedules are not required, because the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements, including the notes thereto.

(a) 3. Exhibits

The exhibits listed on the accompanying index to exhibits are filed as part of this Annual Report on Form 10-K.

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.

NORDSON CORPORATION

Date: December 15, 2016

By: /s/ Gregory A. Thaxton
Gregory A. Thaxton
Senior Vice President, Chief Financial Officer

Nordson Corporation 74

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Gregory A. Thaxton as his or her true and lawful attorney-in-fact and agent with full power to act alone, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

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>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael F. Hilton</u> Michael F. Hilton	Director, President and Chief Executive Officer (Principal Executive Officer)	December 15, 2016
<u>/s/ Gregory A. Thaxton</u> Gregory A. Thaxton	Senior Vice President, Chief Financial Officer (Principal Financial Officer) (Principal Accounting Officer)	December 15, 2016
<u>/s/ Joseph P. Keithley</u> Joseph P. Keithley	Chairman of the Board	December 15, 2016
<u>/s/ Lee C. Banks</u> Lee C. Banks	Director	December 15, 2016
<u>/s/ Randolph W. Carson</u> Randolph W. Carson	Director	December 15, 2016
<u>/s/ Arthur L. George, Jr.</u> Arthur L. George, Jr.	Director	December 15, 2016
<u>/s/ Frank M. Jaehnert</u> Frank M. Jaehnert	Director	December 15, 2016
<u>/s/ Michael J. Merriman, Jr.</u> Michael J. Merriman, Jr.	Director	December 15, 2016
<u>/s/ Mary G. Puma</u> Mary G. Puma	Director	December 15, 2016
<u>/s/ Victor L. Richey, Jr.</u> Victor L. Richey, Jr.	Director	December 15, 2016

Schedule II – Valuation and Qualifying Accounts and Reserves

	Balance at Beginning of Year	Assumed from Acquisitions	Charged to Expense	Deductions	Currency Effects	Balance at End of Year
Allowance for Doubtful Accounts						
2014	\$ 4,265	121	867	551	(215)	\$ 4,487
2015	\$ 4,487	178	1,014	773	(404)	\$ 4,502
2016	\$ 4,502	10	1,867	945	101	\$ 5,535
Inventory Obsolescence and Other Reserves						
2014	\$ 26,579	1,045	6,706	6,361	(1,225)	\$ 26,744
2015	\$ 26,744	333	9,154	6,741	(1,260)	\$ 28,230
2016	\$ 28,230	35	6,684	6,096	471	\$ 29,324

NORDSON CORPORATION

Index to Exhibits

(Item 15(a) (3))

Exhibit Number	Description
(3)	Articles of Incorporation and By-Laws
3-a	1989 Amended Articles of Incorporation (incorporated herein by reference to Exhibit 3-a to Registrant's Annual Report on Form 10-K for the year ended October 31, 2011)
3-a-1	Certificate of Amendment to 1989 Amended Articles of Incorporation (incorporated herein by reference to Exhibit 3-a-1 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2011)
3-b	1998 Amended Regulations
(4)	Instruments Defining the Rights of Security Holders, including indentures
4-b	Amended and Restated Note Purchase and Private Shelf Agreement for \$200 million between Nordson Corporation and New York Life Investment Management LLC dated as of September 30, 2016
4-c	\$500 million Credit Agreement dated December 9, 2011 between Nordson Corporation and various financial institutions (incorporated herein by reference to Exhibit 4.1 to Registrant's Form 8-K dated December 12, 2011)
4-e	Master Note Purchase Agreement dated July 26, 2012 between Nordson Corporation and the purchasers listed therein (incorporated herein by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2012)
4-g	Credit Agreement dated August 6, 2014 by and among Nordson Corporation, PNC Bank National Association and PNC Capital Markets LLC (incorporated herein by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2014)
4-h	Second Amended and Restated Credit Agreement dated February 20, 2015 between Nordson Corporation and various financial institutions (incorporated herein by reference to Exhibit 4.1 to Registrant's Form 8-K dated February 26, 2015)
4-i	\$200 million Term Loan Facility Agreement dated April 10, 2015 between Nordson Corporation and PNC Bank National Association (incorporated herein by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2015)
4-j	Master Note Purchase Agreement dated July 28, 2015 between Nordson Corporation and the purchasers listed therein (incorporated herein by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2015)
(10)	Material Contracts
10-b-1	Nordson Corporation 2005 Deferred Compensation Plan*
10-b-2	Nordson Corporation 2005 Deferred Compensation Plan (as Amended and Restated Effective January 1, 2009) (incorporated herein by reference to Exhibit 10-b-2 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-b-3	First amendment to the Nordson Corporation 2005 Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2016).

NORDSON CORPORATION**Index to Exhibits**

(Item 15(a) (3))

Exhibit Number	Description
10-c	Resolution of Board of Directors Authorizing Execution of Indemnification Agreements (incorporated herein by reference to Exhibit 10-c to Registrant's Annual Report on Form 10-K for the year ended October 31, 2013)*
10-c-1	Form of Indemnity Agreement between the Registrant and Directors, effective November 1, 2016*
10-c-2	Form of Indemnity Agreement between the Registrant and Executive Officers, effective November 1, 2016*
10-d-1	First Amendment to Nordson Corporation Excess Defined Contribution Retirement Plan (incorporated herein by reference to Exhibit 10-d-1 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2012)*
10-d-2	Nordson Corporation 2005 Excess Defined Contribution Benefit Plan (incorporated herein by reference to Exhibit 10-d-2 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2011)*
10-d-3	Nordson Corporation 2005 Excess Defined Contribution Retirement Plan (as Amended and Restated Effective January 1, 2009) (incorporated herein by reference to Exhibit 10-d-3 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-e-1	Second Amendment to Nordson Corporation Excess Defined Benefit Pension Plan (incorporated herein by reference to Exhibit 10-e-1 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2012)*
10-e-2	Nordson Corporation 2005 Excess Defined Benefit Pension Plan*
10-e-3	Nordson Corporation 2005 Excess Defined Benefit Pension Plan (as Amended and Restated Effective January 1, 2009) (incorporated herein by reference to Exhibit 10-e-3 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-g-1	Amended and Restated Nordson Corporation 2004 Long-Term Performance Plan (incorporated herein by reference to Exhibit 10-g-1 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2013)*
10-g-2	Nordson Corporation 2012 Stock Incentive and Award Plan (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K dated March 4, 2013)*
10-g-3	Nordson Corporation 2012 Stock Incentive and Award Plan, Form of Notice of Award – Key Employees (as amended November 24, 2014) (incorporated herein by reference to Exhibit 10-g-3 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-g-4	Nordson Corporation 2012 Stock Incentive and Award Plan, Form of Notice of Award – Executive Officers (as amended November 24, 2014) (incorporated herein by reference to Exhibit 10-g-4 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-g-5	Nordson Corporation 2012 Stock Incentive and Award Plan, Directors' Deferred Compensation Sub-Plan (incorporated herein by reference to Exhibit 10-g-5 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2013)*
10-g-6	Nordson Corporation 2012 Stock Incentive and Award Plan, Directors' Deferred Compensation Sub-Plan, Form of Notice of Award (incorporated herein by reference to Exhibit 10-g-6 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2013)*
10-h	Assurance Trust Agreement between Nordson Corporation and Key Trust Company of Ohio, N.A. amended and restated as of January 22, 2014 (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2014)
10-h-1	Form of Change in Control Retention Agreement between the Registrant and Executive Officers (incorporated herein by reference to Exhibit 10-h-1 to Registrant's Annual Report on Form 10-K for the year ended October 31, 2014)*
10-i	Compensation Committee Rules of the Nordson Corporation 2004 Long Term Performance Plan governing directors' deferred compensation*

NORDSON CORPORATION

Index to Exhibits

(Item 15(a) (3))

Exhibit Number	Description
10-j	Compensation Committee Rules of the Nordson Corporation Amended and Restated Nordson Corporation 2004 Long Term Performance Plan governing directors' deferred compensation*
10-m	Employment Agreement between Registrant and Michael F. Hilton (incorporated herein by reference to Exhibit 10-m to Registrant's Annual Report on Form 10-K for the year ended October 31, 2015)*
10-n	Employment Agreement (Change in Control Retention Agreement) between Registrant and Michael F. Hilton (incorporated herein by reference to Exhibit 10-n to Registrant's Annual Report on Form 10-K for the year ended October 31, 2015)*
10-o	Supplemental Retirement Agreement between the Registrant and Michael F. Hilton*
10-p	Stock Purchase Agreement by and among VP Acquisition Holdings, Inc., the Stockholders of VP Acquisition Holdings, Inc., the Optionholders of VP Acquisition Holdings, Inc., American Capital, Ltd., as Securityholder Representative, and Nordson Corporation dated as of July 15, 2011
10-q	Stock Purchase Agreement dated May 18, 2012 by and among Nordson Corporation and Bertram Growth Capital I, Bertram Growth Capital II, Bertram Growth Capital II-A, and EDI Holdings, Inc. (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2012)
10-r	Agreement and Plan of Merger by and among Xaloy Superior Holdings, Inc., Nordson Corporation, Buckeye Merger Corp. and Sellers' Representative dated as of June 2, 2012 (incorporated herein by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2012)
10-s	Sale and Purchase Agreement dated July 16, 2013 relating to Kreyenborg and BKG between Mr. Jan-Udo Kreyenborg, Kreyenborg Verwaltungen und Beteiligungen GmbH & Co. KG, Kreyenborg Verwaltungs-GmbH and Nordson Corporation (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2013)
10-t	Agreement and Primary Release of Claims dated June 24, 2014 between Registrant and Peter G. Lambert (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2014)
10-u	Agreement and Plan of Merger by and among Avalon Laboratories Holding Corp., Nordson Medical Corporation, Arriba Merger Corp., American Capital Equity III, LP, as Securityholders' Representative and for the limited purposes set forth herein, Nordson Corporation, dated as of August 1, 2014 (incorporated herein by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2014)
(21)	Subsidiaries of the Registrant
(23)	Consent of Independent Registered Public Accounting Firm
31.1	Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 by the Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 by the Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99-a	Form S-8 Undertakings (Nos. 33-18309 and 33-33481)

NORDSON CORPORATION

Index to Exhibits

(Item 15(a) (3))

Exhibit Number	Description
101	The following financial information from Nordson Corporation's Annual Report on Form 10-K for the year ended October 31, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income for the years ended October 31, 2016, 2015 and 2014, (ii) the Consolidated Statements of Comprehensive Income for the years ended October 31, 2016, 2015 and 2014 (iii) the Consolidated Balance Sheets at October 31, 2016 and 2015, (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended October 31, 2016, 2015 and 2014, (v) the Consolidated Statements of Cash Flows for the years ended October 31, 2016, 2015 and 2014, and (vi) Notes to Consolidated Financial Statements.

* Indicates management contract or compensatory plan, contract or arrangement in which one or more directors and/or executive officers of Nordson Corporation may be participants.

NORDSON CORPORATION
1998 AMENDED REGULATIONS

ARTICLE I

SHAREHOLDERS

SECTION 1. ANNUAL MEETING. The annual meeting of shareholders of the Company for the election of directors, the consideration of reports, and the transaction of such other business as may properly be brought before the meeting shall be held at the principal office of the Company in Westlake, Ohio, or at such other place either within or without the State of Ohio as may be designated by the Board of Directors, by the Chairman of the Board, or by the President and specified in the notice of the meeting, at 5:15 o'clock p.m. on the fourth Tuesday in February in each year, or at such other time and on such other date (not, however, earlier than February 15 or later than March 15 in any year) as the Board of Directors may determine.

SECTION 2. SPECIAL MEETING. Special meetings of the shareholders of the Company may be held on any business day when called by the President, or by a Vice President; by the Board of Directors acting at a meeting or by a majority of the directors acting without a meeting; or by persons who hold fifty percent of all the shares outstanding and entitled to vote thereat. Upon request in writing delivered either in person or by registered mail to the President or the Secretary by any person entitled to call a special meeting of the shareholders, that officer shall forthwith cause to be given to the shareholders entitled thereto notice of a meeting to be held on a date not less than seven or more than sixty days after the receipt of the request, as that officer may fix. If the notice is not given within thirty days after the delivery or mailing of the request, the persons calling the meeting may fix the time of the meeting and give notice thereof in the manner provided by law or as provided in these Regulations, or cause the notice to be given by any designated representative. Each special meeting shall be called to convene between nine o'clock a.m. and four o'clock p.m. and shall be held at the principal Office of the Company at Westlake, Ohio, unless the meeting is called by the directors, acting with or without a meeting, in which case the meeting may be held at any place either within or without the State of Ohio determined by the Board of Directors and specified in the notice of the meeting.

SECTION 3. NOTICE OF MEETINGS. Not less than seven or more than sixty days before the date fixed for a meeting of the shareholders, written notice stating the time, place, and purposes of the meeting shall be given by or at the direction of the President, a Vice President, the Secretary, or an Assistant Secretary (or, if notice is not timely given, by a designated representative of the person calling the meeting under Section 2 of this Article I). The notice shall be given by personal delivery or by mail to each shareholder entitled to notice of the meeting who is not of record as of the date next preceding the day on which notice is given or, if a record date therefor is duly fixed, of record as of that date; if mailed, the notice shall be addressed to the shareholders at their respective addresses as they appear on the records of the Company. Notice of the time, place, and purposes of any meeting of shareholders may be waived in writing, either before or after the holding of the meeting, by any shareholders, which writing shall be filed with or entered upon the records of the meeting. The attendance of any shareholder at any meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of the meeting.

SECTION 4. QUORUM; ADJOURNMENT. Except as may be otherwise provided by law or by the Articles of Incorporation, at any meeting of the shareholders, holders of one-third of the outstanding voting shares of the Company present in person or by proxy shall constitute a quorum of such meeting; provided, however, that no action required by law, the Articles, or these Regulations to be authorized or taken by a designated proportion of the shares of any particular class or of each class of the Company may be authorized or taken by a lesser proportion and except that the holders of a majority of the voting shares represented at the meeting may adjourn the meeting from time to time; if any meeting is adjourned, notice of the adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at the meeting.

SECTION 5. PROXIES. Persons entitled to vote shares or act with respect to shares may vote or act in person or by proxy. The person appointed as proxy need not be a shareholder. Unless the writing appointing a proxy otherwise provides, the presence at a meeting of a person who has appointed a proxy shall not operate to revoke the appointment. Notice to the Company, in writing or in open meeting, of the revocation of the appointment of a proxy shall not affect any vote or act previously taken or authorized.

SECTION 6. APPROVAL AND RATIFICATION OF ACTS OF OFFICERS AND BOARD OF DIRECTORS. Except as otherwise provided by the Articles of Incorporation or by law, any contract, act, or transaction, prospective or past, of the Company, of the Board of Directors, or of the officers may be approved or ratified by the affirmative vote at a meeting of the shareholders, or by written consent, with or without a meeting, of the holders of record of shares entitling them to exercise a majority of the voting power of the Company, and that approval or ratification shall be as valid and binding as though affirmatively voted for or consented to by every shareholder of the Company.

SECTION 7. ORDER OF BUSINESS.

(a) The Chairman of the Board, or such other officer of the Company as may be designated by the Board of Directors, will call meetings of the shareholders to order and will preside at the meetings. The presiding officer will determine the order of business at the meeting and have the authority to regulate the conduct of the meeting, including (i) limiting the persons (other than shareholders and their duly appointed proxies) who may attend the meeting, (ii) determining whether any shareholder or his or her proxy should be excluded from the meeting because the shareholder or proxy has disrupted or is likely to disrupt the meeting, (iii) determining the circumstances in which any person may make a statement or ask questions at the meeting, and (iv) establishing such other procedures as the presiding officer may deem appropriate for the orderly conduct of the meeting.

(b) At an annual meeting of the shareholders, only such business as is properly brought before the meeting will be considered. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting (or any supplement to that notice) given by or at the direction of the President, a Vice President, the Secretary, or an Assistant Secretary in accordance with Section 3 of this Article I, (ii) brought before the meeting by the presiding officer or by or at the direction of the Board of Directors, or (iii) properly requested by a shareholder to be brought before the meeting in accordance with subsection (c) of this Section 7.

(c) For business to be properly requested by a shareholder to be brought before an annual meeting of the shareholders, the shareholder must (i) be a shareholder of the Company of record at the time of the giving of the notice for the annual meeting and at the time of the annual meeting, (ii) be entitled to vote at the annual meeting, and (iii) have given timely written notice of the business to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 60 nor more than 90 days prior to the annual meeting; except that, if the first public announcement of the date of the annual meeting is not made at least 70 days prior to the date of the meeting, notice by the shareholder will be timely if it is so received not later than the close of business on the tenth day following the day on which the first public announcement of the date of the meeting is made. A shareholder's notice must set forth, as to each matter the shareholder proposes to bring before the annual meeting, (A) a description in reasonable detail of the business proposed to be brought before the meeting, (B) the name and address, as they appear on the Company's books, of the shareholder proposing such business and of the beneficial owner, if any, on whose behalf the proposal is made, (C) the class and number of shares that are owned of record and beneficially by the shareholder proposing the business and by the beneficial owner, if any, on whose behalf the proposed is made, and (D) any material interest of such shareholder or beneficial owner in such business. This Section 7(c) will not affect any rights that the shareholder may have pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, to request the inclusion of proposals in the Company's proxy statement.

(d) At a special meeting of the shareholders, only such business as is properly brought before the meeting will be conducted. To be properly brought before a special meeting, business must be (i) specified in the notice of the meeting (or any supplement to that notice) given by or at the direction of the President, a Vice President, the Secretary, or an Assistant Secretary in accordance with Section 3 of this Article I (or, if notice is not timely given, by a designated representative of the person calling the meeting under Section 2 of this Article I), or (ii) brought before the meeting by the presiding officer or by or at the direction of the Board of Directors.

(e) The determination of whether any business sought to be brought before any annual or special meeting of the shareholders is properly brought in accordance with this Section 7 will be made by the presiding officer of the meeting. If the presiding officer determines that any business is not properly brought before the meeting, he or she will so declare to the meeting, and the business will not be considered or acted upon.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. NUMBER AND CLASSIFICATION. The Board of Directors will be divided into three classes consisting of not less than three directors each. The number of directors may be fixed or changed (a) by the shareholders at any meeting of shareholders called to elect directors at which a quorum is present, by the vote of the holders of shares representing 80% of the voting power in elections of directors, or (b) by the Board of Directors by the vote of a majority of the directors then in office. The terms in office of the directors in each of the classes will expire in consecutive years. At each annual election of directors, directors will be elected to the class whose term in office expires in that year and will hold office for a term of three years and until their respective successors are elected. In case of any increase in the number of directors of any class, the additional director or directors elected to that class will hold office for the remainder of the term in office of that class.

SECTION 2. RESIGNATION; REMOVAL; VACANCIES. Any director may resign at any time by oral statement made at a meeting of the Board of Directors or in a writing delivered to the Secretary; the resignation will take effect immediately or at such other time as the director may specify. No director may be removed prior to the expiration of his term except for gross negligence or willful misconduct in the performance of his duties as a director. No reduction in the number of directors of any class, and no modification or elimination of the classification of the Board of Directors, will of itself have the effect of shortening the term of any incumbent director. In the event of any vacancy or vacancies in the Board of Directors, however caused, the directors then in office, though less than a majority of their number, fill each vacancy for the remainder of the term in office of the director whose resignation, removal, or death resulted in the vacancy.

SECTION 3. NOMINATION OF CANDIDATES FOR ELECTION AS DIRECTORS.

(a) At a meeting of the shareholders at which directors are to be elected, only persons properly nominated as candidates will be eligible for election as directors. Candidates may be properly nominated either (i) by the Board of Directors or (ii) by any shareholder in accordance with subsection (b) of this Section 3.

(b) For a shareholder properly to nominate a candidate for election as a director at a meeting of the shareholders, the shareholder must (i) be a shareholder of the Company of record at the time of the giving of the notice for the meeting, (ii) be entitled to vote at the meeting in the election of directors, and (iii) have given timely written notice of the nomination to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 60 nor more than 90 days prior to the meeting; except that, if the first public announcement of the date of the meeting is not made at least 70 days prior to the date of the meeting, notice by the shareholder will be timely if it is so received not later than the close of business on the tenth day following the day on which the first public announcement of the date of the meeting is made. A shareholder's notice must set forth, as to each candidate, all of the information about the candidate required to be disclosed in a proxy statement complying with the

rules of the Securities and Exchange Commission that is used in connection with the solicitation of proxies for the election of the candidate as a director. If the officer presiding at the meeting determines that one or more of the candidates has not been nominated in accordance with these procedures, he or she will so declare at the meeting, and the candidates will not be considered or voted upon at the meeting.

SECTION 4. ORGANIZATION MEETING. Immediately after each annual meeting of the shareholders, the newly elected directors shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of the organizational meeting need not be given.

SECTION 5. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such times and places within or without the State of Ohio as may be provided for in bylaws or resolutions adopted by the Board of Directors and upon such notice, if any, as may be so provided. Unless otherwise indicated in the notice of a regular meeting, any business may be transacted at that regular meeting.

SECTION 6. SPECIAL MEETINGS. Special Meetings of the Board of Directors may be held at any time within or without the State of Ohio (or through use of telephone or other communications equipment if all the directors participating in the meeting can hear each other) upon call by the Chairman of the Board, by the President, by a Vice President, or by any two directors. Written notice of the time and place of each special meeting shall be given to each director either by personal delivery or by mail, telegram, or cablegram at least two days before the meeting, which notice need not specify the purposes of the meeting. Attendance of any director at a special meeting (or participation in the meeting through use of telephone or other communications equipment) without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of the meeting, and notice of a special meeting may be waived in writing, either before or after the holding of the meeting, by any director, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice of a special meeting, any business may be transacted at that meeting.

SECTION 7. QUORUM; ADJOURNMENT. A quorum of the Board of Directors shall consist of a majority of the directors then in office; provided, that a majority of the directors present at a meeting duly held, whether or not a quorum is present, may adjourn the meeting from time to time. If any meeting is adjourned, notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting. At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as otherwise expressly provided in these Regulations.

SECTION 8. ACTION WITHOUT A MEETING. Any action which may be authorized or taken at a meeting of the Board of Directors may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all of the directors, which writing or writings shall be filed with or entered upon the records of the Company.

SECTION 9. COMMITTEES. The Board of Directors may at any time appoint from its members an Executive, Finance, or other committee or committees, consisting of such number of members, not less than three, as the Board of Directors may deem advisable together with such alternates as the Board of Directors may deem advisable to take the place of any absent member or members at any meeting of the committee. Each member and each alternative shall hold office during the pleasure of the Board of Directors. Any committee shall act only in the intervals between meetings of the Board of Directors and shall have such authority of the Board of Directors as may, from time to time, be delegated to it by the Board of Directors, except the authority to fill vacancies in the Board of Directors or in any committee of the Board of Directors. Subject to these exceptions, any person dealing with the Company shall be entitled to rely upon any act or authorization of an act by any committee to the same extent as an act or authorization of the Board of Directors. Each committee shall keep full and complete records of all meetings and actions, which shall be open to inspection by the directors. Unless otherwise ordered by the Board of Directors, any committee may prescribe its own rules for calling and holding meetings and for its own method of procedure and may act at a meeting by a majority of its members or without a meeting by a writing or writings signed by all of its members.

ARTICLE III

OFFICERS

SECTION 1. ELECTION AND DESIGNATION OF OFFICERS. The Board of Directors shall elect a President, a Secretary, a Treasurer, and, in its discretion, may elect a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as it deems necessary. The Chairman of the Board and the President shall be directors, but none of the other officers need be a director. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in a more than one capacity if the instrument is required to be executed, acknowledged, or verified by two or more officers.

SECTION 2. TERM OF OFFICE; VACANCIES. Each officer of the Company shall hold office until the next organizational meeting of the Board of Directors and until his successor is elected or until his earlier resignation, removal from office, or death. The Board of Directors may remove any officer at any time with or without cause by a majority vote of the directors then in office. Any vacancy in any office may be filled by the Board of Directors.

SECTION 3. CHAIRMAN OF THE BOARD. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors, shall, unless that duty has been delegated by the Board of Directors to the President or another officer, preside at all meetings of the shareholders, and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

SECTION 4. PRESIDENT. The President shall preside at all meetings of the shareholders and at all meetings of the Board of Directors, except for meetings at which the Chairman of the Board, if any, presides in accordance with the preceding Section. Subject to directions of the Board of Directors and to the delegation by the Board of Directors to the Chairman of the Board of specific or general executive supervision, the President shall have general executive supervision over the property, business, and affairs of the Company. He may execute all authorized deeds, mortgages, bonds, contracts, and other obligations in the name of the Company and shall have such other authority and shall perform such other duties as may be determined by the Board of Directors.

SECTION 5. VICE PRESIDENT. Each Vice President shall have such authority and perform such duties as may be determined by the Board of Directors.

SECTION 6. SECRETARY. The Secretary shall keep the minutes of meetings of the shareholders and of the Board of Directors. He shall keep such books as may be required by the Board of Directors, shall give notices of meetings of the shareholders and of the Board of Directors required by law, by these Regulations, or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

SECTION 7. TREASURER. The Treasurer shall receive and have in charge all money, bills, notes, bonds, stocks in other corporations, and similar property belonging to the Company, and shall deal with this property as may be ordered by the Board of Directors. He shall keep accurate financial accounts and hold them open for inspection and examination by the directors and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

SECTION 8. OTHER OFFICERS. The Assistant Secretaries, Assistant Treasurers, and other officers, if any, whom the Board of Directors may elect shall each have such authority and perform such duties as may be determined by the Board of Directors.

SECTION 9. DELEGATION OF AUTHORITY AND DUTIES. The Board of Directors is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned in these Regulations.

ARTICLE IV

COMPENSATION

SECTION 1. DIRECTORS AND MEMBERS OF COMMITTEES. Members of the Board of Directors and members of any committee of the Board of Directors shall, as such, receive such compensation, which may be either a fixed sum for attendance at each meeting of the Board of Directors or of the committee or may be stated compensation payable at intervals, or may otherwise be compensated as determined by or pursuant to authority conferred by the Board of Directors or any committee of the Board of Directors, which compensation may be in different amounts for various members of the Board of Directors or of any committee. No member of the Board of Directors shall be disqualified from being counted in the determination of a quorum or from acting at any meeting of the Board of Directors or of a committee by reason of the fact that matters affecting his own compensation as a director, member of a committee, officer, or employee are to be determined.

SECTION 2. OFFICERS AND EMPLOYEES. The compensation of officers and employees of the Company, or the method of fixing their compensation, shall be determined by or pursuant to authority conferred by the Board of Directors or any committee of the Board of Directors. Compensation may include pension, disability, and death benefits and may be by way of fixed salary, on the basis of earnings, any combination thereof, or otherwise, as may be determined or authorized from time to time by the Board of Directors or any committee of the Board of Directors.

ARTICLE V

INDEMNIFICATION OF DIRECTORS,

OFFICERS, AND EMPLOYEES

The Company shall indemnify, to the full extent permitted or authorized by the Ohio General Corporation Law as it may from time to time be amended, any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, or employee of the Company, or is or was serving at the request of the Company as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust or other enterprise. The Company shall pay, to the full extent permitted or authorized by the Ohio General Corporation Law, expenses, including attorneys' fees, as they are incurred by any director or officer in defending any such action, suit, or proceeding. The indemnification and advancement of expenses provided by this Article V shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under the articles of incorporation or the regulations, or any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of that person.

ARTICLE VI

RECORD DATES

For any lawful purpose, including, without limitation, the determination of the shareholders who are entitled to receive notice of or to vote at a meeting of shareholders, the Board of Directors may fix a record date in accordance with the provisions of the Ohio General Corporation Law. The record date for the purpose of the determination of the shareholders who are entitled to receive notice of or to vote at a meeting of shareholders shall continue to be the record date for all adjournments of the meeting, unless the Board of Directors or the persons who have fixed the original record date shall, subject to the limitations set forth in the Ohio General Corporation Law, fix

another date and cause notice thereof and of the date to which the meeting has been adjourned to be given to shareholders of record as of the newly fixed date in accordance with the same requirements as those applying to a meeting newly called. The Board of Directors may close the share transfer books against transfers of shares during the whole or any part of the period provided for in this Article, including the date of the meeting of shareholders and the period ending with the date, if any, to which it is adjourned. If no record date is fixed therefor, the record date for determining the shareholders who are entitled to receive notice of or to vote at a meeting of shareholders shall be the date next preceding the day on which notice is given, or the date next preceding the day on which the meeting is held, as the case may be.

ARTICLE VII

CERTIFICATES FOR SHARES

SECTION 1. FORM OF CERTIFICATES AND SIGNATURES. Each holder of shares shall be entitled to one or more certificates signed by the Chairman of the Board, the President, or a Vice President and by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer of the Company and certifying the number and class of shares held by him, but no certificate for shares shall be executed or delivered until the shares are fully paid. When a certificate is countersigned by an incorporated transfer agent or registrar, the signature of any officer of the Company may be facsimile, engraved, stamped, or printed. Although any officer of the Company whose manual or facsimile signature is affixed to a certificate ceases to be that officer before the certificate is delivered, the certificate nevertheless shall be effective in all respects when delivered.

SECTION 2. TRANSFER OF SHARES. Shares of the Company shall be transferrable upon the books of the Company by the holders thereof, in person or by a duly authorized attorney, upon surrender and cancellation of certificates for a like number of shares of the same class or series, with duly executed assignment and power of transfer endorsed thereon or attached thereto, and with such proof of the authenticity of the signatures to the assignment and power of transfer as the Company or its agents may reasonably require.

SECTION 3. LOST, STOLEN, OR DESTROYED CERTIFICATES. The Company may issue a new certificate for shares in place of any certificate theretofore issued by it and alleged to have been lost, stolen, or destroyed, and the Board of Directors may, in its discretion, require the owner, or his legal representatives, to give the Company a bond containing such terms as the Board of Directors may require to protect the Company or any person injured by the execution and delivery of the new certificate.

SECTION 4. TRANSFER AGENT AND REGISTRAR. The Board of Directors may appoint, or revoke the appointment of, transfer agents and registrars and may require all certificates for shares to bear the signatures of the transfer agents and registrars, or any of them.

ARTICLES VIII

CORPORATE SEAL

The Ohio General Corporation Law provides that the absence of a corporate seal from any instrument executed on behalf of the Company does not affect the validity of the instrument. If, in spite of that provision, a seal is imprinted on or attached, applied, or affixed to an instrument by embossment, engraving, stamping, printing, typing, adhesion, or other means, the impression of the seal on the instrument shall be circular in form and shall contain the name of the Company and the words "corporate seal".

ARTICLE IX

AMENDMENTS

These Regulations may be amended, or new Regulations may be adopted, by the shareholders at a meeting held for that purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power on that proposal or without a meeting by the written consent of the holders of shares entitling them to exercise two-thirds of the voting power on that proposal; except that, unless the amendment is approved and recommended by the Board of Directors, the provisions of Sections 2, 3, and 7 of Article I, Sections 1, 2, and 3 of Article II, Article V, and this Article IX may not be amended without the affirmative vote or written consent of the holders of shares entitling them to exercise 80% of the voting power of the Company. If the Regulations are amended or new Regulations are adopted without a meeting of the shareholders, the Secretary of the Company shall mail a copy of the amendment or the new Regulations to each shareholder who would have been entitled to vote thereon and did not participate in the adoption thereof.

NORDSON CORPORATION

AMENDED AND RESTATED NOTE PURCHASE AND PRIVATE SHELF AGREEMENT

FOR

\$200,000,000

PRIVATE SHELF FACILITY

Dated as of September 30, 2016

TABLE OF CONTENTS

	Page
<u>1. AUTHORIZATION OF ISSUE OF SHELF NOTES</u>	1
<u>1A. Amendment and Restatement</u>	1
<u>1B. Authorization of Series D-1 Notes</u>	1
<u>1C. Authorization of Series D-2 Notes</u>	2
<u>1D. Authorization</u>	2
<u>1E. Interest Rate on Floating Rate Notes</u>	2
<u>2. PURCHASE AND SALE OF NOTES</u>	3
<u>2A. Purchase and Sale of Series D Notes</u>	3
<u>2B. Facility</u>	3
<u>2C. Issuance Period</u>	4
<u>2D. Request for Purchase</u>	4
<u>2E. Rate Quotes</u>	4
<u>2F. Acceptance</u>	5
<u>2G. Market Disruption</u>	5
<u>2H. Facility Closings</u>	5
<u>2I. Fees</u>	6
<u>3. CONDITIONS OF CLOSING</u>	7
<u>3A. Certain Documents</u>	7
<u>3B. Opinion of NYLIM's Special Counsel</u>	9
<u>3C. Opinion of Company's Counsel</u>	9
<u>3D. Representations and Warranties; No Default; Satisfaction of Conditions</u>	9
<u>3E. Purchase Permitted by Applicable Laws</u>	9
<u>3F. Compliance Certificates</u>	10
<u>3G. Payment of Fees</u>	10
<u>3H. Fees and Expenses</u>	10
<u>3I. Proceedings</u>	10
<u>3J. Funding Instructions</u>	10
<u>3K. Notice of Floating Interest Rate</u>	10
<u>4. PREPAYMENTS</u>	11
<u>4A. Scheduled Required Prepayments of Shelf Notes</u>	11
<u>4B. Optional Prepayment</u>	11
<u>4C. Notice of Optional Prepayment</u>	11
<u>4D. Application of Prepayments</u>	11
<u>4E. No Acquisition of Notes</u>	11
<u>5. AFFIRMATIVE COVENANTS</u>	12
<u>5A. Money Obligations</u>	12
<u>5B. Financial Statements</u>	12
<u>5C. Information Required by Rule 144A</u>	13
<u>5D. Financial Records</u>	13

TABLE OF CONTENTS
(continued)

	Page
5E. <u>Franchises</u>	13
5F. <u>ERISA Compliance</u>	13
5G. <u>Notice</u>	13
5H. <u>Environmental Compliance</u>	13
5I. <u>Pari Passu Ranking</u>	14
6. <u>NEGATIVE COVENANTS</u>	14
6A. <u>Financial Covenants</u>	14
6B. <u>Indebtedness</u>	14
6C. <u>Liens</u>	16
6D. <u>Merger and Sale of Assets</u>	17
6E. <u>Acquisitions</u>	18
6F. <u>Affiliate Transactions</u>	18
6G. <u>Reserved</u>	18
6H. <u>Guaranties of Payment; Guaranty Under Material Indebtedness Agreement</u>	18
6I. <u>Terrorism Sanctions Regulations</u>	19
7. <u>EVENTS OF DEFAULT</u>	19
7A. <u>Acceleration</u>	19
7B. <u>Rescission of Acceleration</u>	22
7C. <u>Notice of Acceleration or Rescission</u>	22
7D. <u>Other Remedies</u>	22
8. <u>REPRESENTATIONS, COVENANTS AND WARRANTIES</u>	22
8A(1). <u>Organization; Subsidiary Preferred Equity</u>	22
8A(2). <u>Power and Authority</u>	23
8B. <u>Financial Statements</u>	23
8C. <u>Actions Pending</u>	23
8D. <u>Outstanding Indebtedness</u>	24
8E. <u>Title to Properties</u>	24
8F. <u>Taxes</u>	24
8G. <u>Conflicting Agreements and Other Matters</u>	24
8H. <u>Offering of Notes</u>	25
8I. <u>Use of Proceeds</u>	25
8J. <u>ERISA</u>	25
8K. <u>Governmental Consent</u>	26
8L. <u>Compliance with Environmental and Other Laws</u>	26
8M. <u>Regulatory Status</u>	26
8N. <u>Permits and Other Operating Rights</u>	26
8O. <u>Rule 144A</u>	26
8P. <u>Absence of Financing Statements, etc</u>	27

TABLE OF CONTENTS
(continued)

	Page
<u>8Q. Foreign Assets Control Regulations, Etc</u>	27
<u>8R. Disclosure</u>	27
<u>8S. Hostile Tender Offers</u>	27
9. REPRESENTATIONS OF EACH PURCHASER	28
<u>9A. Nature of Purchase</u>	28
<u>9B. Source of Funds</u>	28
10. DEFINITIONS; ACCOUNTING MATTERS	29
<u>10A. Yield-Maintenance Terms</u>	29
<u>10B. Other Terms</u>	31
<u>10C. Accounting and Legal Principles, Terms and Determinations</u>	46
11. MISCELLANEOUS	46
<u>11A. Note Payments</u>	46
<u>11B. Expenses</u>	47
<u>11C. Consent to Amendments</u>	48
<u>11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes</u>	48
<u>11E. Persons Deemed Owners; Participations</u>	49
<u>11F. Survival of Representations and Warranties; Entire Agreement</u>	49
<u>11G. Successors and Assigns</u>	49
<u>11H. Independence of Covenants</u>	50
<u>11I. Notices</u>	50
<u>11J. Payments Due on Non-Business Days</u>	50
<u>11K. Satisfaction Requirement</u>	51
<u>11L. GOVERNING LAW</u>	51
<u>11M. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL</u>	51
<u>11N. Severability</u>	52
<u>11O. Descriptive Headings; Advice of Counsel; Interpretation; Time of the Essence</u>	52
<u>11P. Counterparts; Facsimile or Electronic Signatures</u>	52
<u>11Q. Severalty of Obligations</u>	52
<u>11R. Independent Investigation</u>	53
<u>11S. Transaction References</u>	53
<u>11T. Directly or Indirectly</u>	53
<u>11U. Binding Agreement</u>	53

EXHIBITS AND SCHEDULES

PURCHASER SCHEDULE INFORMATION SCHEDULE

EXHIBIT A-1	FORM OF SERIES D-1 NOTE (FLOATING RATE)
EXHIBIT A-2	FORM OF SERIES D-2 NOTE (FLOATING RATE)
EXHIBIT A-3	FORM OF SHELF NOTE (FIXED RATE)
EXHIBIT A-4	FORM OF SHELF NOTE (FLOATING RATE)
EXHIBIT B	FORM OF DISBURSEMENT DIRECTION LETTER
EXHIBIT C	FORM OF REQUEST FOR PURCHASE
EXHIBIT D	FORM OF CONFIRMATION OF ACCEPTANCE
EXHIBIT E-1	FORM OF OPINION OF COMPANY COUNSEL
EXHIBIT F	FORM OF COMPLIANCE CERTIFICATE
SCHEDULE 8G	AGREEMENTS RESTRICTING INDEBTEDNESS

NORDSON CORPORATION
28601 Clemens Road
Westlake, Ohio 44145

As of September 30, 2016

NYL Investors LLC
51 Madison Avenue
New York, New York 10010

Each NYLIM Affiliate (as hereinafter
defined) which becomes bound by certain
provisions of this Agreement as hereinafter
provided

Ladies and Gentlemen:

The undersigned, Nordson Corporation, an Ohio corporation (herein called the “**Company**”), hereby agrees with you as set forth below. Reference is made to paragraph 10 hereof for definitions of capitalized terms used herein and not otherwise defined herein.

1. AUTHORIZATION OF ISSUE OF SHELF NOTES.

1A. Amendment and Restatement. The Company, NYLIM, and each NYLIM Affiliate that has become a holder thereunder are parties to that certain Note Purchase and Private Shelf Agreement dated as of June 30, 2011 (as amended by that certain Amendment to Note Purchase and Private Shelf Agreement, dated as of August 31, 2011, that certain Second Amendment to Note Purchase and Private Shelf Agreement, dated as of February 12, 2013, that certain Third Amendment to Note Purchase and Private Shelf Agreement, dated as of December 22, 2014 and as further amended, amended and restated, supplemented or otherwise modified prior to the date hereof, the “**Existing Agreement**”) pursuant to which 2.21% Senior Series A Notes in the aggregate original principal amount of \$25,000,000, due on August 31, 2018 were issued on September 1, 2011 (the “**Series A Notes**”), 2.21% Senior Series B Notes in the aggregate original principal amount of \$50,000,000, due on September 1, 2020 were issued on September 1, 2011 (the “**Series B Notes**”) and 2.56% Senior Series C Notes in the aggregate original principal amount of \$25,000,000, due January 23, 2020 were issued on January 23, 2015 (the “**Series C Notes**”, and with the Series A Notes and Series B Notes, collectively, the “**Existing Notes**”). Each of the parties hereto agrees that upon this Agreement becoming effective, the terms and provisions of the Existing Agreement shall be amended, restated and replaced in their entirety by the terms and provisions of this Agreement, that the Existing Notes will be deemed outstanding under this Agreement, and that in no event shall this Agreement or the amendment and restatement of the Existing Agreement constitute a novation or payment of the Existing Notes or other indebtedness issued pursuant to the Existing Agreement.

1B. Authorization of Series D-1 Notes. The Company will authorize the issue of its senior floating rate promissory notes (the “**Series D-1 Notes**”) in an aggregate principal amount of \$50,000,000, to be dated the date of its issue, bearing interest on the unpaid balance thereof from the date of original issuance at the rate per annum as provided by paragraph 1E, to mature

October 7, 2026, to be substantially in the form of Exhibit A-1 and to otherwise be on the terms and conditions as set forth in this Agreement. The terms “**Series D-1 Note**” and “**Series D-1 Notes**” as used herein shall include each Series D-1 Note delivered pursuant to any provision of this Agreement and each Series D-1 Note delivered in substitution or exchange for any such Series D-1 Note pursuant to any such provision.

1C. Authorization of Series D-2 Notes. The Company will authorize the issue of its senior floating rate promissory notes (the “**Series D-2 Notes**”, and collectively with the Series D-1 Notes, the “**Series D Notes**”) in an aggregate principal amount of \$50,000,000, to be dated the date of its issue, bearing interest on the unpaid balance thereof from the date of original issuance at the rate per annum as provided by paragraph 1E, to mature October 7, 2026, to be substantially in the form of Exhibit A-2 and to otherwise be on the terms and conditions as set forth in this Agreement. The terms “**Series D-2 Note**” and “**Series D-2 Notes**” as used herein shall include each Series D-2 Note delivered pursuant to any provision of this Agreement and each Series D-2 Note delivered in substitution or exchange for any such Series D-2 Note pursuant to any such provision

1D. Authorization. The Company will authorize the issue of its senior promissory notes (the “**Shelf Notes**”) in the aggregate principal amount not to exceed the Available Facility Amount, to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than 12 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than 10 years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Shelf Note delivered pursuant to paragraph 2F. Each Shelf Note that is a Fixed Rate Note will be substantially in the form of Exhibit A-3 attached hereto and each Shelf Note that is a Floating Rate Note will be substantially in the form of Exhibit A-4 attached hereto. The terms “**Shelf Note**” and “**Shelf Notes**” as used herein shall include each Shelf Note delivered pursuant to any provision of this Agreement and each Shelf Note delivered in substitution or exchange for any such Shelf Note pursuant to any such provision. The terms “**Note**” and “**Notes**” as used herein shall include any and all Existing Notes, Series D Notes and Shelf Notes. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods and (vi) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note’s ultimate predecessor Note was issued), are herein called a “**Series**” of Notes.

1E. Interest Rate on Floating Rate Notes.

1E(1). Floating Rate Notes shall bear interest (computed on the basis of a 360-day year and the actual number of days elapsed) on the unpaid principal thereof from the date of issuance at a floating rate equal to the Adjusted LIBOR Rate for the Floating Rate Interest Period in effect from time to time, payable in arrears on each Floating Rate Interest Payment Date and, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any LIBOR Breakage Amount and Prepayment Premium, at a rate equal to the Default Rate.

1(E)(2). The Adjusted LIBOR Rate shall be determined by the Company, and notice thereof shall be given to the holders of the applicable Floating Rate Notes, on the second Business Day preceding the first day of each Floating Rate Interest Period, together with a copy of the relevant screen used for the determination of LIBOR, a calculation of the Adjusted LIBOR Rate for such Floating Rate Interest Period, the number of days in such Floating Rate Interest Period, the date on which interest for such Floating Rate Interest Period will be paid and the amount of interest to be paid to each holder of such Floating Rate Notes on such date. In the event that any holder does not concur with such determination by the Company, as evidenced by notice to the Company given by such holder within ten (10) Business Days after receipt by the holders of the notice delivered by the Company pursuant to the immediately preceding sentence, the determination of the Adjusted LIBOR Rate shall be made by Floating Rate Required Holders in accordance with the provisions of this Agreement, shall be conclusive and shall be binding absent manifest error.

2. PURCHASE AND SALE OF SERIES D NOTES; UNCOMMITTED NOTE FACILITY.

2A. Purchase and Sale of Series D Notes. The Company hereby agrees to sell to the Series D Purchasers and, subject to the terms and conditions herein set forth, each Series D Purchaser agrees to purchase from the Company the aggregate principal amount of Series D Notes set forth opposite its name on Schedule B at 100% of such aggregate principal amount. On October 7, 2016 (herein called the “**Series D Closing Day**”), the Company will deliver to each Series D Purchaser at the offices of King & Spalding LLP, 1185 Avenue of the Americas, New York, New York, 10036, one or more Series D Notes, registered in its name, evidencing the aggregate principal amount of Series D-1 Notes and Series D-2 Notes to be purchased by each Series D Purchaser and in the denomination or denominations specified with respect to each Series D Purchaser in Schedule B, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company’s account set forth in the written instructions delivered to the Purchasers pursuant to paragraph 3J.

2B. Facility. NYLIM is willing to consider, in its sole discretion and within limits which may be authorized for purchase by NYLIM Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of NYLIM to consider such purchase of Shelf Notes is herein called the “**Facility**”. The “**Available Facility Amount**” means, at any time, an amount equal to (i) \$200,000,000, *minus* (ii) the aggregate principal amount of Notes (including the Series D Notes) purchased and sold pursuant to this Agreement prior to such time, *minus* (iii) the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, *plus* (iv) the aggregate principal amount of Shelf Notes purchased, sold and repaid or prepaid pursuant to this Agreement prior to such time. **NOTWITHSTANDING THE WILLINGNESS OF NYLIM TO CONSIDER PURCHASES OF SHELF NOTES BY NYLIM AFFILIATES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER NYLIM NOR ANY NYLIM AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY NYLIM OR ANY NYLIM AFFILIATE.**

2C. Issuance Period. Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) September 30, 2019 (or if the date of such anniversary is not a Business Day, the Business Day next preceding such anniversary), (ii) the 30th day after NYLIM shall have given to the Company, or the Company shall have given to NYLIM, a written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such 30th day is not a Business Day, the Business Day next preceding such 30th day), (iii) the last Closing Day after which there is no Available Facility Amount, (iv) the termination of the Facility under paragraph 7A of this Agreement, and (v) the acceleration of any Note under paragraph 7A of this Agreement. The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the “**Issuance Period**”.

2D. Request for Purchase. The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a “**Request for Purchase**”). Each Request for Purchase shall be made to NYLIM by facsimile transmission or overnight delivery service, and shall (i) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than \$10,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made (and, in the case of any Shelf Notes being requested as Floating Rate Notes, not greater than the Available Floating Rate Sublimit Amount at the time the Request for Purchase is made), (ii) specify whether the interest rate will be fixed or floating and, in the case of a floating interest rate, specify whether the length of the Floating Rate Interest Period is to be one, three or six months, (iii) specify the principal amounts, final maturities (which shall be no more than 12 years from the date of issuance), average life (which shall be no more than 10 years from the date of issuance), principal prepayment dates (if any) and amounts and interest payment periods (quarterly or semi-annually in arrears) of the Shelf Notes covered thereby, (iv) specify the use of proceeds of such Shelf Notes, (v) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 25 days after the making of such Request for Purchase, (vi) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vii) certify that the representations and warranties contained in paragraph 8 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default and (viii) be substantially in the form of Exhibit C attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by NYLIM.

2E. Rate Quotes. Not later than five Business Days after the Company shall have given NYLIM a Request for Purchase pursuant to paragraph 2D, NYLIM may, but shall be under no obligation to, provide to the Company by telephone or facsimile transmission, in each case between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as NYLIM may elect) interest rate quotes for the several principal amounts, maturities, principal prepayment schedules and interest payment periods of Shelf Notes specified in such Request for Purchase. Interest rates quoted for Fixed Rate Notes shall be quoted as a spread over U.S. Treasury Securities closest to the maturities specified in the Request for Purchase or an interpolated maturity. Interest rates quoted for Floating Rate Notes shall be quoted as a spread over LIBOR. Each quote shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which a NYLIM Affiliate or Affiliates would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

2F. Acceptance. Within the Acceptance Window with respect to any interest rate quotes provided pursuant to paragraph 2E, the Company may, subject to paragraph 2G, elect to accept such interest rate quotes as to not less than \$10,000,000 aggregate principal amount of the Shelf Notes specified in the related Request for Purchase. Such election shall be made by an Authorized Officer of the Company notifying NYLIM by telephone or facsimile transmission within the Acceptance Window that the Company elects to accept such interest rate quotes, specifying the Shelf Notes (each such Shelf Note being herein called an “**Accepted Note**”) as to which such acceptance (herein called an “**Acceptance**”) relates. The day the Company notifies NYLIM of an Acceptance with respect to any Accepted Notes is herein called the “**Acceptance Day**” for such Accepted Notes. Any interest rate quotes as to which NYLIM does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2G and the other terms and conditions hereof, the Company agrees to sell to a NYLIM Affiliate or Affiliates, and NYLIM agrees to cause the purchase by a NYLIM Affiliate or Affiliates of, the Accepted Notes at 100% of the principal amount of such Notes. As soon as practicable following the Acceptance Day, the Company and each NYLIM Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit D attached hereto (herein called a “**Confirmation of Acceptance**”). If the Company should fail to execute and return to NYLIM within three Business Days following the Company’s receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, NYLIM or any NYLIM Affiliate may at its election at any time prior to NYLIM’s receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

2G. Market Disruption. Notwithstanding the provisions of paragraph 2F, if NYLIM shall have provided interest rate quotes pursuant to paragraph 2E and thereafter prior to the time an Acceptance with respect to such quotes shall have been notified to NYLIM in accordance with paragraph 2F the domestic market for U.S. Treasury securities or other financial instruments shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or other financial instruments, then such interest rate quotes shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies NYLIM of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and NYLIM shall promptly notify the Company that the provisions of this paragraph 2G are applicable with respect to such Acceptance.

2H. Facility Closings. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of NYLIM, 51 Madison Avenue, New York, NY 10010, Attention: Office of the General Counsel, or at such other place as NYLIM may have directed, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser’s name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company’s account specified in the Request for Purchase of such Notes. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such

Accepted Notes as provided above in this paragraph 2H, or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify NYLIM (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the “**Rescheduled Closing Day**”)) and certify to NYLIM (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 2I(2) or (ii) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the preceding sentence, NYLIM (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may not elect to reschedule a closing with respect to any given Accepted Notes on more than one occasion, unless NYLIM shall have otherwise consented in writing.

2I. Fees.

2I(1). Issuance Fee. The Company will pay to each Purchaser in immediately available funds a fee (herein called the “**Issuance Fee**”) in an amount equal to 0.05% of the aggregate principal amount of the Series D Notes or any Shelf Notes, as applicable, sold to such Purchaser on the Closing Day, which shall be the only fee payable by the Company in respect of the issuance of such Notes.

2I(2). Delayed Delivery Fee. If the closing of the purchase and sale of any Accepted Note is delayed by the Company for any reason beyond the original Closing Day for such Accepted Note, the Company will pay to the Purchaser which shall have agreed to purchase such Accepted Note (a) on the Cancellation Date or actual closing date of such purchase and sale and (b) if earlier, the next Business Day following 90 days after the Acceptance Day for such Accepted Note and on each Business Day following 90 days after the prior payment hereunder, a fee (herein called the “**Delayed Delivery Fee**”) calculated as follows:

$$(\text{BEY} - \text{MMY}) \times \text{DTS}/360 \times \text{PA}$$

where “**BEY**” means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note; “**MMY**” means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by NYLIM and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days for such Accepted Note (a new alternative investment being selected by NYLIM each time such closing is delayed); “**DTS**” means Days to Settlement, i.e., the number of actual days elapsed from and including the original Closing Day for such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent Delayed Delivery Fee payment with respect to such Accepted Note) to but excluding the date of such payment; and “**PA**” means Principal Amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate

any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2H.

2I(3). Cancellation Fee. If the Company at any time notifies NYLIM in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or if NYLIM notifies the Company in writing under the circumstances set forth in the last sentence of paragraph 2F or the penultimate sentence of paragraph 2H that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification or the last day of the Issuance Period, as the case may be, being herein called the “**Cancellation Date**”), the Company will pay to the Purchaser which shall have agreed to purchase such Accepted Note in immediately available funds an amount (the “**Cancellation Fee**”) calculated as follows:

$$PI \times PA$$

where “**PI**” means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by the applicable page/screen of Bloomberg’s market data (“Bloomberg”)) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Bloomberg) of the Hedge Treasury Notes(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and “**PA**” has the meaning ascribed to it in paragraph 2I(2). The foregoing bid and ask prices shall be as reported by Bloomberg (or, if such data for any reason ceases to be available through Bloomberg, any publicly available source of similar market data). Each price shall be based on a U.S. Treasury security having a par value of \$100,000,000 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

3. CONDITIONS OF CLOSING. Each Purchaser’s obligation to purchase and pay for the Notes to be purchased by such Purchaser hereunder on any Closing Day is subject to the satisfaction, on or before such Closing Day, of the following conditions:

3A. Certain Documents. Such Purchaser shall have received original counterparts or, if satisfactory to such Purchaser, certified or other copies of all of the following, each duly executed and delivered by the party or parties thereto, in form and substance satisfactory to such Purchaser dated the date of the applicable Closing Day unless otherwise indicated, and, on the applicable Closing Day, in full force and effect with no event having occurred and being then continuing that would constitute a default thereunder or constitute or provide the basis for the termination thereof:

(i) The Note(s) to be purchased by such Purchaser on such Closing Day in the form of Exhibit A-1, Exhibit A-2, Exhibit A-3 or Exhibit A-4, as applicable, hereto:

(ii) a Guaranty Agreement in form and substance substantially similar to the form of guarantee, if any, given by any Subsidiary to the lenders under the Primary Credit Facility and otherwise completed in a manner reasonably satisfactory to such Purchaser (herein, together with any other Guarantee Agreement, as the same may be

amended, supplemented, restated or otherwise modified from time to time, collectively called the **“Guaranty Agreements”** and individually called a **“Guaranty Agreement”**) made by each Subsidiary which is a Guarantor with respect to Indebtedness outstanding under the Primary Credit Facility, and which Subsidiary is not, as of such Closing Day, a party to a Guaranty Agreement, if any, and a Confirmation of Guaranty Agreement in form satisfactory to such Purchaser (herein, as the same may be amended, supplemented, restated or otherwise modified from time to time, collectively called the **“Confirmations of Guaranty Agreement”** and individually called a **“Confirmation of Guaranty Agreement”**) made by each other Person which is, as of such Closing Day, a Guarantor of Payment, if any;

(iii) a Secretary’s Certificate signed by the Secretary or Assistant Secretary and one other officer of the Company and each Guarantor of Payment, if any, certifying, among other things (a) as to the name, titles and true signatures of the officers of the Company or such Guarantor of Payment authorized to sign this Agreement, the Notes being delivered on such Closing Day, any Guaranty Agreements or Confirmations of Guaranty Agreement, as applicable, being delivered on such Closing Day and the other documents to be delivered in connection with this Agreement, (b) that attached thereto is a true, accurate and complete copy of the certificate of incorporation or other formation document of the Company or such Guarantor of Payment, as applicable, certified by the Secretary of State of the state of organization of the Company or such Guarantor of Payment, as applicable, as of a recent date, (c) that attached thereto is a true, accurate and complete copy of the by-laws, operating agreement or other organizational document of the Company or such Guarantor of Payment, as applicable, which were duly adopted and are in effect as of such Closing Day and have been in effect immediately prior to and at all times since the adoption of the resolutions referred to in clause (d) below, (d) that attached thereto is a true, accurate and complete copy of the resolutions of the board of directors or other managing body of the Company or such Guarantor of Payment, as applicable, duly adopted at a meeting or by unanimous written consent of such board of directors or other managing body, authorizing the execution, delivery and performance of this Agreement, the Notes being delivered on such Closing Day, any Guaranty Agreements or Confirmations of Guaranty Agreement being delivered on such Closing Day, as applicable, and the other documents to be delivered in connection with this Agreement, and that such resolutions have not been amended, modified, revoked or rescinded, and are in full force and effect and are the only resolutions of the shareholders, partners or members of the Company or such Guarantor of Payment or of such board of directors or other managing body or any committee thereof relating to the subject matter thereof, (e) that this Agreement, the Notes being delivered on such Closing Day, any Guaranty Agreements or Confirmations of Guaranty Agreement, as applicable, and the other documents executed and delivered to such Purchaser by the Company or such Guarantor of Payment are in the form approved by its board of directors or other managing body in the resolutions referred to in clause (d), above, and (f) that no dissolution or liquidation proceedings as to the Company or any Subsidiary have been commenced or are contemplated; provided, however, that if none of the matters certified to in the certificate delivered by the Company or any Guarantor of Payment under this clause (iii) on any prior Closing Day have changed and the resolutions referred to in sub-

clause (d) of this clause (iii) authorize the execution and delivery of the Notes, any Guaranty Agreement and any Confirmation of Guaranty Agreement, as applicable, being delivered on such subsequent Closing Day, then the Company or such Guarantor of Payment may, in lieu of the certificate described above, deliver a Secretary's Certificate signed by its Secretary or Assistant Secretary certifying that there have been no changes to the matters certified to in the certificate delivered by the Company or such Guarantor of Payment delivered on such prior Closing Day under this clause (iii);

(iv) a certificate of corporate or other type of entity and tax good standing for the Company from the Secretary of State of the state of organization of the Company;

(v) such other certificates, documents and agreements as such Purchaser may reasonably request.

3B. Opinion of NYLIM's Special Counsel. Such Purchaser shall have received from King & Spalding LLP, or such other counsel who is acting as special counsel for such Purchaser in connection with this transaction, a favorable opinion satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

3C. Opinion of Company's Counsel. Such Purchaser shall have received from Taft Stettinius & Hollister LLP, special counsel for the Company (or such other counsel designated by the Company and acceptable to such Purchaser), a favorable opinion satisfactory to such Purchaser, dated such Closing Day, and substantially in the form of Exhibit E attached hereto and as to such other matters as such Purchaser may reasonably request. The Company, by its execution hereof, hereby requests and authorizes such special counsel to render such opinions and to allow such Purchaser to rely on such opinions, agrees that the issuance and sale of any Notes will constitute a reconfirmation of such request and authorization, and understands and agrees that each Purchaser receiving such an opinion will and is hereby authorized to rely on such opinion.

3D. Representations and Warranties; No Default; Satisfaction of Conditions. The representations and warranties contained in paragraph 8 shall be true on and as of such Closing Day, both before and immediately after giving effect to the issuance of the Notes to be issued on such Closing Day and to the consummation of any other transactions contemplated hereby; there shall exist on such Closing Day no Event of Default or Default, both before and immediately after giving effect to the issuance of the Notes to be issued on such Closing Day and to the consummation of any other transactions contemplated hereby; the Company shall have performed all agreements and satisfied all conditions required under this Agreement to be performed or satisfied on or before such Closing Day; and the Company shall have delivered to such Purchaser an Officer's Certificate, dated such Closing Day, to each such effect.

3E. Purchase Permitted by Applicable Laws. The purchase of and payment for the Notes to be purchased by such Purchaser on such Closing Day on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, Section 5 of the Securities Act or Regulation T, U or X of the Board of Governors of the Federal Reserve System) and shall not subject such Purchaser to any tax, penalty, liability or other onerous

condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as it may request to establish compliance with this condition. All necessary authorizations, consents, approvals, exceptions or other actions by or notices to or filings with any court or administrative or governmental body or other Person required in connection with the execution, delivery and performance of this Agreement and the Notes to be issued on such Closing Day or the consummation of the transactions contemplated hereby or thereby shall have been issued or made, shall be final and in full force and effect and shall be in form and substance satisfactory to such Purchaser.

3F. Compliance Certificates. The Company shall have delivered to such Purchaser such certificates, in form and substance satisfactory to such Purchaser, demonstrating that the issuance of the Notes on such Closing Day is in compliance with the provisions of the Primary Credit Facility and any other Material Indebtedness Agreement as such Purchaser shall request, showing computations in reasonable detail.

3G. Payment of Fees. The Company shall have paid to such Purchaser in immediately available funds any fees due it pursuant to or in connection with this Agreement, including any Issuance Fee due pursuant to paragraph 2I(1) and any Delayed Delivery Fee due pursuant to paragraph 2I(2).

3H. Fees and Expenses. Without limiting the provisions of paragraph 11B hereof, the Company shall have paid the reasonable fees, charges and disbursements of any special counsel to the Purchasers in connection with this Agreement or the transactions contemplated hereby to the extent reflected in a statement of such counsel rendered to the Company at least one (1) Business Day prior to such Closing Day.

3I. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to such Purchaser, and such Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

3J. Funding Instructions. At least three Business Days prior to any Closing Day, each Purchaser shall have received written instructions in substantially the form of Exhibit B attached hereto, signed by a Responsible Officer on letterhead of the Company confirming (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited.

3K. Notice of Floating Interest Rate. Two Business Days prior to the Closing Day for any Floating Rate Notes (including the Series D Closing Day), the Purchaser of such Floating Rate Notes shall have received written notice from the Company of LIBOR and the Adjusted LIBOR Rate for the Floating Rate Interest Period commencing on the applicable Closing Day, together with reasonably detailed calculations with respect to such Floating Rate Interest Period, all as set forth in paragraph 1E.

4. PREPAYMENTS. Any Shelf Notes shall be subject to prepayment only with respect to the required prepayments specified in paragraph 4(A), if any, the optional prepayments permitted by paragraph 4B, and upon acceleration pursuant to paragraph 7A.

4A. Scheduled Required Prepayments of Shelf Notes. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series.

4B. Optional Prepayment. The Notes of each Series shall be subject to prepayment, in whole at any time or from time to time in part (in integral multiples of \$1,000,000 and in a minimum amount of \$5,000,000 on any one occurrence), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date, plus (i) the Yield-Maintenance Amount, if any, with respect to each Fixed Rate Note or (ii) the LIBOR Breakage Amount and Prepayment Premium, if any, with respect to each Floating Rate Note. Any partial prepayment of a Series of Notes pursuant to this paragraph 4B shall be applied in satisfaction of required payments of principal thereof (including the required payment of principal due upon the maturity thereof) as selected by the Company.

4C. Notice of Optional Prepayment. The Company shall give the holder of each Note of a Series to be prepaid pursuant to paragraph 4B irrevocable written notice of such prepayment not less than 10 Business Days prior to the prepayment date (which shall be a Business Day), specifying such prepayment date and the aggregate principal amount of the Notes of such Series, and the Notes of such Series held by such holder, to be prepaid on such date, and stating that such prepayment is to be made pursuant to paragraph 4B. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, if any, with respect thereto, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient of such notices in the Purchaser Schedule attached hereto or the applicable Confirmation of Acceptance or by notice in writing to the Company.

4D. Application of Prepayments. In the case of each prepayment of less than the entire outstanding principal amount of all Notes of any Series pursuant to paragraphs 4A or 4B, the principal amount so prepaid shall be allocated pro rata to all Notes of such Series at the time outstanding in proportion to the respective outstanding principal amounts thereof.

4E. No Acquisition of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4A or 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes of any Series held by any holder unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes of such Series held by each other holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement.

5. AFFIRMATIVE COVENANTS. During the Issuance Period and so long thereafter as any Note is outstanding and unpaid, the Company covenants as follows:

5A. Money Obligations. The Company covenants that it will, and shall cause each of its Subsidiaries to, pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate reserves have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject and the failure to pay would have a Material Adverse Effect; (b) all of its wage obligations to any employees required to be paid in compliance with the Fair Labor Standards Act (29 U.S.C. §§206-207) or any comparable provisions and the failure to pay would have a Material Adverse Effect; and (c) all of its other obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate reserves have been established in accordance with GAAP) before such payment becomes overdue and the failure to pay (i) would constitute a Default or Event of Default hereunder or (ii) have a Material Adverse Effect.

5B. Financial Statements. The Company covenants that it will deliver to each Significant Holder in duplicate:

(i) within forty-five (45) days after the end of each of the first three (3) quarter-annual periods of each fiscal year of the Company, balance sheets of the Company as of the end of such period and statements of income (loss), stockholders' equity and cash flow for the quarter and fiscal year to date periods, all prepared on a Consolidated basis, in accordance with GAAP, and in form and detail satisfactory to the Required Holders and certified by a Financial Officer of the Company; provided that delivery of the Company's quarterly report for any fiscal quarter of the Company on Form 10-Q as filed with the SEC shall satisfy the requirements of this subpart (i);

(ii) within ninety (90) days after the end of each fiscal year of the Company, (a) an annual audit report of the Company for that year prepared on a Consolidated and consolidating (but only as to the Company and its Subsidiaries) basis, in accordance with GAAP, and in form and detail satisfactory to the Required Holders and certified by an independent public accountant satisfactory to the Required Holders, which report shall include balance sheets and statements of income (loss), stockholders' equity and cash-flow for that period, provided that delivery of the Company's annual report for any fiscal year of the Company on Form 10-K as filed with the SEC shall satisfy the requirements of this subpart (ii)(a), and (b) a certificate by such accountant setting forth the Defaults and Events of Default coming to its attention during the course of its audit or, if none, a statement to that effect;

(iii) concurrently with the delivery of the financial statements in (i) and (ii) above, a Compliance Certificate;
and

(iv) as soon as available, copies of all notices, reports, definitive proxy statements and other documents that are publicly available and sent by the Company to its shareholders, to the holders of any of its debentures or bonds or the trustee of any indenture securing the same or pursuant to which they are issued, or sent by the Company (in final form) to any securities exchange or over the counter authority or system, or to the SEC or any similar federal agency having regulatory jurisdiction over the issuance of the Company's securities.

5C. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to and in compliance with the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5C, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5D. Financial Records. The Company covenants that it will at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate reserves for possible losses and liabilities, all in accordance with GAAP.

5E. Franchises. The Company will and shall cause each of its Subsidiaries to preserve and maintain at all times its existence, rights and franchises, except as otherwise permitted pursuant to paragraph 6D hereof; provided that the Company shall not be required to preserve or maintain such rights or franchises where the failure to do so will not have a Material Adverse Effect.

5F. ERISA Compliance. None of the Company or its Subsidiaries shall incur any material accumulated funding deficiency within the meaning of ERISA, or any material liability to the PBGC, established thereunder in connection with any ERISA Plan. The Company shall promptly notify each Significant Holder of any material taxes assessed, proposed to be assessed or that the Company has reason to believe may be assessed against the Company or any of its Subsidiaries by the Internal Revenue Service with respect to any ERISA Plan. As used in this paragraph "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of the Consolidated Total Assets of the Company.

5G. Notice. The Company covenants that it will promptly notify NYLIM and each Significant Holder whenever, to the knowledge of a Financial Officer (a) any Default or Event of Default is likely to occur hereunder, or (b) any default, or event with which the passage of time or the giving of notice, or both, would cause a default, shall have occurred under any Material Indebtedness Agreement.

5H. Environmental Compliance. Except where the failure to do so would not have or result in a Material Adverse Effect, the Company covenants that it will, and shall cause each Subsidiary to, (i) comply in all respects with any and all Environmental Laws including, without limitation, all Environmental Laws in jurisdictions in which the Company or any Subsidiary

owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise and (ii) not allow the release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which the Company or any of its Subsidiaries holds any interest or performs any of its operations, in violation of any Environmental Law. The Company shall defend, indemnify and hold NYLIM and the holders of Notes harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys' fees) arising out of or resulting from the noncompliance of the Company or any of its Subsidiaries with any Environmental Law. Such indemnification shall survive any termination of this Agreement.

5I. Pari Passu Ranking. The Company covenants that the obligations of the Company under this Agreement and the Notes shall, and that it will, and will cause each Subsidiary to, take all necessary action to ensure that the obligations of the Company under this Agreement and the Notes shall, at all times rank at least pari passu in right of payment (to the fullest extent permitted by law) with all other senior unsecured Indebtedness of the Company and its Subsidiaries.

6. NEGATIVE COVENANTS. During the Issuance Period and so long thereafter as any Note or other amount due hereunder is outstanding and unpaid, the Company covenants as follows:

6A. Financial Covenants.

6A(1). Leverage Ratio. The Company covenants that it shall not suffer or permit for the most recently completed four (4) fiscal quarters of the Company, the Leverage Ratio to exceed 3.75 to 1.00.

6A(2). Interest Coverage Ratio. The Company covenants that it shall not suffer or permit for the most recently completed four (4) fiscal quarters of the Company, the Interest Coverage Ratio to be less than 2.50 to 1.00.

6B. Indebtedness. The Company covenants that it will not and shall not permit any of its Subsidiaries to create, incur or have outstanding any obligation for borrowed money or any Indebtedness of any kind; provided, that this paragraph 6B shall not apply to:

- (i) the Notes;
- (ii) unsecured Indebtedness of the Company under the Primary Credit Facility;
- (iii) the unsecured Indebtedness of the Company under the 2012 Note Purchase Agreement;
- (iv) the unsecured Indebtedness of the Company owing to the Bank of Tokyo Mitsubishi UFJ, Ltd. up to the Dollar Equivalent of One Billion Japanese Yen (¥ 1,000,000,000) (the “**Company – BTMU Debt**”);

(v) the unsecured Indebtedness under the Nordson Holdings S.a.r.l.- BAML Term Loan Agreement in an aggregate amount not to exceed of One Hundred and Ten Million Euros (€110,000,000); provided that the foregoing Indebtedness shall not become permitted under this clause (v) (but will remain eligible to be permitted under clause (xii) below) unless and until the Primary Credit Facility is amended to permit such Indebtedness separately from Section 5.05(m) of the Primary Credit Facility and without including such Indebtedness as “Priority Indebtedness” (as defined in the Primary Credit Facility);

(vi) the unsecured Indebtedness of the Company under the August 6, 2014 Credit Agreement in an aggregate amount not to exceed One Hundred Million Dollars (\$100,000,000);

(vii) the unsecured Indebtedness of the Company under the 2015 Note Purchase Agreement in an aggregate principal amount not to exceed One Hundred Million Dollars (\$100,000,000);

(viii) the unsecured Indebtedness of the Company under the 2015 Term Loan Agreement in an aggregate principal amount not to exceed Two Hundred Million Dollars (\$200,000,000);

(ix) loans or capital leases to the Company or any of its Subsidiaries for the purchase or lease of fixed assets, which loans or leases are secured by the assets being purchased or leased, so long as the aggregate principal amount of all such loans and leases for the Company and its Subsidiaries do not exceed the greater of (a) One Hundred Million Dollars (\$100,000,000) and (b) an amount equal to five percent (5%) of Consolidated Total Assets at any time;

(x) Indebtedness owed by the Company or a Subsidiary (other than the Receivables Subsidiary) to the Company or another Subsidiary (other than the Receivables Subsidiary);

(xi) Indebtedness of the Receivables Subsidiary under the Permitted Receivables Facility, so long as (a) the funded amount, together with any other Indebtedness thereunder, does not exceed the greater of (1) Two Hundred Million Dollars (\$200,000,000) and (2) an amount equal to ten percent (10%) of Consolidated Total Assets at any time, and (b) the Company provides a copy of the documents evidencing such transaction to each Significant Holder; and

(xii) additional Indebtedness of the Company or any Subsidiary, to the extent not otherwise permitted pursuant to any of the foregoing clauses of this paragraph 6B, so long as (a) the Company will be in pro forma compliance as of the applicable measurement period with paragraph 6A hereof after giving effect to the incurrence of such Indebtedness, (b) no Event of Default shall exist prior to or after giving effect to the incurrence of any such Indebtedness and (c) after giving effect to the incurrence of such Indebtedness by any Subsidiary, the amount of outstanding Priority Indebtedness does not exceed an amount equal to the Priority Indebtedness Percentage of Consolidated Total Assets.

6C. Liens. The Company covenants and warrants that it will not, and will not permit any Subsidiary to create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this paragraph 6C shall not apply to the following:

- (i) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;
- (ii) other statutory Liens incidental to the conduct of its business or the ownership of its property and assets that (a) were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and (b) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;
- (iii) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of the Company or any of its Subsidiaries;
- (iv) Liens securing the Notes;
- (v) Liens on fixed assets securing the loans or capital leases pursuant to paragraph 6B(viii) hereof, provided that such Lien only attaches to the property being acquired or leased;
- (vi) Liens on the Receivables Related Assets in connection with the Permitted Receivables Facility securing the obligations under the Permitted Receivables Facility; and
- (vii) any other Liens, to the extent not otherwise permitted pursuant to subparts (i) through (vi) hereof, so long as the aggregate amount of Priority Indebtedness does not exceed at any time, for the Company and all Subsidiaries, an amount equal to the Priority Debt Percentage of Consolidated Total Assets; provided, however, that no Liens that secure any obligations of the Company under the Primary Credit Facility, the Company – BTMU Debt, the 2012 Note Purchase Agreement, the August 6, 2014 Credit Agreement, the Nordson Holding S.a.r.l.-BAML Term Loan Agreement, the 2015 Term Loan Agreement or the 2015 Note Purchase Agreement shall be permitted under this clause (vii).

The Company shall not, and shall not permit any Subsidiary (other than the Receivables Subsidiary) to, enter into any Material Indebtedness Agreement (other than any contract or agreement entered into in connection with the Indebtedness permitted to be incurred pursuant to paragraph 6B(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) or (xi) hereof) that would prohibit the holders of the Notes from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of the Company or any of Subsidiaries.

6D. Merger and Sale of Assets. The Company covenants that it will not, and will not permit any Subsidiary to, merge or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist:

(i) any Subsidiary (other than the Receivables Subsidiary) may merge with (a) the Company (provided that the Company shall be the continuing or surviving Person), or (b) any other Subsidiary (other than the Receivables Subsidiary);

(ii) the Company may sell, lease, transfer or otherwise dispose of any of its assets to any Subsidiary (other than the Receivables Subsidiary) and any Subsidiary (other than the Receivables Subsidiary) may sell, lease, transfer or otherwise dispose of any of its assets to (a) the Company, or (b) any Subsidiary (other than the Receivables Subsidiary);

(iii) in addition to any sale, lease, transfer or other disposition permitted pursuant to subparts (i) and (ii) above, the Company and any Subsidiary may sell accounts receivables and related rights to the Receivables Subsidiary in connection with the Permitted Receivables Facility;

(iv) any merger or consolidation that constitutes an Acquisition permitted pursuant to paragraph 6E hereof; and

(v) in addition to any sale, lease, transfer or other disposition permitted pursuant to subparts (i) through (iv) above, the Company or any Subsidiary (other than the Receivables Subsidiary) may sell, lease, transfer or otherwise dispose of any of its assets to any Person so long as the aggregate amount of all such assets sold, leased, transferred or otherwise disposed of by the Company and all of its Subsidiaries in any fiscal year of the Company does not exceed an amount equal to ten percent (10.0%) of Consolidated Total Assets as of the end of the immediately preceding fiscal year; provided, however, that if Section 5.07(e) of the Primary Credit Facility has been amended to permit the Company or any Subsidiary (other than the Receivables Subsidiary) to sell, lease, transfer or otherwise dispose of an aggregate amount of assets in any fiscal year of the Company of at least fifteen percent (15.0%) of Consolidated Total Assets as of the end of the immediately preceding fiscal year, then the foregoing reference to ten percent (10.0%) shall automatically be deemed increased to fifteen percent (15.0%).

Notwithstanding the foregoing provisions of this paragraph 6D, the Company may, or may permit any Subsidiary to, sell, lease, transfer or otherwise dispose of its assets and the assets subject to such sale, lease, transfer or disposition shall not be subject to or included in any of the foregoing limitations of the preceding sentence if the net proceeds from such sale, lease, transfer or disposition are, within 365 days of such sale, lease, transfer or disposition, are reinvested in productive assets of the Company or applied to the prepayment of the Notes or any other outstanding Indebtedness of the Company or any Subsidiary owed to a non-Affiliate ranking pari passu with or senior to the Notes. For purposes of foregoing sentence, the Company shall offer to

prepay (not less than 30 or more than 60 days following such offer) the Notes on a pro rata basis at a price of 100% of the principal amount of the Notes to be prepaid (without any Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium) together with interest accrued to the date of prepayment; provided that if any holder of the Notes declines such offer, the proceeds that would have been paid to such holder shall be offered pro rata to the other holders of the Notes that have accepted the offer. A failure by a holder of Notes to respond in writing not later than 10 Business Days prior to the proposed prepayment date to an offer to prepay made pursuant to this paragraph 6D shall be deemed to constitute a rejection of such offer by such holder. Whether or not such offers are accepted by holders, the entire principal amount of the Notes subject thereto shall be deemed to have been prepaid solely for purposes of this paragraph. Any prepayments of principal made pursuant to such offers shall be applied to scheduled payments of principal in inverse order of maturity.

6E. Acquisitions. The Company covenants that it will not, and will not permit any Subsidiary to, effect an Acquisition, except that the Company or any Subsidiary (other than the Receivables Subsidiary) may effect an Acquisition so long as (a) the Company shall be the surviving entity if such Acquisition is a merger or consolidation with the Company and if such Acquisition is a merger or consolidation with a Subsidiary, then the surviving entity shall be a Subsidiary on the consummation thereof; (b) the Board of Directors (or equivalent governing body) of the Person acquired shall have approved such Acquisition; and (c) no Default or Event of Default shall then exist or immediately thereafter shall begin to exist.

6F. Affiliate Transactions. The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company or its Subsidiaries on terms that are less favorable to the Company or such Subsidiary, as the case may be, than those that might be obtained at the time in a transaction with a non-Affiliate; provided, however, that the foregoing shall not prohibit (i) the payment of customary and reasonable directors' fees to directors who are not employees of the Company or its Subsidiaries or any Affiliate thereof; or (ii) any transaction, including, but not limited to the transactions contemplated pursuant to the Permitted Receivables Facility, between the Company and an Affiliate that the Company reasonably determines in good faith is beneficial to the Company and its Affiliates as a whole and that is not entered into for the purpose of hindering the exercise by NYLIM or any holder of a Note of its rights or remedies under this Agreement or any other Transaction Document.

6G. Reserved.

6H. Guaranties of Payment; Guaranty Under Material Indebtedness Agreement. The Company covenants that it will not permit any Subsidiary to become a Guarantor in respect of any Indebtedness under a Material Indebtedness Agreement (including without limitation the Primary Credit Facility, the 2012 Senior Note Purchase Agreement or the 2015 Note Purchase Agreement so long as each is a Material Indebtedness Agreement) unless, prior to or concurrently therewith (i) the Company shall have caused each such Subsidiary to execute and deliver to NYLIM and the holders of the Notes a Guaranty Agreement, in form and substance substantially similar to form of guaranty furnished under the Primary Credit Facility and otherwise completed in a manner satisfactory to NYLIM, accompanied by a certificate of the

Secretary or Assistant Secretary of such Subsidiary certifying such Subsidiary's charter and by-laws (or comparable governing documents), resolutions of the board of directors (or comparable governing body) of such Subsidiary authorizing the execution and delivery of such Guaranty Agreement and incumbency and specimen signatures of the officers of such Subsidiary executing such documents and (ii) if any holder of any Indebtedness under a Material Indebtedness Agreement shall be or become a party to an intercreditor agreement with any other holder of any Indebtedness under a Material Indebtedness Agreement, then the holders of the Notes and all holders of Indebtedness under any other Material Indebtedness Agreement with respect to which any Subsidiary is a Guarantor shall have entered into an intercreditor agreement in form and substance customary and appropriate for such agreement and otherwise reasonably satisfactory to NYLIM.

6I. Terrorism Sanctions Regulations. The Company covenants that it will not, and will not permit any Subsidiary to, (i) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) be in violation of any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list, Executive Order No. 13224 or the USA Patriot Act) that prohibits or limits the conduct of business with or the receiving of funds, goods or services to or for the benefit of certain Persons specified therein or that prohibits or limits any Purchaser from purchasing the Notes hereunder from the Company or from otherwise conducting business with the Company or its Subsidiaries.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) (a) the principal of any Note or any Yield-Maintenance Amount, LIBOR Breakage Amount or Prepayment Premium shall not be paid in full punctually when due and payable or within three (3) Business Days thereafter, or (b) the interest on any Note or any fee shall not be paid in full punctually when due and payable or within five (5) Business Days thereafter; or

(ii) the Company or any Subsidiary shall fail or omit to perform and observe paragraphs 6A, 6B, 6C, 6D, 6E, 6G or 6H; or

(iii) the Company or any Subsidiary shall fail or omit to perform and observe any agreement or other provision (other than those referred to in paragraphs 7A(i) or 7A(ii) hereof) contained or referred to in this Agreement or any other Transaction Document that is on the Company's or such Subsidiary's part, as the case may be, to be complied with, and that Default shall not have been fully corrected within thirty (30) days after the giving of written notice thereof to the Company by NYLIM or any holder of a Note that the specified Default is to be remedied; or

(iv) any representation, warranty or statement made by the Company or any Subsidiary in or pursuant to this Agreement or any other Transaction Document, or any other material information furnished by the Company or any Subsidiary to NYLIM or any holder of any Note, shall be false or erroneous; or

(v) the Company or any of its Subsidiaries shall default in the payment in an amount in excess of Two Million Five Hundred Thousand Dollars (\$2,500,000) of principal, interest or fees due and owing upon any other obligation for borrowed money (other than the Notes), for all such obligations for all of the Company and its Subsidiaries in aggregate equal to or greater than the greater of (a) Fifty Million Dollars (\$50,000,000) and (b) an amount equal to three percent (3%) of Consolidated Total Assets beyond any period of grace provided with respect thereto, or in the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created beyond any period of grace provided with respect thereto, if the effect of such default is to allow the acceleration of the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to its stated maturity; or

(vi) the occurrence of one or more ERISA Events that (a) the Required Holders determine could have a Material Adverse Effect, or (b) results in a Lien on any of the assets of the Company or any Subsidiary in excess of the greater of (1) Fifty Million Dollars (\$50,000,000) and (2) an amount equal to three percent (3%) of Consolidated Total Assets; or

(vii) a Change of Control shall occur; or

(viii) a final judgment or order for the payment of money shall be rendered against any the Company or any Subsidiary by a court of competent jurisdiction, that remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of thirty (30) days after the date on which the right to appeal has expired, provided that the aggregate of all such judgments for the Company and its Subsidiaries shall exceed the greater of (i) Fifty Million Dollars (\$50,000,000) and (ii) an amount equal to three percent (3%) of Consolidated Total Assets; or

(ix) (a) any material provision, in the reasonable opinion of any holder of the Notes, of this Agreement or any other Transaction Document shall at any time for any reason cease to be valid and binding and enforceable against the Company or any Subsidiary; (b) the validity, binding effect or enforceability of any material provision of this Agreement or any other Transaction Document against the Company or any Subsidiary shall be contested by such Company or any Subsidiary; (c) the Company or any Subsidiary shall deny that it has any or further liability or obligation thereunder; or (d) any material provision of this Agreement or any other Transaction Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to NYLIM and the holder of a Note the benefits purported to be created thereby; or

(x) the Company or any Subsidiary (other than any Subsidiary that individually, or in the aggregate when combined with all other Subsidiaries excluded from this paragraph 7A(x) by operation of this parenthetical, has assets less than or equal to the greater of (i) Fifty Million Dollars (\$50,000,000) and (ii) an amount equal to three percent (3%) of Consolidated Total Assets) shall (a) except as permitted pursuant to paragraph 6D hereof, discontinue business, (b) generally not pay its debts as such debts become due, (c) make a general assignment for the benefit of creditors, (d) apply for or consent to the appointment of a receiver, a custodian, a trustee, an interim trustee or liquidator of all or a substantial part of its assets, (e) be adjudicated a debtor or have entered against it an order for relief under Title 11 of the United States Code, as the same may be amended from time to time, (f) file a voluntary petition in bankruptcy, or have an involuntary proceeding filed against it and the same shall continue undismissed for a period of thirty (30) days from commencement of such proceeding or case, or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state (or the foreign equivalent)) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state (or the foreign equivalent)) relating to relief of debtors, (g) suffer or permit to continue unstayed and in effect for thirty (30) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition seeking its reorganization or appoints a receiver, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or (h) take, or omit to take, any action in order thereby to effect any of the foregoing;

then (1) if such event is an Event of Default specified in clause (i) of this paragraph 7A, any holder of any Note (other than the Company or any of its Subsidiaries or Affiliates) may at its option, by notice in writing to the Company, declare all of the Notes held by such holder to be, and all of the Notes held by such holder shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, (2) if such event is an Event of Default specified in clause (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, if any, with respect to each Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and the Facility shall automatically terminate, and (3) if such event is not an Event of Default specified in clause (x) of this paragraph 7A with respect to the Company, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, if any, with respect to each Note, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, and NYLIM may at its option, by notice in writing to the Company, terminate the Facility. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and without the occurrence of an Event of Default

and that the provision for payment of Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium by the Company in the event the Notes are prepaid or are accelerated as a result of an Event of Default is intended to provide compensation for the deprivation of such right under such circumstances.

7B. Rescission of Acceleration. At any time after any or all of the Notes shall have been declared immediately due and payable pursuant to paragraph 7A, the Required Holder(s) may, by notice in writing to the Company, rescind and annul such declaration and its consequences if (i) the Company shall have paid all overdue interest on the Notes, the principal of and Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, if any, payable with respect to any Notes which have become due otherwise than by reason of such declaration, and interest on such overdue interest and overdue principal and Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium at the Default Rate, (ii) the Company shall not have paid any amounts which have become due solely by reason of such declaration, (iii) all Events of Default and Defaults, other than non-payment of amounts which have become due solely by reason of such declaration, shall have been cured or waived pursuant to paragraph 11C, and (iv) no judgment or decree shall have been entered for the payment of any amounts due pursuant to the Notes of such Series or this Agreement. No such rescission or annulment shall extend to or affect any subsequent Event of Default or Default or impair any right arising therefrom.

7C. Notice of Acceleration or Rescission. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A or any such declaration shall be rescinded and annulled pursuant to paragraph 7B, the Company shall forthwith give written notice thereof to the holder of each Note of each Series at the time outstanding.

7D. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants as follows:

8A(1). Organization; Subsidiary Preferred Equity. The Company is a corporation duly organized and existing in good standing under the laws of the State of Ohio, and each Subsidiary is duly organized and existing in good standing under the laws of the jurisdiction in which it is organized. The Company and each of its Subsidiaries have duly qualified or been duly licensed, and are authorized to do business and are in good standing, in each jurisdiction in which the ownership of their respective properties or the nature of their respective businesses makes such qualification or licensing necessary and in which the failure to be so qualified or licensed could be reasonably likely to have a Material Adverse Effect. No Subsidiary has any

outstanding shares of any class of capital stock or other equity interests which has priority over any other class of capital stock or other equity interests of such Subsidiary as to dividends or distributions or in liquidation except as may be owned beneficially and of record by the Company or a Wholly-Owned Subsidiary. Each of its Subsidiary's legal name and its state or jurisdiction of organization has been set forth in the Company's most recent annual report on Form 10-K (excluding for any Subsidiary organized or no longer in existence since the date thereof). As of the date of this Agreement, no Subsidiary is a Guarantor with respect to any Indebtedness under the Primary Credit Facility or under any other Material Indebtedness Agreement.

8A(2). Power and Authority. The Company and each Subsidiary has all requisite corporate, limited liability company or partnership, as the case may be, power to own or hold under lease and operate their respective properties which it purports to own or hold under lease and to conduct its business as currently conducted and as currently proposed to be conducted. The Company has all requisite corporate power to execute, deliver and perform its obligations under this Agreement and the Notes. The execution, delivery and performance of this Agreement and the Notes has been duly authorized by all requisite corporate action, and this Agreement and the Notes have been duly executed and delivered by authorized officers of the Company and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8B. Financial Statements. The Company has furnished each Purchaser of any Note with (i) its annual report on Form 10K for each of the three fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 90 days prior to such date for which audited financial statements have not been released) and (ii) quarterly report on Form 10-Q as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 45 days prior to such date for which financial statements have not been released). There has been no material adverse change in the business, property or assets, condition (financial or otherwise), operations or prospects of the Company and its Subsidiaries taken as a whole since the end of the most recent fiscal year for which such audited financial statements had been furnished to NYLIM at the time of the execution of this Agreement by NYLIM (in the case of the making of this representation at the time of the execution of this Agreement), or, in the case of the making of this representation at the time of the issuance of a Series of Shelf Notes, since the end of the most recent fiscal year for which annual report on Form 10-K described in clause (i) of this paragraph 8B had been provided to NYLIM prior to the time NYLIM provided the interest rate quote to the Company pursuant to paragraph 2E with respect to such Series of Shelf Notes.

8C. Actions Pending. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which, individually or in the aggregate, could reasonably be expected to result in any Material Adverse Effect.

8D. Outstanding Indebtedness. Neither the Company nor any of its Subsidiaries has outstanding any Indebtedness except as permitted by paragraph 6B. There exists no default under the provisions of any instrument evidencing such Indebtedness or of any agreement relating thereto.

8E. Title to Properties. The Company has and each of its Subsidiaries has good and indefeasible title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets reflected in the most recent audited balance sheet referred to in paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6C and except where the failure to have such title would not have a Material Adverse Effect. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Subsidiaries are valid and subsisting and are in full force and effect except for those leases which the failure to be so would not have a Material Adverse Effect.

8F. Taxes. The Company has, and each of its Subsidiaries has, filed all federal, state and other income tax returns which, to the knowledge of the officers of the Company and its Subsidiaries, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being actively contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles or which the failure to file or pay would not have a Material Adverse Effect.

8G. Conflicting Agreements and Other Matters. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter, by-law, limited liability company operating agreement, partnership agreement or other corporate, limited liability company or partnership restriction which materially and adversely affects its business, property or assets, condition (financial or otherwise) or operations. Neither the execution nor delivery of this Agreement or the Notes, nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions hereof and of the Notes will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, the charter, by-laws, limited liability company operating agreement or partnership agreement of the Company or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders, members or partners), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is subject and the violation of which would have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter, by-laws, limited liability company operating agreement or partnership agreement), the violation of which would have a Material Adverse Effect, which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company of the type to be evidenced by the Notes except as set forth in the agreements listed in Schedule 8G attached hereto (as such Schedule 8G may have been modified from time to time by written supplements thereto delivered by the Company and accepted in writing by NYLIM).

8H. Offering of Notes. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than Institutional Investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of Section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8I. Use of Proceeds. The proceeds of (i) the Series D Notes will be used to repay existing Indebtedness and for general corporate purposes, and (ii) any Series of Shelf Notes will be used as specified in the Request for Purchase with respect to such Series. Neither the Company nor any Subsidiary owns or has any present intention of acquiring any “margin stock” as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System (herein called “margin stock”). None of the proceeds of the sale of any Notes will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry any stock that is then a margin stock or for any other purpose which might constitute the sale or purchase of any Notes a “purpose credit” within the meaning of such Regulation U. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or any Note to violate Regulation T, Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as in effect now or as the same may hereafter be in effect.

8J. ERISA. Except as referred to in the Company’s report as Form 10-K for its most recently concluded fiscal year, no accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan (other than a Multiemployer Plan). No liability to the PBGC has been or is expected by the Company or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Company, any Subsidiary or any ERISA Affiliate which is or could reasonably be expected to be materially adverse to the business, property or assets, condition (financial or otherwise) or operations of the Company and its Subsidiaries taken as a whole. Neither the Company, any Subsidiary nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or could reasonably be expected to be materially adverse to the business, property or assets, condition (financial or otherwise) or operations of the Company and its Subsidiaries taken as a whole. The execution and delivery of this Agreement and the issuance and sale of the Notes will be exempt from or will not involve any transaction which is subject to the prohibitions of section 406 of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of each Purchaser’s representation in paragraph 9B.

8K. Governmental Consent. Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the Closing Day for any Notes with the Securities and Exchange Commission and/or state Blue Sky authorities) in connection with the execution and delivery of this Agreement, the offering, issuance, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof or of the Notes.

8L. Compliance with Environmental and Other Laws. The Company and its Subsidiaries and all of their respective properties and facilities have complied at all times and in all respects with all federal, state, local, foreign and regional statutes, laws, ordinances and judicial or administrative orders, judgments, rulings and regulations, including, without limitation, those relating to protection of the environment, except, in any such case, where failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

8M. Regulatory Status. Neither the Company nor any of its Subsidiaries is (i) an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, or an “investment adviser” within the meaning of the Investment Advisers Act of 1940, as amended, (ii) a “holding company” or a “subsidiary company” or an “affiliate” of a “holding company” or of a “subsidiary company” of a “holding company”, within the meaning of the Public Utility Holding Company Act of 2005, or (iii) a “public utility” within the meaning of the Federal Power Act, as amended.

8N. Permits and Other Operating Rights. The Company and each Subsidiary has all such valid and sufficient certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company or any Subsidiary or any of its properties, as are necessary for the ownership, operation and maintenance of its businesses and properties, as presently conducted and as proposed to be conducted while the Notes are outstanding, subject to exceptions and deficiencies which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and such certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company, any Subsidiary or any of its properties are free from restrictions or conditions which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and neither the Company nor any Subsidiary is in violation of any thereof in any material respect.

8O. Rule 144A. The Notes are not of the same class as securities of the Company, if any, listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

8P. Absence of Financing Statements, etc. Except with respect to Liens permitted by paragraph 6C hereof there is, to the knowledge of a Financial Officer, no financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any assets or property of the Company or any of its Subsidiaries or any rights relating thereto.

8Q. Foreign Assets Control Regulations, Etc.

(i) Neither the sale of any Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(ii) Neither the Company nor any Subsidiary (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) engages in any dealings or transactions with any such Person. The Company and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(iii) No part of the proceeds from the sale of any Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

8R. Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to NYLIM or any Purchaser by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact or facts peculiar to the Company or any of its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now reasonably foresee), individually or in the aggregate, reasonably be expected to materially adversely affect the business, property or assets, or financial condition of the Company or any of its Subsidiaries and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to NYLIM and each Purchaser by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby. Any financial projections delivered to NYLIM or any Purchaser on or prior to the date this representation is made or repeated are reasonable based on the assumptions stated therein and the best information available to the officers of the Company. The copy of the Primary Credit Facility furnished to NYLIM prior to the date of this Agreement is a true and complete copy of the Primary Credit Facility as in effect on the date of this Agreement.

8S. Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

9. REPRESENTATIONS OF EACH PURCHASER. Each Purchaser represents as follows:

9A. Nature of Purchase. Such Purchaser is not acquiring the Notes purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of such Purchaser's property shall at all times be and remain within its control.

9B. Source of Funds. At least one of the following statements is an accurate representation as to each source of funds (a **"Source"**) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(i) the Source is an "insurance company general account" (as that term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("**PTE**") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "**NAIC Annual Statement**")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(ii) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(iii) the Source is either (a) an insurance company pooled separate account, within the meaning of PTE 90-1, or (b) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (iii), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iv) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 (the "**QPAM Exemption**")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee

organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of “control” in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (a) the identity of such QPAM and (b) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this clause (iv); or

(v) the Source constitutes assets of a “plan(s)” (within the meaning of Section IV of PTE 96-23 (the **“INHAM Exemption”**)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Section IV(h) of the INHAM Exemption) owns a 5% or more interest in the Company and (a) the identity of such INHAM and (b) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (v); or

(vi) the Source is a governmental plan; or

(vii) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (vii); or

(viii) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this paragraph 9B, the terms **“employee benefit plan”**, **“governmental plan”**, and **“separate account”** shall have the respective meanings assigned to such terms in Section 3 of ERISA.

10. DEFINITIONS; ACCOUNTING MATTERS. For the purpose of this Agreement, the terms defined in paragraphs 10A and 10B (or within the text of any other paragraph) shall have the respective meanings specified therein and all accounting matters shall be subject to determination as provided in paragraph 10C.

10A. Yield-Maintenance Terms.

“Called Principal” shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B or is declared to be or otherwise becomes due and payable pursuant to paragraph 7A, as the context requires.

“Discounted Value” shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Note is payable, if interest is payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” shall mean, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal for the most recent actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date on the display designated as “Page PX1” on Bloomberg Financial Markets (or such other display as may replace Page PX1 on Bloomberg Financial Markets or, if Bloomberg Financial Markets shall cease to report such yields or shall cease to be NYLIM’s customary source of information for calculating yield-maintenance amounts on privately placed notes, then such source as is NYLIM’s customary source of such information), or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable (including by way of interpolation), the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or (ii) of the preceding sentence, such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to that number of decimal places as appears in the coupon of the applicable Note.

“Remaining Average Life” shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

“Settlement Date” shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be or otherwise becomes due and payable pursuant to paragraph 7A, as the context requires.

“Yield-Maintenance Amount” shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

10B. Other Terms.

“2012 Note Purchase Agreement” shall mean the Master Note Purchase Agreement, dated as of July 26, 2012, pursuant to which the Company issued and sold Sixty Eight Million Dollars (\$68,000,000) in aggregate principal amount of its 3.07% Senior Notes, Series 2012-A, due July 25, 2025, Seventy Five Million Dollars (\$75,000,000) in aggregate principal amount of its 3.13% Senior Notes, Series 2012-B, due July 26, 2024, Thirty Seven Million Dollars (\$37,000,000) in aggregate principal amount of its 2.62% Senior Notes, Series 2012-C, due July 26, 2021, and Twenty Million Dollars (\$20,000,000) of its 2.27% Senior Notes, Series 2012-D, due July 26, 2017, and may issue and sell additional senior notes.

“2015 Note Purchase Agreement” shall mean that certain Master Note Purchase Agreement, dated as of July 28, 2015, pursuant to which the Company issued and sold Fifty Million Dollars (\$50,000,000) in aggregate principal amount of its 2.89% Senior Notes, Series 2015-A, due July 28, 2025, and Fifty Million Dollars (\$50,000,000) in aggregate principal amount of its 3.19% Senior Notes, Series 2015-B, due July 28, 2027.

“2015 Term Loan Agreement” shall mean that certain Term Loan Agreement, dated April 10, 2015, pursuant to which the Company borrowed term loans in an aggregate principal amount of Two Hundred Million Dollars (\$200,000,000).

“Acceptance” shall have the meaning given in paragraph 2F hereof.

“Acceptance Day” shall have the meaning given in paragraph 2F hereof.

“Acceptance Window” shall mean, with respect to any interest rate quotes provided by NYLIM pursuant to paragraph 2E, the time period designated by NYLIM as the time period during which the Company may elect to accept such interest rate quotes. If no such time period is designated by NYLIM with respect to any such interest rate quotes, then the Acceptance Window for such interest rate quotes will be 2 minutes after the time NYLIM shall have provided such interest rate quotes to the Company.

“Accepted Note” shall have the meaning given in paragraph 2F hereof.

“Acquisition” shall mean any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person, or any business or division of any Person, (b) the acquisition of in excess of fifty percent (50%) of the stock (or other equity interest) of any Person, or (c) the acquisition of another Person (other than the Company or a Subsidiary) by a merger or consolidation or any other combination with such Person.

“Adjusted LIBOR Rate” shall mean, for each Floating Rate Interest Period, with respect to (a) the Series D Notes, a rate per annum equal to 1.25% plus LIBOR for such Floating Rate Interest Period and (b) any Shelf Note that is a Floating Rate Note, a rate per annum equal to the margin specified for such Floating Rate Note in the relevant Confirmation of Acceptance plus LIBOR for such Floating Rate Interest Period.

“Affiliate” shall mean (i) with respect to any specified Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, and (ii) with respect to NYLIM, shall include any managed account, investment fund or other vehicle for which NYLIM or any Affiliate of NYLIM then acts as investment advisor or portfolio manager. “Control” (including the correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly of, the power to direct or cause the direction of the management and policies of such specified Person, whether through the ownership of voting securities, by contract or otherwise.

“Alternate Currency” shall mean Euros, Pounds Sterling, Japanese Yen or any other currency, other than Dollars, that is freely transferable and convertible into Dollars.

“Anti-Terrorism Order” means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

“August 6, 2014 Credit Agreement” means that certain Credit Agreement dated as of August 6, 2014 by and among the Company, the banks party thereto, PNC Bank, National Association as Administrative Agent and PNC Capital Markets LLC as Lead Arranger.

“Authorized Officer” shall mean (i) in the case of the Company, its chief executive officer, its chief financial officer, its treasurer, any vice president of the Company designated as an “Authorized Officer” of the Company in the Information Schedule attached hereto or any vice president of the Company designated as an “Authorized Officer” of the Company for the purpose of this Agreement in an Officer’s Certificate executed by the Company’s chief executive officer or chief financial officer and delivered to NYLIM, and (ii) in the case of NYLIM or any NYLIM Affiliate, any Person designated as an “Authorized Officer” of NYLIM and NYLIM Affiliates in the Information Schedule or any Person designated as its “Authorized Officer” for the purpose of this Agreement in a certificate executed by one of NYLIM’s Authorized Officers or a lawyer in NYLIM’s law department. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company and whom NYLIM or any NYLIM Affiliate in good faith believes to be an Authorized Officer of the Company at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company, and any action taken under this Agreement on behalf of NYLIM or any NYLIM Affiliate by any individual who on or after the date of this Agreement shall have been an Authorized Officer of NYLIM or such NYLIM Affiliate and whom the Company in good faith believes to be an Authorized Officer of NYLIM or such NYLIM Affiliate at the time of such action shall be binding on NYLIM or such NYLIM Affiliate even though such individual shall have ceased to be an Authorized Officer of NYLIM or such NYLIM Affiliate.

“Available Facility Amount” shall have the meaning given in paragraph 2B hereof.

“Available Floating Rate Sublimit Amount” shall mean, at any point in time, (a) \$100,000,000, minus (b) the aggregate principal amount of Floating Rate Notes (including the Series D Notes) purchased and sold pursuant to this Agreement prior to that time, minus (c) the aggregate principal amount of Accepted Notes that are Floating Rate Notes that have not been purchased and sold hereunder prior to that time and for which the closing has not been cancelled, plus (d) the aggregate principal amount of Floating Rate Notes purchased, sold, and repaid or prepaid pursuant to this Agreement prior to that time.

“Business Day” shall mean any day other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks in New York City or Cleveland, Ohio, are required or authorized to be closed, (iii) for purposes of determining LIBOR or any LIBOR Breakage Amount only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City or London, England are required or authorized to be closed, and (iv) for purposes of paragraph 2D hereof only, a day on which NYLIM is not open for business.

“Cancellation Date” shall have the meaning given in paragraph 2I(3) hereof.

“Cancellation Fee” shall have the meaning given in paragraph 2I(3) hereof.

“Capital Distribution” shall mean a payment made, liability incurred or other consideration given for the purchase, acquisition, redemption or retirement of any capital stock or other equity interest of the Company or any Subsidiary or as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of the Company or such Subsidiary in question) in respect of the Company’s or any Subsidiary’s capital stock or other equity interest, including, but not limited to, any Share Repurchase.

“Cash Equivalent” shall mean any debt instrument that would be deemed a cash equivalent in accordance with GAAP.

“Change of Control” shall mean (a) the acquisition of, or, if earlier, the shareholder or director approval of the acquisition of, ownership or voting control, directly or indirectly, beneficially or of record, on or after the date of this Agreement, by any Person or group (within the meaning of Rule 13d-3 of the Exchange Act) other than the Current Management Team, of shares representing more than fifty percent (50%) of the aggregate ordinary Voting Power represented by the issued and outstanding capital stock of the Company; (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the occurrence of a change of control, or other similar provision, as defined in any Material Indebtedness Agreement..

“Closing Day” shall mean with respect to (a) the Series D Notes, the Series D Closing Day and (b) any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Confirmation of Acceptance for such Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the “Closing Day” for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale

of such Accepted Note is rescheduled pursuant to paragraph 2H, the Closing Day for such Accepted Note, for all purposes of this Agreement except references to “original Closing Day” in paragraph 2I(3), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

“**Company – BTMU Debt**” shall have the meaning given in paragraph 6B(iv).

“**Compliance Certificate**” shall mean a certificate, substantially in the form of the attached Exhibit F.

“**Confirmation of Acceptance**” shall have the meaning given in paragraph 2F.

“**Confirmation of Guaranty Agreement**” shall have the meaning given in paragraph 3A(ii).

“**Consideration**” shall mean, in connection with an Acquisition, the aggregate consideration paid, including borrowed funds, cash, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment, in excess of fair and reasonable amounts, of consulting fees or fees for a covenant not to compete and any other consideration paid for the purchase.

“**Consolidated**” shall mean the resultant consolidation of the financial statements of the Company and its Subsidiaries in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in paragraph 5B hereof.

“**Consolidated Depreciation and Amortization Charges**” shall mean, for any period, the aggregate of all depreciation and amortization charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) as well as impairments thereof and any losses traced to the write-off of goodwill, fixed assets, leasehold improvements and general intangibles associated with the disposal or exiting of a business of the Company or any of its Subsidiaries for such period, all as determined on a Consolidated basis and in accordance with GAAP.

“**Consolidated EBIT**” shall mean, for any period, on a Consolidated basis and in accordance with GAAP, Consolidated Net Earnings for such period plus the aggregate amounts deducted in determining such Consolidated Net Earnings in respect of (a) income taxes, (b) Consolidated Interest Expense, (c) any non-cash charges taken in accordance with GAAP, (d) any non-cash charges relating to annual costs associated with expensing the Company’s employee stock option program if the Company is required or chooses to do so, and (e) any non-cash charges.

“**Consolidated EBITDA**” shall mean, for any period, on a Consolidated basis and in accordance with GAAP, Consolidated EBIT plus Consolidated Depreciation and Amortization Charges.

“Consolidated Interest Expense” shall mean, for any period, the interest expense of the Company for such period, as determined on a Consolidated basis and in accordance with GAAP, and shall include that portion of the expenses of a Permitted Receivables Facility that would be the equivalent to interest expense if a Company obtained funding in a manner that would give rise to interest expense, in an amount approximately equal to the amount of the Permitted Receivables Facility.

“Consolidated Net Earnings” shall mean, for any period, the net income (loss) of the Company for such period, as determined on a Consolidated basis and in accordance with GAAP.

“Consolidated Total Assets” shall mean the book value of all assets of the Company and its Subsidiaries, as determined on a Consolidated basis and in accordance with GAAP, based upon the financial statements of the Company for the most recently completed fiscal quarter.

“Consolidated Trailing EBITDA” shall mean the sum of (a) Consolidated EBITDA, plus (b)(i) without duplication, the EBITDA of Subsidiaries acquired by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters to the extent that such EBITDA of Subsidiaries acquired is confirmed by audited financial or other information (which other information need not be audited or auditable) satisfactory to NYLIM minus (ii) the EBITDA of Subsidiaries disposed of by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters; provided, however, that, non-recurring gains shall be excluded from the determination of Consolidated Trailing EBITDA.

“Consolidated Trailing Interest Expense” shall mean the sum of (a) Consolidated Interest Expense, plus (b)(i) without duplication, the interest expense of Subsidiaries acquired by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters to the extent that such interest expense of such Subsidiaries acquired is confirmed by audited financial or other information (which other information need not be audited or auditable) satisfactory to NYLIM, minus (ii) the interest expense of Subsidiaries disposed of by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters.

“Consolidated Trailing Net Earnings” shall mean the sum of (a) Consolidated Net Earnings, plus (b)(i) without duplication, the Net Earnings of Subsidiaries acquired by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters to the extent that such Net Earnings of such Subsidiaries acquired is confirmed by audited financial or other information (which other information need not be audited or auditable) satisfactory to NYLIM, minus (ii) the Net Earnings of Subsidiaries disposed of by the Company and its Subsidiaries during the most recently completed four (4) fiscal quarters.

“Controlled Group” shall mean a Company and each Person required to be aggregated with a Company under Code Sections 414(b), (c), (m) or (o).

“Current Management Team” shall mean any group comprised of the chief executive officer, the chief operating officer, the chief financial officer and other senior management of the Company (or any combination thereof) as in place on the date of this Agreement, and their respective spouses and children (and/or trusts of which the only beneficiaries are such members of senior management and their respective spouses and children) or any “group” (within the meaning of Rule 13d under the Exchange Act) that includes at least three (3) of such members of senior management, together with their “affiliates” and “associates” (within the meaning of Rule 12b-2 under the Exchange Act).

“Default” shall mean any of the events specified in paragraph 7A, whether or not any requirement for such event to become an Event of Default has been satisfied.

“Default Rate” shall mean, with respect to any Note, a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% per annum above (A) for any Fixed Rate Notes, the rate of interest stated in such Note and (B) for any Floating Rate Notes, the then applicable Adjusted LIBOR Rate, or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

“Delayed Delivery Fee” shall have the meaning given in paragraph 2I(2) hereof.

“Depreciation and Amortization Charges” shall mean, with respect to any Person for any period, in accordance with GAAP, the aggregate of all such charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) of such Person as well as impairments thereof and any losses traced to the write-off of goodwill, fixed assets, leasehold improvements and general intangibles associated with the disposal or exiting of a business by such Person for such period.

“Dollar” and the sign “\$” shall mean lawful money of the United States of America.

“Dollar Equivalent” of any amount shall mean the Dollar equivalent of such amount, determined by NYLIM on the basis of its spot rate at approximately 11:00 A.M. London time on the date for which the Dollar equivalent amount of such amount is being determined, for the purchase of the relevant Alternate Currency with Dollars for delivery on such date.

“EBITDA” shall mean, for any period, in accordance with GAAP, Net Earnings for such period, plus the aggregate amounts deducted in determining such Net Earnings in respect of (a) income taxes, (b) interest expense, and (c) Depreciation and Amortization Charges.

“Environmental Laws” shall mean all provisions of law, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or any other applicable country or sovereignty or by any state or municipality thereof or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated pursuant thereto.

“ERISA Affiliate” shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

“ERISA Event” shall mean (a) the existence of a condition or event with respect to an ERISA Plan that presents a risk of the imposition of an excise tax or any other liability on a Company or of the imposition of a Lien on the assets of the Company or its Subsidiaries; (b) the engagement by a Controlled Group member in a non-exempt “prohibited transaction” (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in liability to a Company; (c) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to provide security under Code Section 401(a)(29) or ERISA Section 307; (d) the occurrence of a Reportable Event with respect to any Pension Plan as to which notice is required to be provided to the PBGC; (e) the withdrawal by a Controlled Group member from a Multiemployer Plan in a “complete withdrawal” or a “partial withdrawal” (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (f) the involvement of, or occurrence or existence of any event or condition that makes likely the involvement of, a Multiemployer Plan in any reorganization under ERISA Section 4241; (g) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any “cash or deferred arrangement” under any such ERISA Plan to meet the requirements of Code Section 401(k); (h) the taking by the PBGC of any steps to terminate a Pension Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (i) the failure by a Controlled Group member or an ERISA Plan to satisfy any requirements of law applicable to an ERISA Plan; (j) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits; or (k) any incurrence by or any expectation of the incurrence by a Controlled Group member of any liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, et. seq. or Code Section 4980B, that, as to (a) through (k) above, would reasonably be likely to have or result in a Material Adverse Effect.

“ERISA Plan” shall mean an “employee benefit plan” (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

“Event of Default” shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Existing Agreement” shall have the meaning given in paragraph 1A hereof.

“Existing Notes” shall have the meaning given in paragraph 1A hereof.

“Facility” shall have the meaning given in paragraph 2B hereof.

“Financial Officer” shall mean any of the following officers: chief executive officer, president, vice president-finance, chief financial officer, controller or treasurer. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of the Company.

“Fixed Rate Notes” shall mean any Notes that bear a fixed rate of interest, including, without limitation, the Existing Notes.

“Floating Rate Interest Payment Dates” shall mean, (a) with respect to the Series D-1 Notes, the 7th day of each month, commencing November 7, 2016 until the principal sum in respect of which interest is being paid shall otherwise have become due and payable (whether at maturity, upon notice of prepayment or otherwise), (b) with respect to the Series D-2 Notes, the 7th day of each January, April, July and October, commencing January 7, 2017 until the principal sum in respect of which interest is being paid shall otherwise have become due and payable (whether at maturity, upon notice of prepayment or otherwise) and (c) with respect to any Shelf Notes that are Floating Rate Notes, the interest payment dates specified for such Floating Rate Notes in the applicable Confirmation of Acceptance.

“Floating Rate Interest Period” shall mean, with respect to any Floating Rate Notes, each period commencing on the date of the Closing for such Floating Rate Notes and, thereafter, commencing on a Floating Rate Interest Payment Date with respect to such Floating Rate Notes and continuing up to, but not including, the next Floating Rate Interest Payment Date applicable to such Floating Rate Notes.

“Floating Rate Notes” shall mean any Notes that bear a floating rate of interest, including, without limitation, the Series D Notes.

“Floating Rate Required Holders” shall mean, at any time, the holders of at least 51% in principal amount of the Floating Rate Notes at the time outstanding (exclusive of Floating Rate Notes then owned by the Company or any of its affiliates).

“GAAP Reconciliation” shall have the meaning given in paragraph 10C hereof.

“Guarantor” shall mean a Person that pledges its credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker or co-borrower, endorser or Person that agrees conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind.

“Guarantor of Payment” shall mean any Subsidiary that executes and delivers a Guaranty Agreement on or after the Series A Closing Day, or any other Person that shall deliver a Guaranty Agreement to NYLIM or any holder of a Note on or after the Series A Closing Day in connection with this Agreement.

“Guaranty Agreement” shall have the meaning given in paragraph 3A(ii).

“Hedge Treasury Note(s)” shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by NYLIM) most closely matches the duration of such Accepted Note.

“Hostile Tender Offer” shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

“including” shall mean, unless the context clearly requires otherwise, “including without limitation”, whether or not so stated.

“Indebtedness” shall mean, for the Company or any Subsidiary (excluding in all cases trade payables payable in the ordinary course of business by the Company or such Subsidiary), without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations for the deferred purchase price of capital assets, in each case, incurred outside of the ordinary course of business, (c) all obligations under conditional sales or other title retention agreements (other than a true consignment), in each case, incurred outside of the ordinary course of business, (d) all synthetic leases, (e) all lease obligations that have been capitalized on the books of the Company or such Subsidiary in accordance with GAAP, (f) all obligations of the Company or such Subsidiary with respect to asset securitization financing programs, including, but not limited to, all indebtedness under the Permitted Receivables Facility, and (g) all material obligations arising outside the ordinary course of business to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person.

“Institutional Investor” shall mean any insurance company, commercial, investment or merchant bank, finance company, mutual fund, registered money or asset manager, savings and loan association, credit union, registered investment advisor, pension fund, investment company, licensed broker or dealer, “qualified institutional buyer” (as such term is defined under Rule 144A promulgated under the Securities Act) or “accredited investor” (as such term is defined in Regulation D promulgated under the Securities Act).

“Interest Coverage Ratio” shall mean, for the most recently completed four (4) fiscal quarters of the Company, on a Consolidated basis and in accordance with GAAP, the ratio of (a) Consolidated Trailing EBITDA to (b) Consolidated Trailing Interest Expense, as determined after the conclusion of most recently completed fiscal quarter in accordance with the Company’s customary financial reporting practices.

“Issuance Fee” shall have the meaning given in paragraph 2I(1) hereof.

“Issuance Period” shall have the meaning given in paragraph 2C hereof.

“Leverage Ratio” shall mean, at any time, for the most recently completed four (4) fiscal quarters of the Company, on a Consolidated basis and in accordance with GAAP, the ratio of (a)(i) Total Indebtedness minus (ii) the aggregate amount of cash, Cash Equivalents and other marketable securities of the Company and its Subsidiaries as set forth on the financial statements of the Company and its Subsidiaries for the most recently completed fiscal quarter that are not subject to a Lien (other than a Lien in favor of the holders of the Notes), to (b) Consolidated Trailing EBITDA, as determined after the conclusion of most recently completed fiscal quarter in accordance with the Company’s customary financial reporting practices.

“LIBOR” shall mean, for any Floating Rate Interest Period:

(i) the rate per annum (rounded upwards, if necessary, to the nearest 1/1000 of 1%) for a one, three or six month period (such period being (x) one month with respect to the Series D-1 Notes, (y) three months with respect to the Series D-2 Notes and (z) one, three or six months as set forth in the applicable Confirmation of Acceptance with respect to a Note that is a Floating Rate Note) which appears on the display designated as “BBAM 7” (or such other display as may replace BBAM 7) administered by ICE Benchmark Administration on Bloomberg Financial Markets as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two (2) Business Days before the commencement of such Floating Rate Interest Period (herein, the **“LIBOR Determination Date”**); or

(ii) if for any reason such rate is not reported in accordance with the above clause (i) or is unavailable, then “LIBOR” means the arithmetic mean of the per annum rate of interest at which deposits of U.S. dollars in immediately available funds are offered at 11:00 a.m. (London, England time) on the date two Business Days before the LIBOR Determination quoted by two major financial institutions in the London interbank market for such Floating Rate Interest Period for an amount equal to the aggregate outstanding principal amount of the applicable Floating Rate Notes as of the LIBOR Determination Date, as selected by the Company in good faith.

“LIBOR Breakage Amount” shall mean, as of the date of any payment or prepayment of the Floating Rate Notes then being paid or prepaid, any loss, cost or expense reasonably incurred by any holder of a Floating Rate Note as a result of any payment or prepayment of any Floating Rate Note (whether voluntary, mandatory, automatic, by reason of acceleration or otherwise) on a day other than a regularly scheduled Floating Rate Interest Payment Date for such Floating Rate Note or at the scheduled maturity, and any loss or expense arising from the liquidation or reemployment of funds obtained by it or from fees payable to terminate the deposits from which such funds were obtained. Each holder shall determine the portion of the LIBOR Breakage Amount with respect to the principal amount of its Floating Rate Notes then being paid or prepaid (or required to be paid or prepaid) by written notice to the Company setting forth such determination in reasonable detail. Each such determination shall be conclusive absent manifest error.

“Lien” shall mean any mortgage, security interest, lien (statutory or other), charge, encumbrance on, pledge or deposit of, or conditional sale, leasing, sale with a right of redemption or other title retention agreement and any capitalized lease with respect to any property (real or personal) or asset.

“Material Adverse Effect” shall mean a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole, or (b) the validity or enforceability of this Agreement or any of the other Transaction Documents or the rights and remedies of the holders of the Notes hereunder or thereunder.

“Material Indebtedness Agreement” shall mean any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing any Indebtedness of the Company or any Subsidiary in an amount equal to or greater than the greater of (i) Fifty Million Dollars (\$50,000,000) and (ii) an amount equal to five percent (5%) of Consolidated Total Assets.

“Multiemployer Plan” shall mean a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

“Net Earnings” shall mean, for any period, the net income (loss) for such period, determined in accordance with GAAP.

“Nordson Holdings S.a.r.l.- BAML Term Loan Agreement” shall mean that certain Term Loan Agreement dated as of October 5, 2015, as amended by the First Amendment to the Term Loan Agreement, dated as of September 30, 2016, by and among Nordson Holdings S.a.r.l. & Co. KG, as borrower, Nordson Corporation, as parent guarantor, the banks party thereto, and Bank of America Merrill Lynch International Limited, as administrative agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Sole Lead Arranger and Sole Bookrunner.

“Notes” shall have the meaning given in paragraph 1D hereof.

“NYLIM” means NYL Investors LLC (as successor in interest to New York Life Investment Management LLC).

“NYLIM Affiliate” shall mean any Affiliate of NYLIM.

“Officer’s Certificate” shall mean a certificate signed in the name of the Company by an Authorized Officer of the Company.

“PBGC” shall mean the Pension Benefit Guaranty Corporation, or any successor or replacement entity thereto under ERISA.

“Pension Plan” shall mean an ERISA Plan that is a “pension plan” (within the meaning of ERISA Section 3(2)).

“Permitted Receivables Facility” shall mean an accounts receivable facility whereby the Company or its Subsidiaries sell or transfer the accounts receivables of the Company or its Subsidiaries to the Receivables Subsidiary which in turn transfers to a buyer, purchaser or lender undivided fractional interests in such accounts receivable, so long as (a) no portion of the Indebtedness or any other obligation (contingent or otherwise) under such Permitted Receivables Facility is guaranteed by the Company or any Subsidiary, (b) there is no recourse or obligation to the Company or any Subsidiary (other than the Receivables Subsidiary) whatsoever other than pursuant to customary representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with such Permitted Receivables Subsidiary, and (c) neither the Company nor any Subsidiary (other than the Receivables Subsidiary) provides, either directly or indirectly, any other credit support of any kind in connection with such Permitted Receivables Facility other than as set forth in subpart (b) of this definition.

“Person” shall mean any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, institution, trust, estate, government or other agency or political subdivision thereof or any other entity.

“Plan” shall mean any employee pension benefit plan (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any ERISA Affiliate.

“Prepayment Premium” shall mean, in connection with any optional prepayment of any Series of Floating Rate Notes pursuant to paragraph 4B or an acceleration of any Floating Rate Notes pursuant to paragraph 7A, an amount equal to the principal amount of such Series of Floating Rate Notes so prepaid or accelerated, as the case may be, multiplied by the prepayment premium percentage set forth (x) in the case of a Series of Floating Rate Notes (other than the Series D Notes), in the applicable Confirmation of Acceptance for such Series of Floating Rate Notes and (y) in the case of the Series D Notes, opposite the respective period below:

<u>If Prepaid or Accelerated During the Period</u>	<u>Applicable Percentage</u>
Prior to the first annual anniversary date of the Series D Closing Day	2%
From and after the first annual anniversary date of the Series D Closing Day and prior to the second annual anniversary date of the Series D Closing Day	1%
From and after the second annual anniversary date of the Series D Closing Day	0%

“Primary Credit Facility” shall mean, the \$850 million unsecured multicurrency credit facility pursuant to the terms and conditions of that certain Second Amended and Restated Credit Agreement, dated as of February 20, 2015, by the Company and the Banks (as defined in therein) with KeyBank National Association and J.P. Morgan Securities Inc. as co-lead arrangers, as amended, supplemented, restated, extended, refinanced, replaced or otherwise modified from time to time.

“Priority Indebtedness” shall mean, without duplication, the sum of (a) all Indebtedness of Subsidiaries permitted by paragraph 6B(xi) and (b) all Indebtedness of the Company secured by any Liens permitted by paragraph 6C(vii).

“Priority Indebtedness Percentage” shall mean fifteen percent (15%); provided, that to the extent that the Primary Credit Facility is amended to increase the percentage of Consolidated Total Assets that is the maximum limit on “Priority Indebtedness” in Section 5.08(g) of the Primary Credit Facility above fifteen percent (15%), then the Priority Debt Percentage shall automatically be increased to the same percentage as the amended Primary Credit Facility, but in no event greater than twenty percent (20%).

“Purchasers” shall mean with respect to any Accepted Notes, the NYLIM Affiliate(s) which are purchasing such Accepted Notes.

“Receivables Related Assets” shall mean accounts receivable, instruments, chattel paper, obligations, general intangibles and other similar assets, in each case relating to receivables subject to the Permitted Receivables Facility, including interests in merchandise or goods, the sale or lease of which gave rise to such receivables, related contractual rights, guaranties, insurance proceeds, collections and proceeds of all of the foregoing.

“Receivables Subsidiary” shall mean a Wholly-Owned Subsidiary of the Company that is established as a “bankruptcy remote” Subsidiary for the sole purpose of acquiring accounts receivable under the Permitted Receivables Facility and that shall not engage in any activities other than in connection with the Permitted Receivables Facility.

“Reportable Event” shall mean a reportable event as that term is defined in Title IV of ERISA, except actions of general applicability by the Secretary of Labor under Section 110 of such Act.

“Request for Purchase” shall have the meaning given in paragraph 2D hereof.

“Required Holder(s)” shall mean the holder or holders of more than 50% of the aggregate principal amount of the Notes or, if the term is expressly used with respect to a Series of Notes, of such Series of Notes from time to time outstanding.

“Rescheduled Closing Day” shall have the meaning given in paragraph 2H hereof.

“Responsible Officer” shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

“SEC” shall mean the United States Securities Exchange Commission.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Series” shall have the meaning given in paragraph 1D hereof.

“Series A Closing Day” shall mean September 1, 2011.

“Series A Notes” shall have the meaning given in paragraph 1A hereof.

“Series B Notes” shall have the meaning given in paragraph 1A hereof.

“Series C Notes” shall have the meaning given in paragraph 1A hereof.

“Series D Notes” shall have the meaning given in paragraph 1C hereof.

“Series D-1 Notes” shall have the meaning given in paragraph 1B hereof.

“Series D-2 Notes” shall have the meaning given in paragraph 1C hereof.

“Series D Closing Day” shall have the meaning given in paragraph 2A hereof.

“Series D Purchasers” shall mean, the NYLIM Affiliates that purchase Series D-1 Notes and Series D-2 Notes on the Series D Closing Day, and their successors and assigns.

“Share Repurchase” shall mean the purchase, repurchase, redemption or other acquisition by the Company from any Person of any capital stock or other equity interest of the Company.

“Shelf Notes” shall have the meaning given in paragraph 1D hereof.

“Significant Holder” shall mean (i) New York Life and any New York Life Affiliate which is a holder of Notes, (ii) any original purchaser of a Note (but not any successors or assigns) or (iii) any holder (together with its Affiliates) of more than \$25,000,000 in the aggregate principal amount of the Notes at any time outstanding.

“Subordinated”, as applied to Indebtedness, shall mean that the Indebtedness has been subordinated (by written terms or written agreement being, in either case, in form and substance satisfactory to NYLIM and the Required Holders) in favor of the prior payment in full of the obligations of the Company and its Subsidiaries under this Agreement, the Notes and the other Transaction Documents.

“Subsidiary” of the Company or any of its Subsidiaries shall mean (i) a corporation more than fifty percent (50%) of the Voting Power of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, (ii) a partnership or limited liability company of which the Company, one or more other Subsidiaries of the Company or the Company and one or more Subsidiaries of the Company, directly or indirectly, is a general

partner or managing member, as the case may be, or otherwise has the power to direct the policies, management and affairs thereof, or (iii) any other Person (other than a corporation) in which the Company, one or more other Subsidiaries of the Company or the Company and one or more Subsidiaries of the Company, directly or indirectly, has at least a majority interest in the Voting Power or the power to direct the policies, management and affairs thereof.

“Transaction Documents” shall mean this Agreement, the Notes, any Guaranty Agreement, any Confirmation of Guaranty Agreement and any other agreements, documents, writings or instruments now or hereafter executed or deemed by the Company or any Subsidiary in connection with this Agreement.

“Transferee” shall mean any direct or indirect transferee of all or any part of any Note purchased by any Purchaser under this Agreement.

“Total Indebtedness” shall mean, at any time, on a Consolidated basis, all Indebtedness of the Company, including, but not limited to, current, long-term and Subordinated Indebtedness, if any, and all Indebtedness under the Permitted Receivables Facility.

“USA Patriot Act” shall mean United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Voting Power” shall mean, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person, and the holding of a designated percentage of Voting Power of a Person means the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or similar governing body of such Person.

“Voting Stock” shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

“Welfare Plan” shall mean an ERISA Plan that is a “welfare plan” within the meaning of ERISA Section 3 (l).

“Wholly-Owned Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company or other entity, except for director’s qualifying shares or shares required to be owned individually due to country specific regulations regarding ownership or control of the organization or operation of such entity, all of the securities or other ownership interest of which having ordinary voting power to elect a majority of the board of directors, or other persons performing similar functions, are at the time directly or indirectly owned by such Person.

10C. Accounting and Legal Principles, Terms and Determinations. All references in this Agreement to “generally accepted accounting principles” or “GAAP” shall be deemed to refer to generally accepted accounting principles in effect in the United States from time to time, applied on a basis consistent with the most recent audited consolidated financial statement of the Company delivered pursuant to clause (ii) of paragraph 5B. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited consolidated financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B; provided that, if the Company notifies the holders that the Company wishes to amend any provision (including any definition) in this Agreement to eliminate the effect of any change in generally accepted accounting principles on the operation of such provision (or definition) (or if the Required Holders notify the Company that the Required Holders wish to amend any such provision (or definition) in this Agreement for such purpose), then the holders and the Company shall negotiate in good faith to amend such provision (or definition) to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Holders and the Company); provided that, until so amended, (i) such provision (or definition) shall continue to be determined in accordance with GAAP prior to such change therein and the Compliance Certificate of required to be delivered pursuant to paragraph 5B(iii) of this Agreement shall contain a reconciliation (a “**GAAP Reconciliation**”) of the applicable provisions of generally accepted accounting principles in effect prior to the date of any change affecting compliance with GAAP and how such provisions affected related calculations in paragraphs 5 or 6 in reasonable detail. For purposes of determining compliance with the financial covenants contained in this Agreement, any election by the Company to measure an item of Indebtedness using fair value (as permitted by Accounting Standards Codification Section 825-10, International Accounting Standard 39 or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made. Any reference herein to any specific citation, section or form of law, statute, rule or regulation shall refer to such new, replacement or analogous citation, section or form should such citation, section or form be modified, amended or replaced.

11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal of, interest on, and any Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, payable with respect to, such Note, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit (not later than 12:00 noon, New York City time, on the date due) to (i) such Purchaser’s account or accounts specified in the Purchaser Schedule attached hereto in the case of any Series A Note, (ii) such Purchaser’s account or accounts specified in the Confirmation of Acceptance with respect to such Note in the case of any Shelf Note or (iii) such other account or accounts in the United States as such Purchaser may from time to time designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, such Purchaser will make a

notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as each Purchaser has made in this paragraph 11A. No holder shall be required to present or surrender any Note or make any notation thereon, except that upon the written request of the Company made concurrently with or reasonably promptly after the payment or prepayment in full of any Note, the applicable holder shall surrender such Note for cancellation, reasonably promptly after such request, to the Company at its principal office.

11B. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Company shall pay, and save NYLIM, each Purchaser and any Transferee harmless against liability for the payment of the following out-of-pocket expenses arising in connection with such transactions:

(i) (a) all stamp and documentary taxes and similar charges, (b) costs of obtaining a private placement number from Standard and Poor's Ratings Group for the Notes and (c) fees and expenses of brokers, agents, dealers, investment banks or other intermediaries or placement agents, in each case as a result of the execution and delivery of this Agreement or the issuance of the Notes;

(ii) document production and duplication charges and the fees and expenses of any special counsel engaged by such Purchaser or such Transferee in connection (a) any transaction contemplated by this Agreement and (b) with any subsequent proposed waiver, amendment or modification of, or proposed consent under, this Agreement, whether or not such proposed waiver, amendment, modification or consent shall be effected or granted;

(iii) the reasonable costs and expenses, including attorneys' and financial advisory fees, incurred by such Purchaser or such Transferee in enforcing (or determining whether or how to enforce) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the transactions contemplated hereby or by reason of your or such Transferee's having acquired any Note, including without limitation costs and expenses incurred in any workout, restructuring or renegotiation proceeding or bankruptcy case; and

(iv) any judgment, liability, claim, order, decree, cost, fee, expense, action or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company.

The Company also will promptly pay or reimburse each Purchaser or holder of a Note (upon demand, in accordance with each such Purchaser's or holder's written instruction) for all fees and costs paid or payable by such Purchaser or holder to the Securities Valuation Office of the National Association of Insurance Commissioners in connection with the initial filing of this Agreement and all related documents and financial information, and all subsequent annual and interim filings of documents and financial information related to this Agreement, with such Securities Valuation Office or any successor organization acceding to the authority thereof.

The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) except that, (i) with the written consent of the holders of all Notes of a particular Series, and, if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series at the time outstanding (and not without such written consents), the Notes of such Series may be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate, method of computation or time of payment of interest on or any Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium, payable with respect to the Notes of such Series, (ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of paragraph 7A or this paragraph 11C insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, amendment, waiver or declaration, (iii) with the written consent of NYLIM (and not without the written consent of NYLIM) the provisions of paragraph 2B may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (iv) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2A and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of any Note. Without limiting the generality of the foregoing, no negotiations or discussions in which NYLIM or any holder of any Note may engage regarding any possible amendments, consents or waivers with respect to this Agreement or the Notes shall constitute a waiver of any Default or Event of Default, any term of this Agreement or any Note or any rights of NYLIM or any such holder under this Agreement or the Notes. As used herein and in the Notes, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least \$100,000, except as may be necessary to (i) reflect any principal amount not evenly divisible by \$100,000 or (ii) enable the registration of transfer by a holder of its entire holding of Notes; provided, however, that no such minimum denomination shall apply to Notes issued upon transfer by any holder of the Notes to NYLIM or NYLIM Affiliates or to any other entity or group of Affiliates with

respect to which the Notes so issued or transferred shall be managed by a single entity. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners; Participations. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of, interest on and any Yield-Maintenance Amount, LIBOR Breakage Amount and Prepayment Premium payable with respect to such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in all or any part of such Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the Purchasers and the Company with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

11G. Successors and Assigns. All covenants and other agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not (i) avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists or (ii) in any way prejudice an attempt by the holder of any Note to prohibit through equitable action or otherwise the taking of any action by the Company or any Subsidiary which would result in a Default or Event of Default.

11I. Notices. All written communications provided for hereunder (other than communications provided for under paragraph 2) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to NYLIM or any Purchaser, addressed to NYLIM or such Purchaser at the address specified for such communications in Schedule B (in the case of the Series A, B, C or D Notes) or the Purchaser Schedule attached to the applicable Confirmation of Acceptance (in the case of any Shelf Notes) or at such other address as NYLIM or such Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such holder shall not have so specified an address to the Company, then addressed to such holder in care of the last holder of such Note which shall have so specified an address to the Company and (iii) if to the Company, addressed to it at Nordson Corporation, 28601 Clemens Road, Westlake, Ohio 44145, Attention: Chief Financial Officer or at such other address as the Company shall have specified to the holder of each Note in writing, provided, however, that any such communication to the Company may also, at the option of the Person sending such communication, be delivered by any other means either to the Company at its address specified above or to any Authorized Officer of the Company. Any communication pursuant to paragraph 2 shall be made by the method specified for such communication in paragraph 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a facsimile transmission communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the facsimile terminal the number of which is listed for the party receiving the communication in the Information Schedule or at such other facsimile terminal as the party receiving the information shall have specified in writing to the party sending such information.

11J. Payments Due on Non-Business Days.

11J(1). Anything in this Agreement or the Fixed Rate Notes to the contrary notwithstanding, any payment of principal of, interest on, or Yield-Maintenance Amount payable with respect to, any Fixed Rate Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

11J(2). Anything in this Agreement or the Floating Rate Notes to the contrary notwithstanding, any payment of principal of, interest on, or LIBOR Breakage Amount or Prepayment Premium payable with respect to, any Floating Rate Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

11K. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any Purchaser, to any holder of Notes or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11L. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS AGREEMENT TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH, OR THE RIGHTS OF THE PARTIES TO BE GOVERNED BY, THE LAWS OF ANY OTHER JURISDICTION).

11M. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE NOTES MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN NEW YORK COUNTY, OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY HEREBY IRREVOCABLY ACCEPTS, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS PROVIDED IN PARAGRAPH 11I, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTES BROUGHT IN ANY OF THE AFORESAID COURTS AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD

OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY HAS OR MAY HEREAFTER ACQUIRE IMMUNITY FROM JURIS DICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OF NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OR OTHERWISE WITH RESPECT TO ITSELF OR ITS PROPERTY), THE COMPANY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR THE NOTES. THE COMPANY, NYLIM AND EACH PURCHASER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES OR THE TRANSACTIONS CONTEMPLATED THEREBY.

11N. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11O. Descriptive Headings; Advice of Counsel; Interpretation; Time of the Essence. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. Each party to this Agreement represents to the other parties to this Agreement that such party has been represented by counsel in connection with this Agreement and the Notes, that such party has discussed this Agreement and the Notes with its counsel and that any and all issues with respect to this Agreement and the Notes have been resolved as set forth herein and therein. No provision of this Agreement or the Notes shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision. Time is of the essence in the performance of this Agreement and the Notes.

11P. Counterparts; Facsimile or Electronic Signatures. This Agreement may be executed in any number of counterparts (or counterpart signature pages), each of which counterparts shall be an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

11Q. Severalty of Obligations. The sales of Notes to the Purchasers are to be several sales, and the obligations of NYLIM and the Purchasers under this Agreement are several obligations. No failure by NYLIM or any Purchaser to perform its obligations under this Agreement shall relieve any other Purchaser or the Company of any of its obligations hereunder, and neither NYLIM nor any Purchaser shall be responsible for the obligations of, or any action taken or omitted by, any other such Person hereunder.

11R. Independent Investigation. Each Purchaser represents to and agrees with each other Purchaser that it has made its own independent investigation of the condition (financial and otherwise), prospects and affairs of the Company and its Subsidiaries in connection with its purchase of the Notes hereunder and has made and shall continue to make its own appraisal of the creditworthiness of the Company. No holder of Notes shall have any duties or responsibility to any other holder of Notes, either initially or on a continuing basis, to make any such investigation or appraisal or to provide any credit or other information with respect thereto. No holder of Notes is acting as agent or in any other fiduciary capacity on behalf of any other holder of Notes.

11S. Transaction References. The Company agrees that NYLIM and its Affiliates may (a) refer to its role establishing the Facility, as well as the identity of the Company and the maximum aggregate principal amount of the Notes, the date on which the Facility was established, the aggregate principal amount of the Series D Notes and the date of Closing for the Series D Notes, on its internet site or in marketing materials, press releases, published “tombstone” announcements or any other print or electronic medium and (b) display the Company’s corporate logo in conjunction with any such reference.

11T. Directly or Indirectly. Where any provision in this Agreement refers to actions to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

11U. Binding Agreement. When this Agreement is executed and delivered by the Company and NYLIM it shall become a binding agreement between the Company, on one hand, and NYLIM on the other hand. This Agreement shall also inure to the benefit of each Purchaser which shall have executed and delivered a Confirmation of Acceptance and each such Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

Very truly yours,

NORDSON CORPORATION

By:

Name: _____

Title: _____

The foregoing Agreement is
hereby accepted as of the
date first above written.

NEW YORK LIFE INVESTORS LLC

By: _____
[]

NEW YORK LIFE INSURANCE COMPANY

By: _____
[]

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: _____
[]

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE
INSURANCE SEPARATE ACCOUNT (BOLI 30C)**

By: _____
[]

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE
INSURANCE SEPARATE ACCOUNT (BOLI 3)**

By: _____
[]

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE
INSURANCE SEPARATE ACCOUNT (BOLI 30E)**

By: _____
[]

INFORMATION SCHEDULE

Authorized Officers for _____ and _____ Affiliates

Additional Authorized Officers for the Company

None initially.

[FORM OF SERIES D-1 SHELF NOTE]

NORDSON CORPORATION

FLOATING RATE SENIOR SERIES D-1 NOTE DUE OCTOBER 7, 2026 (ONE-MONTH LIBOR)

No. RD-[]

ORIGINAL PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE: October 7, 2016

FLOATING RATE MARGIN: LIBOR plus 1.25%

INTEREST PAYMENT DATES: the 7th day of each month, commencing November 7, 2016

FINAL MATURITY DATE: October 7, 2026

PPN _____

FOR VALUE RECEIVED, the undersigned, NORDSON CORPORATION, a corporation organized and existing under the laws of the State of Ohio (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS on the Final Maturity Date specified above with interest (computed on the basis of the actual number of days elapsed and a 360-day year) (a) on the unpaid balance thereof a floating rate equal to Adjusted LIBOR Rate from the date hereof, (or, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of this Series of Notes at the Default Rate (as defined below)), from the date hereof, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of LIBOR Breakage Amount and Prepayment Premium and, to the extent permitted by applicable law, any overdue payment of interest, payable on each Interest Payment Date specified above (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% per annum above the then applicable Adjusted LIBOR Rate or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any LIBOR Breakage Amount and Prepayment Premium payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

A-1

This Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of June 30, 2011 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, herein called the “Agreement”), between the Company, on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), the Purchasers executing and delivering a Confirmation of Acceptance and each NYLIM Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

The Company and any and all endorser, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

NORDSON CORPORATION

By: _____
Title: _____

A-2

[FORM OF SERIES D-2 SHELF NOTE]

NORDSON CORPORATION

FLOATING RATE SENIOR SERIES D-2 NOTE DUE OCTOBER 7, 2026 (THREE-MONTH LIBOR)

No. RD-[]

ORIGINAL PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE: October 7, 2016

FLOATING RATE MARGIN: LIBOR plus 1.25%

INTEREST PAYMENT DATES: 7th day of each January, April, July and October, commencing January 7, 2017

FINAL MATURITY DATE: October 7, 2026

PPN _____

FOR VALUE RECEIVED, the undersigned, NORDSON CORPORATION, a corporation organized and existing under the laws of the State of Ohio (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS on the Final Maturity Date specified above with interest (computed on the basis of the actual number of days elapsed and a 360-day year) (a) on the unpaid balance thereof a floating rate equal to Adjusted LIBOR Rate from the date hereof, (or, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of this Series of Notes at the Default Rate (as defined below)), from the date hereof, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of LIBOR Breakage Amount and Prepayment Premium and, to the extent permitted by applicable law, any overdue payment of interest, payable on each Interest Payment Date specified above (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% per annum above the then applicable Adjusted LIBOR Rate or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any LIBOR Breakage Amount and Prepayment Premium payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

A-1

This Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of June 30, 2011 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, herein called the “Agreement”), between the Company, on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), the Purchasers executing and delivering a Confirmation of Acceptance and each NYLIM Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

The Company and any and all endorser, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

NORDSON CORPORATION

By: _____

Title: _____

[FORM OF FIXED RATE NOTE]

NORDSON CORPORATION

___% SENIOR SERIES ___ NOTE DUE _____

No. ____

ORIGINAL PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE:

INTEREST RATE:

INTEREST PAYMENT DATES:

FINAL MATURITY DATE:

PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

PPN _____

FOR VALUE RECEIVED, the undersigned, NORDSON CORPORATION, a corporation organized and existing under the laws of the State of Ohio (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS [on the Final Maturity Date specified above] [, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a 360-day year—30-day month) (a) on the unpaid balance thereof at the Interest Rate per annum specified above (or, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of this Series of Notes at the Default Rate (as defined below)), from the date hereof, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield-Maintenance Amount and, to the extent permitted by applicable law, any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% over the Interest Rate specified above or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

A-1

This Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of June 30, 2011 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, herein called the “Agreement”), between the Company, on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), the Purchasers executing and delivering a Confirmation of Acceptance and each NYLIM Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

The Company agrees to make required prepayments of principal on the dates and in the amounts specified above. This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

The Company and any and all endorser, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

NORDSON CORPORATION

By:

Title: _____

A-2

[FORM OF FLOATING RATE NOTE]

NORDSON CORPORATION

FLOATING RATE SENIOR SERIES ____ NOTE DUE _____

No. ____

ORIGINAL PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE:

FLOATING RATE MARGIN:

INTEREST PAYMENT DATES:

FINAL MATURITY DATE:

PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

PPN _____

FOR VALUE RECEIVED, the undersigned, NORDSON CORPORATION, a corporation organized and existing under the laws of the State of Ohio (herein called the "Company"), hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS [on the Final Maturity Date specified above] [, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,]¹ with interest (computed on the basis of the actual number of days elapsed and a 360-day year) (a) on the unpaid balance thereof a floating rate equal to Adjusted LIBOR Rate from the date hereof, (or, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) of this Series of Notes at the Default Rate (as defined below)), from the date hereof, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of LIBOR Breakage Amount and Prepayment Premium and, to the extent permitted by applicable law, any overdue payment of interest, payable on each Interest Payment Date specified above (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the Default Rate. The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 2.00% per annum above the then applicable Adjusted LIBOR Rate or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

¹ _____
NYL to confirm payment terms.

Payments of principal of, interest on and any LIBOR Breakage Amount and Prepayment Premium payable with respect to this Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the “Notes”) issued pursuant to a Note Purchase and Private Shelf Agreement, dated as of June 30, 2011 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, herein called the “Agreement”), between the Company, on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), the Purchasers executing and delivering a Confirmation of Acceptance and each NYLIM Affiliate which becomes party thereto, on the other hand, and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder’s attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

[The Company agrees to make required prepayments of principal on the dates and in the amounts specified above.] This Note is also subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

The Company and any and all endorsers, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Note, whether now or hereafter required by applicable law.

In case an Event of Default shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).

NORDSON CORPORATION

By:

Title:

A-3

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[FORM OF DISBURSEMENT DIRECTION LETTER]

[On Company Letterhead - place on one page]

[DATE]

[Names and Addresses of
Purchasers]

Re: _____ % Series _____ Senior Notes due _____ (the "Notes")

Ladies and Gentlemen:

Reference is made to that certain Note Purchase and Private Shelf Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Note Agreement"), dated June 30, 2011, between Nordson Corporation, an Ohio corporation (the "Company"), NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), and you. Capitalized terms used herein shall have the meanings assigned to such terms in the Note Agreement.

You are hereby irrevocably authorized and directed to disburse the \$____,000,000 purchase price of the Notes by wire transfer of immediately available funds to [bank name and address], ABA # _____, for credit to the account of Nordson Corporation, account no. _____.

Disbursement when so made shall constitute payment in full of the purchase price of the Notes and shall be without liability of any kind whatsoever to you.

Very truly yours,

NORDSON CORPORATION

By: _____

Title: _____

B-1

[FORM OF REQUEST FOR PURCHASE]

NORDSON CORPORATION

REQUEST FOR PURCHASE

Reference is made to the Note Purchase and Private Shelf Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Agreement”), dated as of June 30, 2011, between Nordson Corporation, an Ohio corporation (the “Company”), on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC) (“NYLIM”), and each NYLIM Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Paragraph 2D of the Agreement, the Company hereby makes the following Request for Purchase:

1. Aggregate principal amount of the Notes covered hereby (the “Notes”) \$_____ ¹²

2. [Fixed/Floating] Interest Rate

[For Floating Rate Notes Only: 1/3/6 month LIBOR and interest periods]

3. Individual specifications of the Notes:

Principal Amount	Final Maturity Date	Principal Prepayment Dates and Amounts	Interest Payment Period ³
---------------------	---------------------------	---	--

1 Minimum principal amount of \$10,000,000

2 Not to exceed the Available Floating Rate Sublimit Amount after giving effect to such issuance.

3 Specify quarterly or semiannually in arrears (for Fixed Rate Notes) or monthly, quarterly or semi-annually (for Floating Rate Notes)

4. Use of proceeds of the Notes:
5. Proposed day for the closing of the purchase and sale of the Notes:
6. The purchase price of the Notes is to be transferred to:

Name, Address and ABA Routing Number of Bank	Number of Account

7. The Company certifies (a) that the representations and warranties contained in paragraph 8 of the Agreement are true on and as of the date of this Request for Purchase, and (b) that there exists on the date of this Request for Purchase no Event of Default or Default.
8. The Issuance Fee to be paid pursuant to the Agreement will be paid by the Company on the closing date.

Dated:

NORDSON CORPORATION

By: _____
Authorized Officer

C-2

[FORM OF CONFIRMATION OF ACCEPTANCE]

NORDSON CORPORATION

CONFIRMATION OF ACCEPTANCE

Reference is made to the Note Purchase and Private Shelf Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), dated as of _____, 2011 between Nordson Corporation (the "Company"), on the one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC) ("NYLIM"), and each NYLIM Affiliate which becomes party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

NYLIM or the NYLIM Affiliate which is named below as a Purchaser of Notes hereby confirms the representations as to such Notes set forth in paragraph 9 of the Agreement, and agrees to be bound by the provisions of paragraphs 2E and 2G of the Agreement relating to the purchase and sale of such Notes and by the provisions of the second sentence of paragraph 11A of the Agreement.

Pursuant to paragraph 2F of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

- I. Accepted Notes: Aggregate principal amount \$ _____
- (A) (a) Name of Purchaser:
 (b) Principal amount:
 (c) Final maturity date:
 (d) Principal prepayment dates and amounts:
 (e) [Interest rate: ____]/[Floating Rate Margin: ____]
 (f) Interest payment [and LIBOR] period:
 (g) Payment and notice instructions: As set forth on attached Purchaser Schedule
 (h) [For Floating Rate Notes] [Call Option (including Prepayment Premium)]
- (B) (a) Name of Purchaser:
 (b) Principal amount:
 (c) Final maturity date:
 (d) Principal prepayment dates and amounts:
 (e) [Interest rate: ____]/[Floating Rate Margin: ____]
 (f) Interest payment [and LIBOR] period:
 (g) Payment and notice instructions: As set forth on attached Purchaser Schedule
 (h) [For Floating Rate Notes] [Call Option (including Prepayment Premium)]
- [(C), (D) same information as above.]

II. Closing Day:

III. Issuance Fee:

Dated:

NORDSON CORPORATION

By: _____
Title: _____

[NYLIM AFFILIATE]

By: _____
Vice President

D-2

[FORM OF OPINION OF COMPANY'S COUNSEL – SHELF NOTES]

[Letterhead of Taft Stettinius & Hollister LLP]

[Date of Closing]

[List Purchasers]

Ladies and Gentlemen:

We have acted as counsel for Nordson Corporation (the “Company”) in connection with the Note Purchase and Private Shelf Agreement, dated as of June 30, 2011, between the Company, on one hand, and NYL Investors LLC (as successor in interest to New York Life Investment Management LLC), and each NYLIM Affiliate which becomes a party thereto, on the other hand (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Note Agreement”), pursuant to which the Company has issued to you today the ____% Series ____ Senior Notes due _____, ____ of the Company in the aggregate principal amount of \$ _____ (the “Notes”). All terms used herein that are defined in the Note Agreement have the respective meanings specified in the Note Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3C of the Note Agreement and with the understanding that you are purchasing the Notes in reliance on the opinions expressed herein.

In this connection, we have examined such certificates of public officials, certificates of officers of the Company and copies certified to our satisfaction of corporate documents and records of the Company and of other papers, and have made such other investigations, as we have deemed relevant and necessary as a basis for our opinion hereinafter set forth. We have relied upon such certificates of public officials and of officers of the Company with respect to the accuracy of material factual matters contained therein which were not independently established; nothing, however, has come to our attention to cause us to believe that any such factual matters are untrue. With respect to the opinion expressed in paragraph 3 below, we have also relied upon the representation made by each of you in paragraph 9A of the Note Agreement.

Based on the foregoing, it is our opinion that:

1. The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Ohio. The Company has all requisite corporate power to conduct its business as currently conducted and as currently proposed to be conducted.

E-1

2.The Company has all requisite corporate power to execute, deliver and perform its obligations under the Note Agreement and the Notes. The Note Agreement and the Notes have been duly authorized by all requisite corporate action on the part of the Company and duly executed and delivered by authorized officers of the Company, and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.It is not necessary in connection with the offering, issuance, sale and delivery of the Notes under the circumstances contemplated by the Note Agreement to register the Notes under the Securities Act or to qualify an indenture in respect of the Notes under the Trust Indenture Act of 1939, as amended.

4.The extension, arranging and obtaining of the credit represented by the Notes do not result in any violation of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

5.The execution and delivery of the Note Agreement and the Notes, the offering, issuance and sale of the Notes and fulfillment of and compliance with the respective provisions of the Note Agreement and the Notes do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company [or any of its Subsidiaries] pursuant to, or require any authorization, consent, approval, exemption or other action by or notice to or filing with any court, administrative or governmental body or other Person (other than routine filings after the date hereof with the Securities and Exchange Commission and/or state Blue Sky authorities) pursuant to, the charter or by-laws of the Company [or any of its Subsidiaries], any applicable law (including any securities or Blue Sky law), statute, rule or regulation or (insofar as is known to us after having made due inquiry with respect thereto) any agreement (including, without limitation, any agreement listed in Schedule 8G to the Note Agreement), instrument, order, judgment or decree to which the Company [or any of its Subsidiaries] is a party or otherwise subject.

6.The Company is not (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, (b) a "holding company" of a "public utility company" of an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, or (c) a "public utility" within the meaning of the Federal Power Act, as amended.

7.To our knowledge, there are no actions, suits or proceedings pending or threatened against or affecting the Company or any of its Subsidiaries or any property of the Company or any of its Subsidiaries in any court or before any arbitrator of any kind or before or by any governmental authority either (i) with respect to the Note Agreement or the Notes or (ii) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

[Customary assumptions and qualifications]

We acknowledge that the Company has requested that this opinion letter be rendered to each of you and to any Transferee, that this opinion letter is rendered with the intention that each of you and any Transferee may rely on this opinion letter, and that each of you and any Transferee may rely on this opinion letter.

Very truly yours,

E-3

FORM OF COMPLIANCE CERTIFICATE

NORDSON CORPORATION

For Fiscal Quarter ended _____

THE UNDERSIGNED HEREBY CERTIFIES THAT:

(1) I am the duly elected [CEO/CFO/Treasurer] of NORDSON CORPORATION, an Ohio corporation ("Nordson");

(2) I am familiar with the terms of that certain Note Purchase and Private Shelf Agreement, dated as of June 30, 2011, among Nordson, NYL Investors LLC (as successor in interest to New York Life Investment Management LLC) and the NYLIM Affiliates (as the same may from time to time be amended, restated or otherwise modified, the "Agreement", the terms defined therein being used herein as therein defined), and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Nordson and its Subsidiaries during the accounting period covered by the attached financial statements;

(3) The review described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes or constituted a Default or Event of Default, as at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate;

(4) Set forth on Attachment I hereto are calculations of the financial covenants set forth in Section 6A of the Credit Agreement, which calculations show compliance with the terms thereof and a calculation of Consolidated Total Assets.

IN WITNESS WHEREOF, I have signed this certificate the ____ day of ____, 2011.

NORDSON CORPORATION

By: _____
Name: _____
Title: _____

Information Relating to Purchasers

Purchaser	Principal Amount of Series A Notes Outstanding as of September 30, 2016
New York Life Insurance Company	\$1,800,000
New York Life Insurance and Annuity Corporation	\$7,600,000
New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C)	\$600,000

Purchaser	Principal Amount of Series B Notes Outstanding as of September 30, 2016
New York Life Insurance Company	\$4,000,000
New York Life Insurance and Annuity Corporation	\$16,888,888.88
New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C)	\$1,333,333.32

Purchaser	Principal Amount of Series C Notes Outstanding as of September 30, 2016
New York Life Insurance Company	\$8,700,000
New York Life Insurance and Annuity Corporation	\$10,100,000
New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C)	\$5,600,000
New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 3)	\$300,000
New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E)	\$300,000

Purchaser	Principal Amount of Series D-1 Notes to be Purchased
New York Life Insurance Company	\$22,500,000
New York Life Insurance and Annuity Corporation	\$27,500,000

Purchaser	Principal Amount of Series D-2 Notes to be Purchased
New York Life Insurance Company	\$22,500,000
New York Life Insurance and Annuity Corporation	\$27,500,000

Addresses for Purchasers

[Attached]

B-2

AGREEMENTS RESTRICTING DEBT

1. Primary Credit Facility
2. The unsecured Indebtedness of the Company owing to The Bank of Tokyo Mitsubishi UFJ, Ltd. up to the Dollar Equivalent of One Billion Japanese Yen (¥ 1,000,000,000).
3. Senior Note Purchase Agreement, dated as of July 26, 2012, pursuant to which the Company issued and sold Two Hundred Million Dollars (\$200,000,000) of its Senior Notes.
4. Term Loan Agreement dated as of October 5, 2015, as amended by the First Amendment to the Term Loan Agreement, dated as of September 30, 2016, by and among Nordson Holdings S.a.r.l. & Co. KG, as borrower, Nordson Corporation as parent guarantor, the banks party thereto, and Bank of America Merrill Lynch International Limited, as administrative agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Sole Lead Arranger and Sole Bookrunner.
5. Credit Agreement, dated as of August 6, 2014, as amended, by and among the Company, the banks party thereto, PNC Bank, National Association as administrative agent and PNC Capital Markets as Lead Arranger.
6. Note Purchase Agreement, dated as of July 28, 2015, pursuant to which Company issued and sold its senior notes in an aggregate principal amount of One Hundred Million Dollars (\$100,000,000).
7. Facility Term Loan Agreement, dated as of April 10, 2015, as amended, by and among the Company, the banks party thereto, PNC Bank, National Association as administrative Agent and PNC Capital Markets as Joint Lead Arranger and Bookrunner.

B-1

NORDSON CORPORATION
2005 DEFERRED COMPENSATION PLAN
Effective January 1, 2005

TABLE OF CONTENTS

	<u>Page</u>
Purpose	1
ARTICLE 1	Definitions
	1
ARTICLE 2	Selection, Enrollment, Eligibility
	6
ARTICLE 3	Deferral Commitments/Company Matching/Crediting/Taxes
	7
ARTICLE 4	Short-Term Payout; Unforeseeable Financial Emergencies; Withdrawal Election
	13
ARTICLE 5	Retirement Benefit
	14
ARTICLE 6	Pre-Retirement Survivor Benefit
	15
ARTICLE 7	Termination Benefit
	15
ARTICLE 8	Disability Benefit
	16
ARTICLE 9	Beneficiary Designation
	16
ARTICLE 10	Leave of Absence
	17
ARTICLE 11	Termination, Amendment or Modification
	18
ARTICLE 12	Administration
	18
ARTICLE 13	Other Benefits and Agreements
	20
ARTICLE 14	Claims Procedures
	20
ARTICLE 15	Trust
	21
ARTICLE 16	Miscellaneous
	22

2005 DEFERRED COMPENSATION PLAN

Effective January 1, 2005

Purpose

The purpose of this 2005 Deferred Compensation Plan, established effective as of January 1, 2005, is to provide specified benefits to a select group of management and highly compensated Employees who contribute materially to the continued growth, development, and future business success of Nordson Corporation, and its subsidiaries, if any, that sponsor this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA. This Plan applies to compensation earned, deferred, or vested on and after January 1, 2005; the Nordson Corporation Deferred Compensation Plan, dated November 3, 2000, as amended on January 22, 2003, and as in effect on October 3, 2004 (the "2000 Plan"), applies to compensation earned, deferred, and vested on or before December 31, 2004. No provisions of this Plan shall alter, affect, or amend any provisions of the 2000 Plan applicable to compensation earned, deferred, and vested on or before December 31, 2004.

ARTICLE 1

Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

- 1.1 "Account Balance" shall mean, with respect to a Participant, a credit on the records of the Company equal to the sum of (i) the Deferral Account balance, (ii) the vested Company Contribution Account balance, (iii) the Rollover Account balance, and (iv) the Unilateral Committee Contribution Account balance. The Account Balance, and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.
- 1.2 "Annual Company Contribution Amount" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.5.
- 1.3 "Annual Installment Method" shall be an annual installment payment over the number of years selected by the Participant in accordance with this Plan, calculated as follows: (i) for the first annual installment, the vested Account Balance of the Participant shall be calculated as of the close of business on or around (a) the last business day of the Plan Year in which the Participant Retires or is deemed to have Retired in accordance with Section 8.1, or (b) the date on which the Participant experiences a Termination of Employment or is deemed to have experienced a Termination of Employment in accordance with Section 8.1, and (ii) for remaining annual installments, the vested Account Balance of the Participant shall be calculated on every applicable anniversary of (a) the last business day of the Plan Year in which the Participant Retires is deemed to have Retired in accordance with Section 8.1, or (b) the date on which the Participant experiences a Termination of Employment or is deemed to have experienced a Termination of Employment in accordance with Section 8.1. Each annual installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due the

Participant. By way of example, if the Participant elects a ten (10) year Annual Installment Method, the first payment shall be 1/10 of the vested Account Balance, calculated as described in this definition. The following year, the payment shall be 1/9 of the vested Account Balance, calculated as described in this definition.

- 1.4 “Base Salary” shall mean the annual cash compensation relating to services performed during any calendar year, whether or not paid in such calendar year or included on the Federal Income Tax Form W-2 for such calendar year, excluding bonuses, commissions, overtime, fringe benefits, stock options, relocation expenses, incentive payments, non-monetary awards, fees, automobile and other allowances paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee’s gross income). Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant’s gross income under Code Sections 125, 402(e)(3), 402(h), or 403(b) pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that, had there been no such plan, the amount would have been payable in cash to the Employee.
- 1.5 “Beneficiary” shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 9, that are entitled to receive benefits under this Plan upon the death of a Participant.
- 1.6 “Beneficiary Designation Form” shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.
- 1.7 “Board” shall mean the board of directors of the Company.
- 1.8 “Bonus” shall mean any compensation relating to services performed during any calendar year(s), whether or not paid in a calendar year or included on the Federal Income Tax Form W-2 for a calendar year, payable to a Participant as an Employee under any Employer’s written bonus or cash compensation incentive plans, excluding stock options and restricted stock.
- 1.9 “Change in Control” shall mean an event described below occurring at any time after the date of the adoption of this Plan:
- (i) any person (other than the Company, any of its subsidiaries, any employee benefit plan or employee stock ownership plan of the Company, or any Person organized, appointed, or established by the Company for or pursuant to the terms of any such plan), alone or together with any of its Affiliates or Associates, becomes the Beneficial Owner of 20% or more of the Common Shares then outstanding, or any such Person commences or publicly announces an intent to commence a tender offer or exchange offer the consummation of which would result in the Person becoming the Beneficial Owner of 20% or more of the Common Shares then outstanding (provided, however, that, for purposes of determining whether Eric T. Nord or Evan W. Nord, together with each of their Affiliates or Associates, is the Beneficial Owner of 20% or more of the Common Shares then outstanding, the Common Shares then held by the Walter G. Nord trust, by

the Nord Family Foundation (or any successor to the Nord Family Foundation), and by the Eric and Jane Nord Foundation shall be excluded; for purposes of determining whether the Walter G. Nord Trust, the Nord Family Foundation (or any successor), or the Eric and Jane Nord Foundation, together with each of their Affiliates and Associates, is the Beneficial Owner of 20% or more of the Common Shares then outstanding, the Common Shares then held by Eric T. Nord and by Evan W. Nord shall be excluded; for purposes of determining whether the Nord Family Foundation (or any successor), together with its Affiliates and Associates, is the Beneficial Owner of 20% or more of the Common Shares then outstanding, the Common Shares then held by the Eric and Jane Nord Foundation will be excluded; and, for purposes of determining whether the Eric and Jane Nord Foundation, together with its Affiliates and Associates, is the Beneficial Owner of 20% or more of the Common Shares then outstanding, the Common Shares then held by the Nord Family Foundation (or any successor) will be excluded. For purposes of this Section 1.9, the terms “Affiliates,” “Associates,” “Beneficial Owner,” and “Person” will have the meanings given to them in the Restated Rights Agreement, dated as of November 7, 1997, between the Company and National City Bank, as Rights Agent, as amended from time to time.

(ii) At any time during a period of 24 consecutive months, individuals who were directors of the Company at the beginning of the period no longer constitute a majority of the members of the Board, unless the election, or the nomination for election by the Company’s shareholders, of each director who was not a director at the beginning of the period is approved by at least a majority of the directors who were members of the Board at the time of the election or nomination and were directors at the beginning of the period.

(iii) A record date is established for determining shareholders entitled to vote upon (A) a merge or consolidation of the Company with another corporation in which the Company is not the surviving or continuing corporation or in which all or part of the outstanding Common Shares are to be converted into or exchanged for cash, securities, or other property, (B) a sale or other disposition of all or substantially all of the assets of the Company, or (C) the dissolution of the Company.

(iv) Any person who proposes to make a “control share acquisition” of the Company, within the meaning of the applicable Section of the Ohio General Corporation Law, submits or is required to submit an acquiring person statement to the Company.

- 1.10 “Claimant” shall have the meaning set forth in Section 14.1.
- 1.11 “Code” shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.12 “Committee” shall mean the Compensation Committee of the Board of Directors of the Company.
- 1.13 “Company” shall mean Nordson Corporation, an Ohio corporation, and any successor to all or substantially all of the Company’s assets or business.
- 1.14 “Company Contribution Account” shall mean (i) the sum of the Participant’s Annual Company Contribution Amounts, plus (ii) amounts credited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant’s Company

Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

- 1.15 "Deduction Limitation" shall mean the following described limitation on a benefit that may otherwise be distributable pursuant to the provisions of this Plan. Except as otherwise provided, this limitation shall be applied to all distributions that are "subject to the Deduction Limitation" under this Plan. If an Employer determines in good faith prior to a Change in Control that there is a reasonable likelihood that any compensation paid to a Participant for a taxable year of the Employer would not be deductible by the Employer solely by reason of the limitation under Code Section 162(m), then to the extent deemed necessary by the Employer to ensure that the entire amount of any distribution to the Participant pursuant to this Plan prior to the Change in Control is deductible, the Employer may defer all or any portion of a distribution under this Plan. Any amounts deferred pursuant to this limitation shall continue to be credited/debited with additional amounts in accordance with Section 3.9 below, even if such amount is being paid out in installments. The amounts so deferred and amounts credited thereon shall be distributed to the Participant or his or her Beneficiary (in the event of the Participant's death) at the earliest possible date, as determined by the Employer in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Employer during which the distribution is made will not be limited by Section 162(m), or if earlier, the effective date of a Change in Control. Notwithstanding anything to the contrary in this Plan, the Deduction Limitation shall not apply to any distributions made after a Change in Control.
- 1.16 "Deferral Account" shall mean (i) the sum of all of a Participant's Deferral Amounts, plus (ii) amounts credited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Deferral Account.
- 1.17 "Deferral Amount" shall mean that portion of a Participant's Base Salary and Bonus that a Participant elects to have, and is deferred, in accordance with Article 3, for any one Plan Year. In the event of a Participant's Retirement, Disability, death or a Termination of Employment prior to the end of a Plan Year, such year's Deferral Amount shall be the actual amount withheld prior to such event.
- 1.18 "Disability" shall mean a period of disability during which a Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.
- 1.19 "Disability Benefit" shall mean the benefit set forth in Article 8.

- 1.20 “Election Form” shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to make an election under the Plan.
- 1.21 “Employee” shall mean a person who is an employee of any Employer.
- 1.22 “Employer(s)” shall mean the Company and any of its subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Committee to participate in the Plan and have adopted the Plan as a sponsor.
- 1.23 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.24 “Excess Cash Compensation” shall mean, for any Plan Year, that portion of a Participant’s cash compensation relating to services performed during any Plan Year, including, without limitation, Base Salary, Bonus or payments from any cash compensation incentive plan, that the Committee, in its sole discretion, determines is in excess of the amount set forth in Code Section 162(m)(1). For purposes of this Section 1.24, a Participant’s cash compensation: (i) shall be calculated after reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and any amounts not otherwise included in the Participant’s gross income under Code Sections 125, 402(e)(3), 402(h), or 403(b) pursuant to plans established by any Employer; and (ii) shall not include any distributions from this Plan.
- 1.25 “Fair Market Value,” with respect to a common share of the Company as of any given day, shall mean the last reported closing price for a common share on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”) for that day or, if there was no sale of common shares so reported for that day, on the most recently preceding day on which there was such a sale. If the common shares are not listed or admitted to trading on NASDAQ on any given day, the Fair Market Value on that day will be as determined by the Committee.
- 1.26 “NEST” shall mean the Nordson Corporation Employees Savings Trust Plan.
- 1.27 “Participant” shall mean any Employee (i) who is selected to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who signs a Plan Agreement, an Election Form and a Beneficiary Designation Form, (iv) whose signed Plan Agreement, Election Form and Beneficiary Designation Form are accepted by the Committee, (v) who commences participation in the Plan, and (vi) whose Plan Agreement has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant’s benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.
- 1.28 “Plan” shall mean the Nordson Corporation 2005 Deferred Compensation Plan, as amended from time to time.
- 1.29 “Plan Agreement” shall mean a written agreement, as may be amended by the Committee from time to time, which is entered into by and between an Employer and a Participant. Should there be more than one Plan Agreement, the Plan Agreement bearing the latest

date of acceptance by the Employer shall supersede all previous Plan Agreements in their entirety and shall govern such entitlement.

- 1.30 “Plan Year” shall, except for the First Plan Year, mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.
- 1.31 “Pre-Retirement Survivor Benefit” shall mean the benefit set forth in Article 6.
- 1.32 “Retirement”, “Retire(s)” or “Retired” shall mean, with respect to an Employee, severance from employment from all Employers for any reason other than a leave of absence, death or Disability on or after the attainment of age fifty-five (55).
- 1.33 “Retirement Benefit” shall mean the benefit set forth in Article 5.
- 1.34 “Short-Term Payout” shall mean the payout set forth in Section 4.1.
- 1.35 “Stock” shall mean the common shares of the Company or any other equity securities of the Company designated by the Committee.
- 1.36 “Termination Benefit” shall mean the benefit set forth in Article 7.
- 1.37 “Termination of Employment” shall mean the severing of employment with the Company or an Employer, voluntarily or involuntarily, for any reason other than Retirement, Disability, or death.
- 1.38 “Trust” shall mean one or more rabbi trusts established by the Company or an Employer in accordance with Article 15 of this Plan as amended from time to time.
- 1.39 “Unforeseeable Financial Emergency” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.
- 1.40 “Unilateral Committee Contribution Account” shall mean: (i) the sum of all of the Participant’s Unilateral Committee Contribution Amounts, plus (ii) amounts credited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant’s Unilateral Committee Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Unilateral Committee Contribution Account.
- 1.41 “Unilateral Committee Contribution Amount” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.6.
- 1.42 “Years of Vested Service” shall have the meaning as that term is defined in the NEST.

ARTICLE 2

Selection, Enrollment, Eligibility

- 2.1 **Selection by Committee.** Participation in the Plan shall be limited to those employees of an Employer who (i) are officers or key employees of an Employer, (ii) received, or would have received but for an election to defer compensation under this Plan and any other plan of the Company, from the Employer aggregate cash compensation for the prior

Plan Year (or calendar year for purposes of the initial Plan Year) of not less than \$100,000, or such higher amount as the Committee may decide from time to time, and (iii) are, upon recommendation of the President and Chief Executive Officer of the Company, approved for such participation by the Committee, in its sole discretion,

- 2.2 **Enrollment Requirements.** As a condition to participation, each selected Employee shall complete, execute and return to the Committee a Plan Agreement, an Election Form and a Beneficiary Designation Form, all within 30 days (or such shorter time as the Committee may determine) after he or she is selected to participate in the Plan. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.
- 2.3 **Eligibility; Commencement of Participation.** Provided an Employee selected to participate in the Plan has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within thirty (30) days (or such shorter time as the Committee may determine) after he or she is selected to participate in the Plan, that Employee shall commence participation in the Plan on the first day of the month following the month in which the Employee completes all enrollment requirements. If an Employee fails to meet all such requirements within the period required, that Employee shall not be eligible to participate in the Plan until the first day of the Plan Year following the delivery to and acceptance by the Committee of the required documents.
- 2.4 **Termination of Participation and/or Deferrals.** If the Committee determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall have the right, in its sole discretion, to prevent the Participant from making future deferral elections.

ARTICLE 3

Deferral Commitments/Company Matching/Crediting/Taxes

3.1 **Minimum Deferrals.**

- (a) **Base Salary and Bonus.** For each Plan Year, a Participant may elect to defer, as his or her Deferral Amount, a minimum of at least Five Thousand dollars (\$5,000) between his Base Salary and Bonus. If an election is made for less than stated minimum amounts, or if no election is made, the amount deferred shall be zero.
- (b) **Short Plan Year.** Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, or in the case of the first Plan Year of the Plan itself, the minimum Base Salary deferral shall be an amount equal to the minimum set forth above, multiplied by a fraction, the numerator of which is the number of complete months remaining in the Plan Year and the denominator of which is 12.

3.2 **Maximum Deferral.**

- (a) **Base Salary and Bonus.** For each Plan Year, a Participant may elect to defer, as his or her Deferral Amount, Base Salary and/or Bonus up to the following maximum percentages for each deferral elected:

Deferral	Maximum Percentage
Base Salary	100%
Bonus	100%

- (b) Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, or in the case of the first Plan Year of the Plan itself, the maximum Deferral Amount, with respect to Base Salary and/or Bonus shall be limited to the amount of compensation not yet earned by the Participant as of the date the Participant submits a Plan Agreement and Election Form to the Committee for acceptance.

3.3 **Election to Defer; Effect of Election Form.**

- (a) **First Plan Year.** In connection with a Participant's commencement of participation in the Plan, the Participant shall make an irrevocable deferral election for the Plan Year in which the Participant commences participation in the Plan, along with such other elections as the Committee deems necessary or desirable under the Plan. For these elections to be valid, the Election Form must be completed and signed by the Participant, timely delivered to the Committee (in accordance with Section 2.2 above) and accepted by the Committee.
- (b) **Subsequent Plan Years.** For each succeeding Plan Year, an irrevocable deferral election for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan, shall be made by timely delivering to the Committee, in accordance with its rules and procedures, before the end of the Plan Year preceding the Plan Year for which the election is made, or at such other time as the Committee may determine from time to time, a new Election Form. If no such Election Form is timely delivered for a Plan Year, the Deferral Amount shall be zero for that Plan Year.

- 3.4 **Withholding of Deferral Amounts.** For each Plan Year, the Base Salary portion of the Deferral Amount shall be withheld from each regularly scheduled Base Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Salary. The Bonus portion of the Deferral Amount shall be withheld at the time the Bonus is or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself.

- 3.5 **Annual Company Contribution Amount.** For each Plan Year, the Committee, in its sole discretion, may, but is not required to, credit any amount it desires to any Participant's Company Contribution Account under this Plan, which amount shall equal any Annual Company Contribution Amount for that Participant for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be

zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year. The Annual Company Contribution Amount described in this Section 3.5, if any, shall be credited on a date or dates to be determined by the Committee, in its sole discretion.

3.6 **Unilateral Committee Contribution Amount.** For each Plan Year, the Committee, in its sole discretion, may, but is not required to, credit any amount, including any Excess Cash Compensation, to a Participant's Unilateral Committee Contribution Account under this Plan, which amount shall be the Participant's Unilateral Committee Contribution Amount for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive a Unilateral Committee Contribution Amount for that Plan Year. The Unilateral Committee Contribution Amount described in this Section 3.6, if any, shall be credited on a date or dates to be determined by the Committee, in its sole discretion.

3.7 **Investment of Trust Assets.** The Trustee of the Trust shall be authorized, upon written instructions received from the Committee or investment manager appointed by the Committee, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement, including the disposition of Stock and reinvestment of the proceeds in one or more investment vehicles designated by the Committee.

3.8 **Vesting.**

- (a) A Participant shall at all times be 100% vested in his or her Deferral Account, Rollover Account and Unilateral Committee Contribution Account. A Participant shall vest in his or her Company Contribution Account in accordance with the same vesting schedule as set forth in the NEST.
- (b) Notwithstanding anything to the contrary contained in this Section 3.8, in the event of a Change in Control, a Participant's Company Contribution Account shall immediately become 100% vested (if it is not already vested in accordance with the above vesting schedules).
- (c) Notwithstanding subsection (a), the vesting schedule for a Participant's Company Contribution Account shall not be accelerated to the extent that the Committee determines that such acceleration would cause the deduction limitations of Section 280G of the Code to become effective. In the event that all of a Participant's Company Contribution Account is not vested pursuant to such a determination, the Participant may request independent verification of the Committee's calculations with respect to the application of Section 280G. In such case, the Committee must provide to the Participant within 15 business days of such a request an opinion from a nationally recognized accounting firm selected by the Participant (the "Accounting Firm"). If the Accounting Firm's opinion is in agreement with the Committee's determination, the opinion shall state that any limitation in the vested percentage hereunder is necessary to avoid the limits of Section 280G and contain supporting calculations. The cost of such opinion shall be paid for by the Company.

3.9 **Crediting/Debiting of Account Balances.** In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

- (a) **Allocation of Deferrals.** A Participant, in connection with his or her deferral election made in accordance with Section 3.3(a) or 3.3(b) above, shall elect, on the Election Form, one or more Measurement Fund(s) (as described in Section 3.9(c) below) to be used to determine the additional amounts to be credited to his or her Account Balance for each business day thereof in which the Participant commences participation in the Plan and continuing thereafter for each subsequent business day in which the Participant participates in the Plan. Thereafter, the Participant may (but is not required to) elect, either by submitting an Election Form to the Committee that is accepted by the Committee or through any other manner approved by the Committee, to add or delete one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund, all in a manner permitted by the Committee. Notwithstanding the foregoing, however, any election made in accordance with Section 3.3(a) or 3.3(b) and this Section 3.9(a) to allocate any portion of his Deferral Amount to the Nordson Stock Measurement Fund shall not be effective unless such election is completed prior to the end of the Plan Year preceding the Plan Year for which the election is made, provided, however, that a Participant may change his or her Measurement Fund election with respect to amounts already in his or her Deferral Account at such times and in such manner as the Committee shall provide.
- (b) **Proportionate Allocation.** In making any election described in Section 3.9(a) above, the Participant shall specify on the Election Form, in increments of five percentage points (5%), the percentage of his or her Account Balance to be allocated to a Measurement Fund (as if the Participant was making an investment in that Measurement Fund with that portion of his or her Account Balance).
- (c) **Measurement Funds.** The following measurement funds (each a "Measurement Fund") will be used for the purpose of crediting or debiting amounts to the Participant's Account Balance in accordance with this Article 3. The Committee may, in its sole discretion, discontinue, substitute or add a Measurement Fund(s), and shall maintain appropriate accounts with respect to each. Each such action will take effect seven (7) days following the day on which the Committee gives Participants advance written notice of such change, provided, however, that prior to such date the prior restrictions of the Plan apply.

The following funds shall be Measurement Funds under the Plan:

- Equity Index Fund
- Large Cap Value Fund
- Large Cap Growth Fund
- International Equity Index

- Money Market Fund
- Investment Contract Fund
- Nordson Stock Measurement Fund

Amounts deferred or transferred by a Participant to the Nordson Stock Measurement Fund shall be in the form of stock equivalent units (hereinafter referred to as "Stock Equivalent Units"), the number of which shall be determined by dividing the amount so deferred or transferred by the Fair Market Value of one of the Company's common shares at the time the Participant's compensation would otherwise have been paid to the Participant or the transfer is otherwise made, as the case may be. Dividends on the Stock Equivalent Units credited to a Participant's Nordson Stock Measurement Fund account shall be credited to the Participant's Nordson Stock Measurement Fund account in the form of additional Stock Equivalent Units, based on the Fair Market Value of one of the Company's common shares on the date the dividend is otherwise payable.

- (d) **Crediting or Debiting Method.** The performance of each elected Measurement Fund (either positive or negative) will be determined by the Committee, in its reasonable discretion, based on the performance of the Measurement Funds themselves. A Participant's Account Balance (whether or not vested, for purposes of making the adjustments described in this Section 3.9(d)) shall be credited or debited on a schedule as determined by the Committee in its sole discretion, as though (i) a Participant's Account Balance were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such business day, as of the close of business on the business day, at the closing price on such date; (ii) the portion of the Deferral Amount that was actually deferred during any business day were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such business day, no later than the close of business on that business day after the day on which such amounts are actually deferred from the Participant's Base Salary through reductions in his or her payroll, at the closing price on such date; and (iii) any distribution made to a Participant that decreases such Participant's Account Balance ceased being invested in the Measurement Fund(s), in the percentages applicable to such business day, no earlier than one business day prior to the distribution, at the closing price on such date. The Participant's Company Contributions Amount shall be credited to his or her Company Contribution Account for purposes of this Section 3.9(d) as of the date(s) determined by the Company, in its sole discretion. The Participant's Unilateral Committee Contribution Amount shall be credited to his or her Unilateral Committee Contribution Account for purposes of this Section 3.9(d) as of the date(s) determined by the Company, in its sole discretion. Notwithstanding the foregoing, in the case of the Nordson Stock Measurement Fund, adjustments shall be made each day to the portion of a Participant's Account Balance which is expressed in Stock Equivalent Units to reflect as of that date the number of additional Stock Equivalent Units resulting from additional deferrals allocated by the Participant to the Nordson Stock Measurement Fund, transfer allocations by the Participant to the Nordson Stock Measurement Fund, dividend credits to the Nordson Stock Measurement Fund, and distributions to the

Participant that decrease the portion of such Participant's Account Balance reflected by Stock Equivalent Units.

- (e) **No Actual Investment.** Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that the Company or the Trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.
- (f) **Special Rules for Nordson Stock Measurement Fund.** Notwithstanding any provision of this Plan that may be construed to the contrary, an election to allocate deferrals to the Nordson Stock Measurement Fund may not be revoked and any amounts allocated to the Nordson Stock Measurement Fund by a Participant can never be reallocated to any other Measurement Fund(s) in this Plan.

Moreover, no distribution of amounts allocated to the Nordson Stock Measurement Fund shall be made other than (i) on a fixed date more than six months following the date of the Participant's election with respect to the Deferral Amount allocated to the Nordson Stock Measurement Fund, or (ii) automatically on an earlier date pursuant to the Plan on the Participant's death, Disability while eligible to Retire, Retirement, or Termination, provided that in the event of Termination such amount shall be paid in a lump sum, notwithstanding the provisions of Section 7.2 of the Plan. Accordingly, the provisions of Sections 4.3 and the second and third sentences of Section 5.2 of this Plan shall not be applicable to any portion of the Participant's Account Balance allocated to the Nordson Stock Measurement Fund, nor shall the provisions of Section 8.1 of this Plan be applicable to any portion of the Participant's Account Balance allocated to the Nordson Stock Measurement Fund in the case of a Participant suffering a Disability prior to the date he is eligible to Retire.

Finally, when distribution is to be made of amounts allocated to the Nordson Stock Measurement Fund, Stock Equivalent Units credited to the Participant's Account Balance shall be converted to the same number of common shares of Stock for distribution to the Participant. Except in the case of a fractional Stock Equivalent Unit, which shall be paid in cash, all distributions from the Nordson Stock Measurement Fund shall be made only in the form of Stock.

3.10 **FICA and Other Taxes.**

- (a) **Deferral Amounts.** For each Plan Year in which a Deferral Amount is being withheld from a Participant, the Participant's Employer(s) shall withhold from

that portion of the Participant's Base Salary and Bonus that is not being deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes on such Deferral Amount. If necessary, the Committee may reduce the Deferral Amount in order to comply with this Section 3.10.

- (b) **Company Contribution Amounts.** When a Participant becomes vested in a portion of his or her Company Contribution Account, the Participant's Employer(s) shall withhold from the Participant's Base Salary and/or Bonus that is not deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes. If necessary, the Committee may reduce the vested portion of the Participant's Company Contribution Account in order to comply with this Section 3.10.
- (c) **Unilateral Committee Contribution Amounts.** When the Participant's Employer(s) credits a Unilateral Committee Contribution Amount to a Participant's Unilateral Committee Contribution Account, the Participant's Employer(s) shall withhold from the Participant's Base Salary and/or Bonus that is not deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes. If necessary, the Committee may reduce the Participant's Unilateral Committee Contribution Amount in order to comply with this Section 3.10. _

3.11 **Distributions.** The Participant's Employer, or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer, or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer and the trustee of the Trust.

ARTICLE 4

Short-Term Payout; Unforeseeable Financial Emergencies;

Withdrawal Election

- 4.1 **Short-Term Payout.** In connection with each election to defer a Deferral Amount, a Participant may irrevocably elect to receive a Short-Term Payout from the Plan with respect to all or a portion of such Deferral Amount. The Short-Term Payout shall be a lump sum payment in an amount that is equal to the portion of the Deferral Amount that the Participant elected to have distributed as a Short-Term Payout, plus amounts credited or debited in the manner provided in Section 3.9 above on that amount, calculated as of the close of business on or around the date on which the Short-Term Payout becomes payable, as determined by the Committee in its sole discretion. Subject to the Deduction Limitation and other terms and conditions of this Plan, each Short-Term Payout elected shall be paid out during a sixty (60) day period commencing immediately after the last day of any Plan Year designated by the Participant. The Plan Year designated by the Participant must be at least five (5) Plan Years after Plan Year in which the Deferral Amount is actually deferred. By way of example, if a Short-Term Payout is elected for Deferral Amounts that are deferred in the Plan Year commencing January 1, 2005, the Short-Term Payout would become payable during a sixty (60) day period commencing January 1, 2011.

- 4.2 **Other Benefits Take Precedence Over Short-Term.** Should an event occur that triggers a benefit under Article 5, 6, 7 or 8, any Deferral Amount, plus amounts credited or debited thereon, that is subject to a Short-Term Payout election under Section 4.1 shall not be paid in accordance with Section 4.1 but shall be paid in accordance with the other applicable Article. Moreover, any Short-Term Payout shall be adjusted to take into account any contribution under Section 3.5 above.
- 4.3 **Payout/Suspensions for Unforeseeable Financial Emergencies.** If the Participant experiences an Unforeseeable Financial Emergency, the Participant may petition the Committee to receive a partial or full payout from the Plan. The payout shall not exceed the lesser of the Participant's Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably needed to satisfy the Unforeseeable Financial Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the payout, after taking into account the extent to which such Unforeseeable Financial Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent such liquidation would not itself cause severe financial hardship). If, subject to the sole discretion of the Committee, the petition for a suspension and/or payout is approved, suspension shall take effect upon the date of approval and any payout shall be made within 60 days of the date of approval. The payment of any amount under this Section 4.3 shall not be subject to the Deduction Limitation.

ARTICLE 5

Retirement Benefit

- 5.1 **Retirement Benefit.** Subject to the Deduction Limitation, a Participant who Retires shall receive, as a Retirement Benefit, his or her Account Balance.
- 5.2 **Payment of Retirement Benefit.** A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Election Form to receive the Retirement Benefit with respect to the compensation deferred pursuant to such Election Form in a lump sum or pursuant to an Annual Installment Method of 5, 10 or 15 years. Notwithstanding the preceding sentence, if the Participant's Account Balance at the time of his or her Retirement is less than \$10,000, payment of his or her Retirement Benefit shall be paid in a lump sum on or before the later of (a) December 31 of the calendar year in which occurs the Participant's separation from service or (b) the date 2-1/2 months after the Participant's separation from service. If a Participant does not make any election with respect to the payment of the Retirement Benefit, then such benefit shall be payable in a lump sum. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days after the last day of the Plan Year which the Participant Retires. Any payment made shall be subject to the Deduction Limitation.
- 5.3 **Death Prior to Completion of Retirement Benefit.** If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall continue and shall be paid to the Participant's Beneficiary over the remaining number of years and in the same amounts as that benefit would have been paid to the Participant had the Participant survived.

- 5.4 **Change in Time or Form of Payment.** Notwithstanding the method of payment for the Retirement Benefit elected by a Participant on an Election Form with respect to the Compensation deferred pursuant to such Election Form, the Participant may elect to change the time or Form of such payment under a subsequent election that meets the following requirements:
- (a) The subsequent election may not take effect until at least 12 months after the date on which the subsequent election is made.
 - (b) The first payment with respect to which the subsequent election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been made.
 - (c) The subsequent election may not accelerate the time of any payment.
- The form of payment elected in a subsequent election must be a lump sum or an Annual Installment Method of 5, 10, or 15 years.
- 5.5 **Limitation on Key Employees.** Notwithstanding any other provision of the Plan to the contrary, the payment of a Retirement Benefit with respect to a “key employee” of the Company, within the meaning of Section 416(i)(1) of the Code, shall not be made within six months following his separation from service with the Company, except in the event of death.

ARTICLE 6

Pre-Retirement Survivor Benefit

- 6.1 **Pre-Retirement Survivor Benefit.** Subject to the Deduction Limitation, the Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the Participant's Account Balance if the Participant dies before he or she Retires, experiences a Termination of Employment or suffers a Disability.
- 6.2 **Payment of Pre-Retirement Survivor Benefit.** A Participant's Beneficiary shall receive the Pre-Retirement Survivor Benefit in a lump sum. The lump sum payment shall be made no later than 60 days after the last day of the Plan Year in which the Committee is provided with proof that is satisfactory to the Committee of the Participant's death. Any payment made shall be subject to the Deduction Limitation.

ARTICLE 7

Termination Benefit

- 7.1 **Termination Benefit.** Subject to the Deduction Limitation, the Participant shall receive a Termination Benefit, which shall be equal to the Participant's Account Balance if a Participant experiences a Termination of Employment prior to his or her Retirement, death or Disability.
- 7.2 **Payment of Termination Benefit.** If the Participant's Account Balance at the time of his or her Termination of Employment is less than \$10,000, payment of his or her Termination Benefit shall be paid in a lump sum on or before the later of (a) December 31 of the calendar year in which occurs the Participant's separation from service or (b) 2-1/2 months after the Participant's separation from service. If his or her Account Balance

at such time is equal to or greater than that amount, the Termination Benefit shall be paid in a lump sum or pursuant to an Annual Installment Method of 5, 10 or 15 years as elected by the Participant for the payment of the Retirement Benefit with respect to such amount. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days after the Participant experiences the Termination of Employment. Any payment made shall be subject to the Deduction Limitation.

7.3 **Change in Time or Form of Payment.** Notwithstanding the method of payment elected by a Participant on an Election Form with respect to Compensation deferred pursuant to such Election Form, the Participant may elect to change the form of payment for Termination Benefits under a subsequent election that meets the following requirements:

- (a) The subsequent election may not take effect until at least 12 months after the date on which the subsequent election is made.
- (b) The subsequent election may not accelerate the time or schedule of any payment.

The form of payment elected in a subsequent election must be a lump sum or an Annual Installment Method of 5, 10, or 15 years.

7.4 **Limitation on Key Employees.** Notwithstanding any other provision of the Plan to the contrary, the payment of a Termination Benefit with respect to a “key employee” of the Company, within the meaning of Section 416(i)(1) of the Code, shall not be made within six months following his separation from service with the Company, except in the event of death.

ARTICLE 8

Disability Benefit

8.1 **Disability Benefit.** A Participant suffering a Disability shall, for benefit purposes under this Plan, be deemed to have experienced a Termination of Employment, or in the case of a Participant who is eligible to Retire to have Retired, as soon as practicable after such Participant is determined to be suffering a Disability, in which case the Participant shall receive a Disability Benefit equal to his or her Account Balance provided, however, that should the Participant otherwise have been eligible to Retire, he or she shall be paid in accordance with Article 5. The Disability Benefit shall be paid in a lump sum within sixty (60) days of the Participant’s deemed Termination of Employment. Any payment made shall be subject to the Deduction Limitation.

8.2 **Limitation on Key Employees.** Notwithstanding any other provision of the Plan to the contrary, the payment of a Disability Benefit with respect to a “key employee” of the Company, within the meaning of Section 416(i)(1) of the Code, shall not be made within six months following his separation from service with the Company, except in the event of death.

ARTICLE 9

Beneficiary Designation

9.1 **Beneficiary.** Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable

under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

- 9.2 **Beneficiary Designation; Change; Spousal Consent.** A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. If the Participant names someone other than his or her spouse as a Beneficiary, a spousal consent, in the form designated by the Committee, must be signed by that Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.
- 9.3 **Acknowledgment.** No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.
- 9.4 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided in Sections 9.1, 9.2 and 9.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the Participant's estate.
- 9.5 **Doubt as to Beneficiary.** If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Committee's satisfaction.
- 9.6 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant, and that Participant's Plan Agreement shall terminate upon such full payment of benefits.

ARTICLE 10

Leave of Absence

- 10.1 **Paid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.3.
- 10.2 **Unpaid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the

Participant shall be excused from making deferrals until the Participant returns to a paid employment status. Upon such return, deferrals shall resume for the remaining portion of the Plan Year in which the return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

ARTICLE 11

Termination, Amendment or Modification

- 11.1 **Termination.** Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company reserves the right to terminate the Plan at any time with respect to any or all of its participating Employees, by action of the Committee. Upon the termination of the Plan with respect to any Employer, the Plan Agreements of the affected Participants who are employed by that Employer shall terminate and their Account Balances, determined as if they had experienced a Termination of Employment on the date of Plan termination or, if Plan termination occurs after the date upon which a Participant was eligible to Retire, then with respect to that Participant as if he or she had Retired on the date of Plan termination, shall be paid to the Participants in accordance with the elections made by the Participants.
- 11.2 **Amendment.** The Company may, at any time, amend or modify the Plan in whole or in part by the action of the Committee; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification, and (ii) no amendment or modification of this Section 11.2 or Section 12.2 of the Plan shall be effective. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification. The Company specifically reserves the right to amend the Plan to conform the provisions of the Plan to the guidance issued by the Secretary of the Treasury with respect to Section 409A of the Code, in accordance with such guidance.
- 11.3 **Effect of Payment.** The full payment of the applicable benefit under Articles 4, 5, 6, 7 or 8 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan and the Participant's Plan Agreement shall terminate.

ARTICLE 12

Administration

- 12.1 **Committee Duties.** This Plan will be administered by the Committee. The Committee will, subject to the terms of this Plan, have the authority to: (i) approve for participation employees who are recommended for participation by the president and Chief Executive Officer of the Company, (ii) adopt, alter, and repeal administrative rules and practices

governing this Plan, (iii) interpret the terms and provisions of this Plan, and (iv) otherwise supervise the administration of this Plan. All decisions by the Committee will be made with the approval of not less than a majority of its members. The Committee may delegate any of its authority to any other person or persons that it deems appropriate, provided the delegation does not cause this Plan or any awards granted under this Plan to fail to qualify for the exemption provided by Rule 16b-3, or, if applicable, to meet the requirements of the regulations under Section 162(m) of the Code.

- 12.2 **Administration Upon Change In Control.** For purposes of this Plan, the Company shall be the “Administrator” at all times prior to the occurrence of a Change in Control. Upon and after the occurrence of a Change in Control, the “Administrator” shall be an independent third party selected by the Trustee and approved by the individual who, immediately prior to such event, was the Company’s Chief Executive Officer or, if not so identified, the Company’s then highest ranking officer (the “Ex-Chief Executive Officer”). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change in Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change in Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) indemnify the Administrator against any costs, expenses and liabilities including, without limitation, attorney’s fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) supply full and timely information to the Administrator or all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date of circumstances of the Retirement, Disability, death or Termination of Employment of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change in Control, the Administrator may be terminated (and a replacement appointed) by the Trustee only with the approval of the Ex-Chief Executive Officer. Upon and after a Change in Control, the Administrator may not be terminated by the Company.
- 12.3 **Agents.** In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.
- 12.4 **Binding Effect of Decisions.** All decisions by the Committee, and by any other person or persons to whom the Committee has delegated authority, shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 12.5 **Indemnity of Committee.** The Company shall indemnify and hold harmless the members of the Committee, and any Employee to whom the duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in

the case of willful misconduct by the Committee, any of its members, any such Employee or the Administrator.

- 12.6 **Employer Information.** To enable the Committee and/or Administrator to perform its functions, the Company and each Employer shall supply full and timely information to the Committee and/or Administrator, as the case may be, on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Committee or Administrator may reasonably require.

ARTICLE 13

Other Benefits and Agreements

- 13.1 **Coordination with Other Benefits.** The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 14

Claims Procedures

- 14.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.
- 14.2 **Notification of Decision.** The Committee shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:
- (a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or
 - (b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
 - (i) the specific reason(s) for the denial of the claim, or any part of it;
 - (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
 - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
 - (iv) an explanation of the claim review procedure set forth in Section 14.3 below.

- 14.3 **Review of a Denied Claim.** Within 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):
- (a) may review pertinent documents;
 - (b) may submit written comments or other documents; and/or
 - (c) may request a hearing, which the Committee, in its sole discretion, may grant.
- 14.4 **Decision on Review.** The Committee shall render its decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:
- (a) specific reasons for the decision;
 - (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
 - (c) such other matters as the Committee deems relevant.
- 14.5 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article 14 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

ARTICLE 15

Trust

- 15.1 **Establishment of the Trust.** The Company may establish one or more Trusts to which the Company may transfer such assets as the Company determines in its sole discretion to assist in meeting its obligations under the Plan.
- 15.2 **Interrelationship of the Plan and the Trust.** The provisions of the Plan and the Plan Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Company, Participants and the creditors of the Employers to the assets transferred to the Trust.
- 15.3 **Distributions From the Trust.** Each Employers obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Company's obligations under this Plan.
- 15.4 **Stock Transferred to the Trust.** Notwithstanding any other provision of this Plan or the Trust, any Stock transferred to the Trust in accordance with Section 3.7 may not be otherwise distributed or disposed of by the Trustee until at least 6 months after the date such Stock is transferred to the Trust.

ARTICLE 16

Miscellaneous

- 16.1 **Status of Plan.** The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that “is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employee” within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.
- 16.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Company or an Employer. For purposes of the payment of benefits under this Plan, any and all of the Company’s or an Employer’s assets shall be, and remain, the general, unpledged unrestricted assets of the Company or an Employer, respectively. The Company’s or an Employer’s obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 16.3 **Employer’s Liability.** An Employer’s liability for the payment of benefits shall be defined only by the Plan and the Plan Agreement, as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Plan Agreement.
- 16.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant’s or any other person’s bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.
- 16.5 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant, either expressed or implied. Such employment is hereby acknowledged to be an “at will” employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer, or to interfere with the right of any Employer to discipline or discharge the Participant at any time.
- 16.6 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

- 16.7 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 16.8 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 16.9 **Governing Law.** Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Ohio without regard to its conflicts of laws principles.
- 16.10 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Robert E. Veillette
Secretary and Assistant General Counsel
Nordson Corporation
28601 Clemens Road
Westlake, Ohio 44145

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

- 16.11 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Company Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.
- 16.12 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.
- 16.13 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.
- 16.14 **Incompetent.** If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account

of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

- 16.15 **Court Order.** The Committee is authorized to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Committee, in its sole discretion, shall have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse.
- 16.16 **Insurance.** The Company, on its own behalf or on behalf of the trustee of the Trust, and, in its sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Company or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Company shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Company has applied for insurance.
- 16.17 **Legal Fees To Enforce Rights After Change in Control.** The Company is aware that upon the occurrence of a Change in Control, the Board or a shareholder of the Company, or of any successor corporation might then cause or attempt to cause the Company, or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, it should appear to any Participant that the Company or any successor corporation has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant the benefits intended to be provided, then the Company hereby irrevocably authorizes such Participant to retain counsel of his or her choice at the expense of the Company to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder or other person affiliated with the Company or any successor thereto in any jurisdiction.
- 16.18 **No Acceleration of Benefits.** The acceleration of the time or schedule of any payment under the Plan is not permitted, except as provided in regulations by the Secretary of the Treasury.

- 16.19 **Compliance with Section 409A of the Code.** The Plan is intended to provide for the deferral of compensation in accordance with Section 409A of the Code for compensation earned, vested, or deferred after December 31, 2004. Notwithstanding any provisions of the Plan, any Plan Agreement, or any Election Form to the contrary, no otherwise permissible election under the Plan shall be given effect that would result in the taxation of any amount under Section 409A of the Code. To the extent permitted in guidance issued by the Secretary of the Treasury and in accordance with procedures established by the Committee, a Participant may be permitted to terminate participation in the Plan or cancel an election with respect deferral elections made under the Plan prior to January 1, 2005.

IN WITNESS WHEREOF, the Company has signed this Plan document on _____, 2004.

NORDSON CORPORATION

Nordson Corporation, an Ohio corporation

By:

Title:

DIRECTOR INDEMNIFICATION AGREEMENT

This Director Indemnification Agreement, dated as of _____, 201_ (this “*Agreement*”), is made by and between Nordson Corporation, an Ohio corporation (the “*Company*”), and _____ (“*Indemnitee*”).

RECITALS:

- A. Section 1701.59 of the Ohio Revised Code (the “*ORC*”) provides that the business and affairs of a corporation shall be managed by or under the direction of its board of directors.
- B. By virtue of the managerial prerogatives vested in the directors of an Ohio corporation, directors act as fiduciaries of the corporation and its shareholders.
- C. Thus, it is critically important to the Company and its shareholders that the Company be able to attract and retain the most capable persons reasonably available to serve as directors of the Company.
- D. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Ohio law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.
- E. Indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, secure in the knowledge that, if vindicated, the corporation will bear the expense of litigation and (2) encouraging capable women and men to serve as corporate directors and officers, secure in the knowledge that the corporation will absorb the costs of defending their honesty and integrity.
- F. The number of lawsuits challenging the judgment and actions of directors of corporations, the costs of defending those lawsuits, and the threat to directors’ personal assets have all materially increased over the past several years, chilling the willingness of capable women and men to undertake the responsibilities imposed on corporate directors.
- G. Recent federal legislation and rules adopted by the Securities and Exchange Commission and the national securities exchanges have imposed additional disclosure and corporate governance obligations on directors of public companies and have exposed such directors to new and substantially broadened civil liabilities.
- H. These legislative and regulatory initiatives have also exposed directors of public companies to a significantly greater risk of criminal proceedings, with attendant defense costs and potential criminal fines and penalties.
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I. Under Ohio law, a director's right to be reimbursed for the costs of defense of criminal actions, whether such claims are asserted under state or federal law, does not depend upon the merits of the claims asserted against the director and is separate and distinct from any right to indemnification the director may be able to establish, and indemnification of the director against criminal fines and penalties is permitted if the director satisfies the applicable standard of conduct.

J. Indemnitee is a director of the Company and Indemnitee's willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify Indemnitee in accordance with the principles reflected above, to the fullest extent permitted by the laws of the state of Ohio, and upon the other undertakings set forth in this Agreement.

K. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as a director of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's articles of incorporation or regulations (collectively, the "**Constituent Documents**"), any change in the composition of the Company's Board of Directors (the "**Board**") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses (as defined in Section 1(e)) to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

L. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. **Certain Definitions.** In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) "**Change in Control**" means the occurrence after the date of this Agreement of any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "**Person**") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of the combined voting power of the then-outstanding Voting Stock of the Company; *provided, however, that:*

(A) for purposes of this Section 1(a)(i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition of Voting Stock of the

Company directly from the Company that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock of the Company by the Company or any Subsidiary, (3) any acquisition of Voting Stock of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, and (4) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 1(a)(iii) below;

(B) if any Person acquires beneficial ownership of 20% or more of combined voting power of the then-outstanding Voting Stock of the Company as a result of a transaction described in clause (A)(1) of Section 1(a)(i) and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Company representing 1% or more of the then-outstanding Voting Stock of the Company, other than in an acquisition directly from the Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be deemed to constitute a Change in Control;

(C) a Change in Control will not be deemed to have occurred if a Person acquires beneficial ownership of 20% or more of the Voting Stock of the Company as a result of a reduction in the number of shares of Voting Stock of the Company outstanding unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Company representing 1% or more of the then-outstanding Voting Stock of the Company, other than in an acquisition directly from the Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; and

(D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 20% or more of the Voting Stock of the Company inadvertently, and such Person divests as promptly as practicable a sufficient number of shares so that such Person beneficially owns less than 20% of the Voting Stock of the Company, then no Change in Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Directors are not Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation, or other transaction (each, a "**Business Combination**"), unless, in each case, immediately following such Business Combination (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), (B) no Person (other than the Company, such entity resulting from such Business Combination, or any employee benefit plan

(or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination, and (C) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 1(a)(iii).

(v) For purposes of this Section 1(a) and as used elsewhere in this Agreement, the following terms shall have the following meanings:

(A) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(B) “**Incumbent Directors**” means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company’s shareholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that an individual shall not be an Incumbent Director if such individual’s election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(C) “**Subsidiary**” means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(D) “**Voting Stock**” means securities entitled to vote generally in the election of directors (or similar governing bodies).

(b) “**Claim**” means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitral, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any threatened, pending or completed inquiry or investigation, whether made, instituted or conducted by the Company or any other person, including without limitation any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding.

(c) “**Controlled Affiliate**” means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the

management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; *provided* that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 20% or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute control for purposes of this definition.

(d) “**Disinterested Director**” means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) “**Expenses**” means attorneys’ and experts’ fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(f) “**Indemnifiable Claim**” means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee’s status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company as a director, officer, employee, member, manager, trustee or agent of another entity or enterprise if Indemnitee is or was serving as a director, officer, employee, member, manager, trustee or agent of such entity or enterprise and (i) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (ii) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate directly or indirectly caused or authorized Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(g) “**Indemnifiable Losses**” means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim.

(h) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any Subsidiary) or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under

this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(i) **“Losses”** means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid in settlement, including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

2. Indemnification Obligation. Subject to Section 7, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted or required by the laws of the State of Ohio in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided, however*, that, except as provided in Sections 4 and 20, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee. Indemnitee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. For purposes of obtaining payments of Expenses in advance of final disposition, the Indemnitee shall submit to the Company a sworn request for advancement of Expenses substantially in the form of Exhibit A attached hereto and made a part hereof (subject to Indemnitee filling in the blanks therein and selecting from among the bracketed alternatives therein, the **“Undertaking”**), averring that the Indemnitee has reasonably incurred or will reasonably incur actual Expenses in defending an Indemnifiable Claim. The Undertaking need not be secured and the Company must accept the Undertaking without reference to Indemnitee’s ability to repay the Expenses. Unless at the time of the Indemnitee’s act or omission at issue, the Constituent Documents prohibit such advances by specific reference to ORC Section 1701.13(E)(5)(a) or unless the only liability asserted against the Indemnitee in the subject action, suit or proceeding is pursuant to ORC Section 1701.95, the Indemnitee shall be eligible to execute Part A of the Undertaking by which the Indemnitee

undertakes to: (i) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company; and (ii) reasonably cooperate with the Company concerning the action, suit, proceeding or claim. In all cases, the Indemnitee shall be eligible to execute Part B of the Undertaking by which the Indemnitee undertakes to repay such amount if it ultimately is determined that the Indemnitee is not entitled to be indemnified by the Company under this Agreement or otherwise. In the event that the Indemnitee is eligible to and does execute both Part A and Part B of the Undertaking, the Expenses which are paid by the Company pursuant thereto shall be required to be repaid by the Indemnitee only if the Indemnitee is required to do so under the terms of both Part A and Part B of the Undertaking. In no event shall Indemnitee's right to the payment, advancement or reimbursement of Expenses pursuant to this Section 3 be conditioned upon any undertaking that is less favorable to Indemnitee than, or that is in addition to, the undertakings set forth in Exhibit A.

4. Indemnification for Additional Expenses. Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all Expenses paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or payment, advancement or reimbursement of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; *provided, however*, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss, but not for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery or receipt thereof by the Company. The failure by Indemnitee to timely notify the

Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) To the extent that Indemnatee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnatee shall be indemnified against all Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination of whether Indemnatee has satisfied any applicable standard of conduct under Ohio law that is a legally required condition precedent to indemnification of Indemnatee hereunder against Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim (a “**Standard of Conduct Determination**”) shall be made as follows: (i) if a Change in Control shall not have occurred, or if a Change in Control shall have occurred but Indemnatee shall have requested that the Standard of Conduct Determination be made pursuant to this clause (i), (A) by a majority vote of a quorum consisting of the Disinterested Directors, (B) if such Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, or (C) if such quorum of Disinterested Directors is not available or if a majority of such a quorum so direct, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee; and (ii) if a Change in Control shall have occurred and Indemnatee shall not have requested that the Standard of Conduct Determination be made pursuant to clause (i), by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee. Indemnatee will cooperate with the person or persons making such Standard of Conduct Determination, including providing to such person or persons, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such determination. The Company shall indemnify and hold harmless Indemnatee against and, if requested by Indemnatee, shall reimburse Indemnatee for, or advance to Indemnatee, within five business days of such request, any and all costs and expenses (including attorneys’ and experts’ fees and expenses) incurred by Indemnatee in so cooperating with the person or persons making such Standard of Conduct Determination.

(c) The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 7(b) to be made as promptly as practicable. If (i) the person or persons empowered or selected under Section 7 to make the Standard of Conduct Determination shall not have made a determination within 30 days after the later of (A) receipt by the Company of written notice from Indemnatee advising the Company of the final disposition of the applicable Indemnifiable Claim (the date of such receipt being the “**Notification Date**”) and (B) the selection of an Independent Counsel, if such determination is to

be made by Independent Counsel, that is permitted under the provisions of Section 7(e) to make such determination and (ii) Indemnitee shall have fulfilled his/her obligations set forth in the second sentence of Section 7(b), then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; *provided* that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time for the obtaining or evaluation or documentation and/or information relating thereto.

(d) If (i) Indemnitee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Ohio law is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) or (c) to have satisfied any applicable standard of conduct under Ohio law which is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date in respect of the Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) above shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses.

(e) If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b) (i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(h), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(e) to make the Standard of Conduct Determination shall have been selected within 30 days after the Company gives its initial notice pursuant to the first sentence of this Section 7(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(e), as the case may be,

either the Company or Indemnatee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnatee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the court or by such other person as the court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

8. Presumption of Entitlement. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnatee has satisfied the applicable standard of conduct, and the Company may overcome such presumption only by its adducing clear and convincing evidence to the contrary. Any Standard of Conduct Determination that is adverse to Indemnatee may be challenged by the Indemnatee in the state or federal courts in Ohio. No determination by the Company (including by its directors or any Independent Counsel) that Indemnatee has not satisfied any applicable standard of conduct shall be a defense to any Claim by Indemnatee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnatee has not met any applicable standard of conduct.

9. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not create a presumption that Indemnatee did not meet any applicable standard of conduct or that indemnification hereunder is otherwise not permitted.

10. Non Exclusivity. The rights of Indemnatee hereunder will be in addition to any other rights Indemnatee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "**Other Indemnity Provisions**"); *provided, however*, that (a) to the extent that Indemnatee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnatee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnatee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnatee's right to indemnification under this Agreement or any Other Indemnity Provision.

11. Liability Insurance and Funding. For the duration of Indemnatee's service as a director and/or officer of the Company, and thereafter for so long as Indemnatee shall be subject to any pending or possible Indemnifiable Claim, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. The Company shall provide Indemnatee with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations,

endorsements and other related materials, and shall provide Indemnitee with a reasonable opportunity to review and comment on the same. Without limiting the generality or effect of the two immediately preceding sentences, the Company shall not discontinue or significantly reduce the scope or amount of coverage from one policy period to the next (i) without the prior approval thereof by a majority vote of the Incumbent Directors, even if less than a quorum, or (ii) if at the time that any such discontinuation or significant reduction in the scope or amount of coverage is proposed there are no Incumbent Directors, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed). In all policies of directors' and officers' liability insurance obtained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. The Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including without limitation a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

13. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

14. Defense of Claims. The Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee; *provided* that if Indemnitee believes, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to Indemnitee that are different from or in addition to those available to the Company, or (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of

any threatened or pending Indemnifiable Claim to which the Indemnitee is, or could have been, a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

15. Successors and Binding Agreement. (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the “*Company*” for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee’s personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 15(a) and 15(b). Without limiting the generality or effect of the foregoing, Indemnitee’s right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee’s will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 15(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

16. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State. The

Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the state and Federal courts in Ohio for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state or Federal courts in Ohio.

18. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

19. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Sections are to references to Sections of this Agreement.

20. Legal Fees and Expenses. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should appear to Indemnitee that the Company has failed to comply with any of its obligations under this Agreement (including its obligations under Section 3) or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Company and Indemnitee agree that a confidential

relationship shall exist between Indemnitee and such counsel. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

21. Certain Interpretive Matters. Unless the context of this Agreement otherwise requires, (a) "it" or "its" or words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (e) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), and (f) the word "or" is disjunctive but not exclusive. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "business day" means any day other than Saturday, Sunday or a United States federal holiday.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

[Signatures Appear On Following Page]

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

NORDSON CORPORATION

28601 Clemens Road
Westlake, Ohio

By: Robert E. Veillette
Vice President, General Counsel and Secretary

INDEMNITEE

Name: _____
Address: _____

[effective date: 2016-11-01]

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EXHIBIT A

UNDERTAKING

UNDERTAKING

STATE OF)
)
COUNTY OF) SS

I, _____, being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Director Indemnification Agreement, dated _____, 201__, between Nordson Corporation, an Ohio corporation (the "Company") and the undersigned.

2. I am requesting payment of Expenses that I have reasonably incurred or will reasonably incur in defending an Indemnifiable Claim referred to in the aforesaid Director Indemnification Agreement.

3. The Expenses for which payment is requested are, in general, all expenses related to

4. Part Aⁱ

I hereby undertake to (a) repay all amounts paid pursuant hereto if it is proved by clear and convincing evidence in a court of competent jurisdiction that my action or failure to act which is the subject of the matter described herein involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim.

[INDEMNITEE NAME]

i. The Indemnatee shall not be eligible to execute Part A of this Undertaking if, at the time of the Indemnatee's act or omission at issue, the Articles or the Regulations of the Company prohibit such advances by specific reference to the Ohio Revised Code (the "**ORC**") Section 1701.13(E)(5)(a), or if the only liability asserted against the Indemnatee is in an action, suit, or proceeding on the Company's behalf pursuant to ORC Section 1701.95. In the event that the Indemnatee is eligible to and does execute both Part A and Part B hereof, the costs, charges, and expenses which are paid by the Company pursuant hereto shall be required to be repaid by the Indemnatee only if the Indemnatee is required to do so under the terms of both Part A and Part B.

5. Part B

I hereby undertake to repay all amounts paid pursuant hereto if it ultimately is determined that I am not entitled to be indemnified by the Company under the aforesaid Director Indemnification Agreement or otherwise.

[Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this ____ day of _____, 201__.

[Seal]

My commission expires the ____ day of _____, 201__.

OFFICER INDEMNIFICATION AGREEMENT

This Officer Indemnification Agreement, dated as of _____, 201_ (this “*Agreement*”), is made by and between Nordson Corporation, an Ohio corporation (the “*Company*”), and _____ (“*Indemnitee*”).

RECITALS:

- A. It is critically important to the Company and its shareholders that the Company be able to attract and retain the most capable persons reasonably available to serve as officers of the Company.
- B. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Ohio law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.
- C. Indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, secure in the knowledge that, if vindicated, the corporation will bear the expense of litigation and (2) encouraging capable women and men to serve as corporate directors and officers, secure in the knowledge that the corporation will absorb the costs of defending their honesty and integrity.
- D. Lawsuits challenging the judgment and actions of officers of corporations are frequent, and the high costs of defending those lawsuits, and the related threat to officers’ personal assets have made individuals less willing to undertake the responsibilities imposed on corporate officers.
- E. Recent federal legislation and rules adopted by the Securities and Exchange Commission and the national securities exchanges have imposed additional disclosure and corporate governance obligations on officers of public companies and have exposed such officers to new and substantially broadened civil liabilities.
- F. These legislative and regulatory initiatives have also exposed officers of public companies to a significantly greater risk of criminal proceedings, with attendant defense costs and potential criminal fines and penalties.
- G. Under Ohio law, an officer’s right to be reimbursed for the costs of defense of criminal actions does not depend upon the merits of the claims asserted against the officer and indemnification of the officer against criminal fines is permitted if the officer satisfies the applicable standard of conduct.
-

H. Indemnitee is an officer of the Company and Indemnitee's willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify Indemnitee in accordance with the principles reflected above, to the fullest extent permitted by the laws of the state of Ohio, and upon the other undertakings set forth in this Agreement.

I. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as an officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to any provisions relating to indemnification included in the Constituent Documents, any change in the composition of the Board or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

J. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, including Section 22, the following terms have the following meanings when used in this Agreement:

(a) **"Board"** means the Board of Directors of the Company.

(b) **"Change in Control"** means the occurrence of any of the following:

(i) the Board or shareholders of the Company approve a consolidation or merger in which the Company is not the surviving corporation, the sale of substantially all of the assets of the Company, or the liquidation or dissolution of the Company;

(ii) any person or other entity (other than the Company or a Subsidiary or any Company employee benefit plan (including any trustee of any such plan acting in its capacity as trustee)) purchases any Shares (or securities convertible into Shares) pursuant to a tender or exchange offer without the prior consent of the Board, or becomes the beneficial owner of securities of the Company representing 20% or more of the voting power of the Company's outstanding securities;

(iii) during any two-year period, individuals who at the beginning of such period constitute the entire Board cease to constitute a majority of the Board, unless the election or the nomination for election of each new director is approved by at least two-thirds of the directors then still in office who were directors at the beginning of that period; or

(iv) a record date is established for determining shareholders of the Company entitled to vote upon (A) a merger or consolidation of the Company with a partnership, corporation or other entity in which the Company is not the surviving or continuing entity or in which all or a substantial part of the outstanding shares are to be converted into or exchanged for cash, securities or other property, (B) a sale or other disposition of all or substantially all of the assets of the Company or (C) the dissolution of the Company.

(c) “**Claim**” means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any threatened, pending or completed inquiry or investigation, whether made, instituted or conducted by the Company or any other person, including any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding.

(d) “**Constituent Documents**” means the Company’s articles of incorporation and code of regulations.

(e) “**Controlled Affiliate**” means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; *provided* that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 20% or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute “control” for purposes of this definition.

(f) “**Disinterested Director**” means a director of the Company who is not and was not a party to or threatened with the Claim in respect of which indemnification is sought by Indemnitee.

(g) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(h) “**Expenses**” means attorneys’ and experts’ fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(i) “**Incumbent Directors**” means the individuals who, as of the date hereof, are directors of the Company and any individual becoming a director subsequent to the date hereof whose election, nomination for election by the Company’s shareholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that

an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(j) **"Indemnifiable Claim"** means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnatee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnatee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnatee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnatee's status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnatee in connection with any obligation or restriction imposed upon Indemnatee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnatee shall be deemed to be serving or to have served at the request of the Company as a director, officer, employee, member, manager, trustee or agent of another entity or enterprise if Indemnatee is or was serving as a director, officer, employee, member, manager, trustee or agent of such entity or enterprise and (i) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (ii) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate directly or indirectly caused or authorized Indemnatee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(k) **"Indemnifiable Losses"** means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim.

(l) **"Independent Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any Subsidiary) or Indemnatee in any matter material to either such party (other than with respect to matters concerning Indemnatee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnatee in an action to determine Indemnatee's rights under this Agreement.

(m) “**Losses**” means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid in settlement, including all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

(n) “**Notification Date**” means the date of receipt by the Company of written notice from Indemnitee advising the Company of the final disposition of the applicable Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted.

(o) “**ORC**” means the Ohio Revised Code.

(p) “**Other Indemnity Provisions**” means, collectively, (i) the Constituent Documents, (ii) the substantive laws of Ohio, and (iii) any other contract to which both Indemnitee and the Company (or a Subsidiary of the Company) are a party.

(q) “**Shares**” means the Common Shares, no par value, of the Company.

(r) “**Standard of Conduct Determination**” means a determination of whether Indemnitee has satisfied any applicable standard of conduct under Ohio law that is a legally required condition precedent to indemnification of Indemnitee under this Agreement against Indemnifiable Losses relating to, arising out of or resulting from an Indemnifiable Claim.

(s) “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in that chain.

(t) “**Undertaking**” means a sworn request for advancement of Expenses substantially in the form of Exhibit A attached hereto, with the blanks therein appropriately completed and the proper selection made for the execution of Part A and Part B therein as set forth in Section 3(b).

2. Indemnification Obligation. Subject to Section 7, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted or required by the laws of the State of Ohio in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided, however*, that, except as provided in Section 4 and Section 20, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim (i) initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim or (ii) in which judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale of securities of the Company pursuant to the provisions of Section 16(b) of the Exchange Act.

3. Advancement of Expenses Incurred with Respect to Indemnifiable Claims.

(a) Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee. Subject to Section 3(b), Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee, the Company shall, in accordance with such request (but without duplication), (i) pay such Expenses on behalf of Indemnitee, (ii) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (iii) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. For purposes of this Section 3, the determination of when a "final disposition" of any Indemnifiable Claim will be deemed to occur or have occurred shall be made by the person or entity that has or will make any required Standard of Conduct Determination with respect to such Indemnifiable Claim pursuant to Section 7(b) or Section 7(c).

(b) For purposes of obtaining payments of Expenses in advance of final disposition of any Indemnifiable Claim, Indemnitee shall submit to the Company an Undertaking averring that Indemnitee has reasonably incurred or will reasonably incur actual Expenses in defending an Indemnifiable Claim. The Undertaking need not be secured and the Company must accept the Undertaking without reference to Indemnitee's ability to repay the Expenses. In no event shall Indemnitee's right to the payment, advancement or reimbursement of Expenses pursuant to this Section 3 be conditioned upon any undertaking that is less favorable to Indemnitee than, or that is in addition to, the undertakings set forth in Exhibit A.

4. Indemnification for Expenses Incurred with Respect to Certain Claims Made by Indemnitee. Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all Expenses paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or payment, advancement or reimbursement of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; *provided, however*, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

5. Partial Indemnity. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Indemnifiable Loss, but not for the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion thereof to which Indemnatee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnatee shall submit to the Company a written request, including a brief description (based upon information then available to Indemnatee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnatee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery or receipt thereof by the Company. The failure by Indemnatee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) *Circumstances in Which No Standard of Conduct Determination is Required.* To the extent that Indemnatee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including dismissal without prejudice, Indemnatee shall be indemnified against all Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination shall be required.

(b) *Standard of Conduct Determination Prior to a Change in Control.* To the extent that (i) the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of and (ii) a Change in Control shall not have occurred, or a Change in Control shall have occurred but Indemnatee shall have requested that the Standard of Conduct Determination be made pursuant to this Section 7(b), any Standard of Conduct Determination shall be made (A) by a majority vote of a quorum consisting of the Disinterested Directors, (B) if the Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, or (C) if such quorum of Disinterested Directors is not available or if a majority of such a quorum so directs, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee.

(c) *Standard of Conduct Determination Following a Change in Control.* To the extent that (i) the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of and (ii) a Change in Control shall have occurred and Indemnatee shall not have requested that the Standard of Conduct Determination be made pursuant to Section 7(b), the Standard of Conduct Determination shall be made by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee.

(d) *Cooperation by Indemnatee.* Indemnatee will cooperate with the person or persons making such Standard of Conduct Determination pursuant to Section 7(b) or Section 7(c), including providing to such person or persons, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such Standard of Conduct Determination. The Company shall indemnify and hold harmless Indemnatee against and, if requested by Indemnatee, shall reimburse Indemnatee for, or advance to Indemnatee, within five business days of such request, any and all costs and expenses (including attorneys' and experts' fees and expenses) incurred by Indemnatee in so cooperating with the person or persons making such Standard of Conduct Determination.

(e) *Timing of Standard of Conduct Determination.* The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 7(b) or Section 7(c) to be made as promptly as practicable. If (i) the person or persons empowered or selected under Section 7(b) or Section 7(c) to make the Standard of Conduct Determination shall not have made a determination within 30 days after the later of (A) the Notification Date and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, that is permitted under the provisions of Section 7(g) to make such determination and (ii) Indemnatee shall have fulfilled his/her obligations set forth in the first sentence of Section 7(d), then Indemnatee shall be deemed to have satisfied the applicable standard of conduct; *provided* that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such Standard of Conduct Determination in good faith requires such additional time for the obtaining or evaluation or documentation and/or information relating thereto.

(f) *Timing of Payment.* If (i) Indemnatee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnatee has satisfied any applicable standard of conduct under Ohio law is a legally required condition precedent to indemnification of Indemnatee hereunder against any Indemnifiable Losses, or (iii) Indemnatee has been determined or deemed pursuant to Section 7(b), Section 7(c) or Section 7(e) to have satisfied any applicable standard of conduct under Ohio law which is a legally required condition precedent to indemnification of Indemnatee hereunder against any Indemnifiable Losses, then the Company shall pay to Indemnatee, within five business days after the later of (x) the Notification Date and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) of this Section 7(f) shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses.

(g) *Selection of Independent Counsel.* If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(c), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of “Independent Counsel” set forth in Section 1(l), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(g) to make the Standard of Conduct Determination shall have been selected within 30 days after the Company gives its initial notice pursuant to the first sentence of this Section 7(g) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(g), as the case may be, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the court or by such other person as the court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel’s determination pursuant to Section 7(b) or Section 7(c).

8. Presumption of Entitlement. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct, and the Company may overcome such presumption only by its adducing clear and convincing evidence to the contrary. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by Indemnitee in the state or federal courts in Ohio. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct shall be a defense to any Claim by Indemnitee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

9. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not create a presumption that Indemnatee did not meet any applicable standard of conduct or that indemnification hereunder is otherwise not permitted.

10. Non-Exclusivity. The rights of Indemnatee hereunder will be in addition to any other rights Indemnatee may have under any Other Indemnity Provisions; *provided, however*, that (a) to the extent that Indemnatee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnatee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnatee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnatee's right to indemnification under this Agreement or any Other Indemnity Provision.

11. Liability Insurance and Funding. For the duration of Indemnatee's service as an officer of the Company, and thereafter for so long as Indemnatee shall be subject to any pending or possible Indemnifiable Claim, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. The Company shall provide Indemnatee with a copy of all directors' and officers' liability insurance policies in effect from time to time. Without limiting the generality or effect of the two immediately preceding sentences, the Company shall not discontinue or significantly reduce the scope or amount of coverage from one policy period to the next (i) without the prior approval thereof by a majority vote of the Incumbent Directors, even if less than a quorum, or (ii) if at the time that any such discontinuation or significant reduction in the scope or amount of coverage is proposed there are no Incumbent Directors, without the prior written consent of Indemnatee (which consent shall not be unreasonably withheld or delayed). In all policies of directors' and officers' liability insurance obtained by the Company, Indemnatee shall be named as an insured in such a manner as to provide Indemnatee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. The Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnatee against other persons or entities (other than Indemnatee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(j). Indemnatee shall execute all papers reasonably required to evidence such rights (all of Indemnatee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnatee, advanced by the Company).

13. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnatee in respect of any Indemnifiable Losses to the extent Indemnatee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of “Indemnifiable Claim” in Section 1(j)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

14. Defense of Claims. The Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume the defense thereof, with counsel reasonably satisfactory to Indemnatee; *provided* that if Indemnatee believes, after consultation with counsel selected by Indemnatee, that (a) the use of counsel chosen by the Company to represent Indemnatee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnatee and Indemnatee shall conclude that there may be one or more legal defenses available to Indemnatee that are different from or in addition to those available to the Company, or (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnatee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim) at the Company’s expense. The Company shall not be liable to Indemnatee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company’s prior written consent. The Company shall not, without the prior written consent of Indemnatee, effect any settlement of any threatened or pending Indemnifiable Claim to which Indemnatee is, or could have been, a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of Indemnatee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnatee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnatee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnatee.

15. Successors and Binding Agreement. (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnatee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the “Company” for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by Indemnatee’s personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Section 15(a) and Section 15(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 15(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

16. Notices. For all purposes of this Agreement, all communications, including notices, consents, requests or approvals, required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the state and federal courts in Ohio for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state or federal courts in Ohio.

18. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

19. Prior Agreements. This Agreement shall supersede any and all indemnification agreements between the Company and Indemnitee.

20. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

21. Legal Fees and Expenses. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should appear to Indemnitee that the Company has failed to comply with any of its obligations under this Agreement (including its obligations under Section 3) or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Company and Indemnitee agree that a confidential relationship shall exist between Indemnitee and such counsel. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

22. Certain Interpretive Matters. Unless the context of this Agreement otherwise requires, (a) "it" or "its" or words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (e) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), (f) the word "or" is disjunctive but not exclusive, and (g) descriptive headings of the Sections and subsections of this Agreement are inserted for convenience only and will not control or affect the meaning or construction of any of the provisions of this Agreement. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "business day" means any day other than Saturday, Sunday or a United States federal holiday.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

[Signatures Appear On Following Page]

IN WITNESS WHEREOF, Indemnitee has executed, and the Company has caused its duly authorized representative to execute, this Agreement as of the date first above written.

NORDSON CORPORATION

28601 Clemens Road
Westlake, Ohio

By: Robert E. Veillette
Vice President, General Counsel and Secretary

INDEMNITEE

Name: _____
Address: _____

[effective date: 2016-11-01]

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UNDERTAKING

STATE OF OHIO)
)
COUNTY OF) SS

I, _____, being first duly sworn, do depose and say as follows:

- 1. This Undertaking is submitted pursuant to the Officer Indemnification Agreement, dated _____, 2010, between Nordson Corporation, an Ohio corporation (the “*Company*”) and the undersigned.
- 2. I am requesting payment of Expenses that I have reasonably incurred or will reasonably incur in defending an Indemnifiable Claim referred to in the aforesaid Officer Indemnification Agreement.
- 3. The Expenses for which payment is requested are, in general, all expenses related to _____.
- 4. I hereby undertake to repay the amounts paid pursuant hereto if and to the extent it ultimately is determined that I am not entitled to be indemnified by the Company for all or part of such amounts under the aforesaid Officer Indemnification Agreement or otherwise.

[Indemnitee Name]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this ____ day of _____,
_____.

[Seal]

My commission expires the ____ day of _____, ____.

**NORDSON CORPORATION
2005 EXCESS DEFINED BENEFIT PENSION PLAN**

Nordson Corporation hereby establishes, effective as of January 1, 2005, the Nordson Corporation 2005 Excess Defined Benefit Pension Plan ("Plan") to supplement the pension benefits of certain salaried employees designated by the Compensation Committee of the Board of Directors or its designee eligible to participate in the Plan in accordance with the terms hereof, as permitted by Section 3(36) of the Employee Retirement Income Security Act of 1974 ("ERISA"), with respect to compensation earned for services performed by such employees for the Company or vested after December 31, 2004. The Nordson Corporation Excess Defined Benefit Pension Plan established effective as of November 1, 1985 (the "1985 Plan") supplements the pension benefits of such employees with respect to compensation earned for services performed for the Company and vested before January 1, 2005. No provisions of this Plan shall alter, affect, or amend any provisions of the 1985 Plan applicable to compensation earned, deferred, and vested on or before December 31, 2004.

**ARTICLE I
DEFINITIONS**

1.1 Definitions. The following words and phrases shall have the meanings indicated, unless a different meaning is plainly required by the context:

- (a) The term "Beneficiary" shall mean an Employee's beneficiary or contingent annuitant.
- (b) The term "Company" shall mean Nordson Corporation, an Ohio corporation, its corporate successors and the surviving corporation resulting from any merger of Nordson Corporation with any other corporation or corporations.
- (c) The term "Employee" shall mean any person employed by the Company on a salaried basis who is designated by the Compensation Committee of the Board of Directors or its designee to participate in the Plan and who has not waived participation in the Plan.
- (d) The term "Plan" shall mean the excess defined benefit pension plan as set forth herein, together with all amendments hereto, which Plan shall be called the "Nordson Corporation 2005 Excess Defined Benefit Pension Plan."
- (e) The term "Salaried Pension Plan" shall mean the Nordson Corporation Salaried Employees Pension Plan in effect on the date of an employee's retirement, death, or other termination of employment.
- (f) The term "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time. Reference to a section of the Code shall include such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

1.2 Additional Definitions. All other words and phrases used herein shall have the meanings given them in the Salaried Pension Plan, unless a different meaning is clearly required by the context.

ARTICLE II EXCESS PENSION BENEFIT

2.1 Eligibility. An Employee who retires, dies, or otherwise terminates his employment with the Company under conditions which make such Employee or Beneficiary eligible for a benefit under the Salaried Pension Plan, and whose benefits under the Salaried Pension Plan are limited by Section 415 or Section 401(a)(17) of the Code shall be eligible for an excess pension benefit determined by Section 2.2.

2.2 Amount. Subject to the provisions of Article III, the monthly excess pension benefit payable to an Employee or Beneficiary shall be such an amount which, when added to the sum of the monthly pension payable (before any reduction applicable to an optional method of payment) under the Salaried Pension Plan to such person plus the monthly benefit payable under the 1985 Plan to such person, equals the monthly pension benefit that would have been payable (before any reduction applicable to an optional method of payment) under the Salaried Pension Plan to such person if the limitations of Section 415 and Section 401(a)(17) of the Code were not in effect.

2.3 Payments. All payments under the Plan to an Employee or Beneficiary shall be made by the Company from its general assets. The terms of payment of the excess pension benefit shall be identical to those specified in the Salaried Pension Plan for the type of benefit the Employee or Beneficiary receives under the Salaried Pension Plan; provided, however, that the payment of a benefit under the Plan with respect to a "key employee" of the Company, within the meaning of Section 416(i)(1) of the Code, shall not be made within six months following his separation of service from the Company, except in the event of death.

ARTICLE III OPTIONAL METHODS OF PAYMENT

Payment of the excess pension benefit to an Employee or Beneficiary shall be made in accordance with the terms and provisions of any method of payment under the Salaried Pension Plan whether by option or by operation of law, applicable to such Employee or Beneficiary, or in a lump sum payment. The amount of the excess pension benefit payable to an Employee or Beneficiary shall be reduced to reflect any such optional method of payment. In making the determination and reductions provided for in this Article III, the Company may rely upon calculations made by the independent actuaries for the Salaried Pension Plan, who shall apply the assumptions then in use in connection with the Salaried Pension Plan.

ARTICLE IV ADMINISTRATION

The Company shall be responsible for the general administration of the Plan, for carrying out its provisions, and for making any required excess benefit payments. The Company shall have any powers as may be necessary to administer and carry out the provisions of the Plan. Actions taken and decisions made by the Company shall be final and binding upon all interested parties. In accordance with the provisions of Section 503 of ERISA, the Company shall provide a procedure for handling claims of Employees and Beneficiary for benefits under the Plan. The procedure shall be in accordance with regulations issued by the Secretary of Labor and provide adequate written notice within a reasonable period of time with respect to a claim denial. The procedure shall also provide for a reasonable opportunity for a full and fair review by the Company of any claim denial. The Company shall be the “administrator” for purposes of ERISA.

ARTICLE V AMENDMENT AND TERMINATION

The Company reserves the right to amend or terminate the Plan at any time by action of its Board of Directors. No such action shall, however, adversely affect any Employee or Beneficiary who is receiving excess pension benefits under the Plan, unless an equivalent benefit is provided under the Salaried Pension Plan or another plan sponsored by the Company. The Company specifically reserves the right to amend the Plan to conform the provisions of the Plan to the guidance issued by the Secretary of the Treasury with respect to Section 409A of the Code, in accordance with such guidance.

ARTICLE VI MISCELLANEOUS

6.1 Non-Alienation of Retirement Rights or Benefits. Employees or Beneficiaries are not permitted to assign, transfer, alienate or otherwise encumber the right to receive payments under the Plan. Any attempt to do so or to permit the payments to be subject to garnishment, attachment or levy of any kind will permit the Company to make payments directly to and for the benefit of the Employee, Beneficiary or any other person. Each such payment may be made without the intervention of a guardian. The receipt of the payee shall constitute a complete acquittance to the Company with respect to any payments, and the Company shall have no responsibility for the proper application of any payment.

6.2 Incapacity. The Company shall be permitted to make payments in the same manner as provided for in Section 6.1 if in the judgment of the Company, an Employee or Beneficiary is incapable of attending to his financial affairs.

6.3 Plan Non-Contractual. This Plan shall not be construed as a commitment or agreement on the part of any person employed by the Company to continue his employment with the Company, nor shall it be construed as a commitment on the part of the Company to continue the employment or the annual rate of compensation of any such person for any period. All Employees shall remain subject to discharge to the same extent as if the Plan had never been established.

6.4 Interest of Employee. The obligation of the Company under the Plan to provide an Employee or Beneficiary with an excess pension benefit merely constitutes the unsecured promise of the Company to make payments as provided herein, and no person shall have any interest in, or a lien or prior claim upon, any property of the Company.

6.5 Controlling Status. No Employee or Beneficiary shall be eligible for a benefit under the Plan unless such Employee is an Employee on the date of his retirement, death, or other termination of employment.

6.6 Claims of Other Persons. The provisions of the Plan shall in no event be construed as giving any person, firm or corporation any legal or equitable right as against the Company, its officers, employees, or directors, except any such rights as are specifically provided for in the Plan or are hereafter created in accordance with the terms and provisions of the Plan.

6.7 No Competition. The right of any Employee or Beneficiary to an excess pension benefit will be terminated, or, if payment thereof has begun, all further payments will be discontinued and forfeited in the event the Employee or Beneficiary at any time subsequent to the effective date hereof:

- (i) wrongfully discloses any secret process or trade secret of the Company or any of its subsidiaries, or
- (ii) becomes involved directly or indirectly as an officer, trustee, employee, consultant, partner, or substantial shareholder, on his own account or in any other capacity, in a business venture that within the two-year period following his retirement or termination of employment of the Employee, the Company's Board of Directors determines to be competitive with the Company.

6.8 Severability. The invalidity or unenforceability of any particular provision of the Plan shall not effect any other provision hereof, and the Plan shall be construed in all respects as if such invalid or unenforceable provision were omitted therefrom.

6.9 Governing Law. The provisions of the Plan shall be governed and construed in accordance with the laws of the State of Ohio.

6.10 No Acceleration of Benefits. The acceleration of the time or schedule of any payment under the Plan is not permitted, except as provided in regulations by the Secretary of the Treasury.

6.11 Compliance with Section 409A of the Code. The Plan is intended to provide for the deferral of compensation in accordance with the provisions of Section 409A of the Code, for compensation earned, vested, or deferred after December 31, 2004. Notwithstanding any provisions of the Plan to the contrary, no benefit shall be paid under the Plan in a manner that would result in the taxation of any amount under Section 409A of the Code.

ARTICLE VII
SPECIAL CONTINGENT SUPPLEMENT

7.1 Eligibility. Each Employee who has in effect a written employment agreement with the Company with provisions designed to become effective upon a change in control shall be eligible for a Special Contingent Supplemental Benefit ("SCSB"), provided that on the date any change in control occurs under the terms of such employment agreement the Employee has completed 10 years of Vesting Service with the Company and attained age 55.

7.2 Amount and Payment. The SCSB shall be payable to the eligible Employee for each month after the date of his retirement or other termination of employment following a change in control entitling him to benefits under an employment agreement and during his lifetime in which the Company (including any of its successors) fails to provide such Employee with coverage under a program of medical benefit coverage substantially the same as that in effect with respect to retired employees of the Company or its successors immediately prior to the change in control.

The amount of each monthly SCSB benefit payment shall be \$750.

EXECUTED this _____ day of _____, 2004.

NORDSON CORPORATION

By: _____
Title: _____

VII. 2005 DIRECTORS' DEFERRED COMPENSATION

The provisions of the Plan and these Rules apply to Directors' Compensation deferred after December 31, 2004. Directors' Compensation deferred before January 1, 2005, remains subject to the provisions of the Plan and the Rules as in effect on October 3, 2004.

1. **Definitions.** The following definitions apply to Directors' deferred compensation:

- (a) **"Directors' Compensation"** means all or a portion of the fees (including quarterly retainer fees, meeting fees, and such special or other fees as may be authorized by the Board of Directors, but excluding Director Options) paid to the Directors by reason of their serving on the Board and, if applicable, on Committees of the Board.

2. **Directors' Compensation.** Each Director will have the option to defer his or her Directors' Compensation and have it either (i) credited to an account maintained for him or her by Nordson as cash or (ii) allocated to an account maintained for him or her by Nordson as Stock Equivalent Units.

3. **Elections to Defer Directors' Compensation.**

- (a) **Time of Election.** Any person who is appointed to fill a vacancy on the Board, or is newly elected as a Director, may elect within thirty days after the commencement of his or her term as a Director to defer the receipt of all or a specified portion of his or her Directors' Compensation earned for services performed for the balance of the year in which the election is made and for succeeding years.
- (b) **Duration of an Election.** An election to defer Directors' Compensation will be irrevocable and will continue from year to year until a Director terminates the election by written request or until the end of the year preceding the initial distribution to the Director under the schedule set forth in Section 5(a), whichever first occurs, but, in the event of a termination, the amount theretofore deferred will not be paid to the Director until the dates specified in the schedule set forth in Section 5(a). Any termination of an election by written request shall be effective as of the first day of the year following the year in which the written request is made.
- (c) **Election to Defer Less than All Directors' Compensation.** In the event that any Director elects to defer less than all of the Directors' Compensation payable to him or her for any period, Nordson will first pay the non-deferred portion of the Directors' Compensation to the Director in cash and will only commence to defer his or her Directors' Compensation, whether as cash or as Stock Equivalent Units, at such time as the entire non-deferred portion has been paid to the Director in cash.

4. Election of Cash or Stock Equivalent Units.

- (a) Designation as Cash or Stock Equivalent Units. At the time that each Director makes an election to defer the receipt of all or a specified portion of his or her Directors' Compensation, the Director will designate whether the amount of the Directors' Compensation he or she elects to defer will be credited to his or her account as cash or allocated as Stock Equivalent Units.
- (b) Change of Designation from Cash to Stock Equivalent Units. Each Director who previously designated cash may at any time elect to have his or her designation changed from cash to Stock Equivalent Units (but not from Stock Equivalent Units to cash) and all or a portion of the cash credited to his or her account converted to Stock Equivalent Units; provided that no such election may be made relating to all or a portion of the cash credited to his or her account within six months of (i) an election to receive an early distribution under Section 5(b) hereof (if such distribution is funded by the conversion of Stock Equivalent Units), (ii) an election to make an intra-plan transfer under Nordson's Employees' Savings Trust Plan ("NEST") of funds held in a Nordson Common Share Fund account into any other Fund under the NEST, or (iii) an election to receive a cash distribution from the NEST, including a loan or hardship withdrawal, which is funded in whole or in part by the liquidation of Common Shares in the participant's Nordson Common Share Fund account. Upon making such an election, all or the designated portion of the cash credited to a Director's account will be converted into Stock Equivalent Units based on the Fair Market Value of the Common Shares at the date of conversion. "Fair Market Value" for purposes of this Section 4(b) means the average of the high and low price quoted for Common Shares as reported in the NASDAQ National Market System on the date of conversion.
- (c) Cash Credits. Nordson will maintain an account for each Director who elects to defer Directors' Compensation as cash and will credit his or her account (i) on the last day of each month with the amount of Directors' Compensation he or she elects to defer which otherwise would have been paid to him or her during the month and (ii) on the last day of each quarter with interest on the balance in this account at a rate equal to the rate of interest of Ten Year Treasury Securities as reported in the Federal Reserve Bank Constant Maturity Series H-15 Report for the last business day of the quarter, paid on the average daily balance in the account during the quarter. A Director whose account is credited with cash shall receive all distributions in cash.
- (d) Stock Equivalent Units. Nordson will maintain an account for each Director who elects to defer Directors' Compensation as Stock Equivalent Units. After a Director makes such an election, Nordson will credit his or her account (i) on the last day of each month with a number of Stock Equivalent Units equal to the quotient of the amount of Directors' Compensation he or she elects to defer which otherwise would have been paid to him or her during the month divided by the

Fair Market Value of the Common Shares on that day and (ii) on dividend payment dates with an additional number of Stock Equivalent Units equal to the product of the number of Stock Equivalent Units credited to this account immediately prior to the dividend payment date multiplied by a fraction, the numerator of which is the amount of the dividend per Common Share and the denominator of which is the Fair Market Value of the Common Shares on the dividend payment date. A Director whose account is credited with Stock Equivalent Units shall receive all distributions in Common Shares. "Fair Market Value" for purposes of this Section 4(d) means the average of the high and low price quoted for Common Shares as reported in the NASDAQ National Market System on the day the Directors account is credited.

- (e) Subject to Claims of General Creditors. All Directors' Compensation deferred and amounts credited to accounts as cash or Stock Equivalent Units under the terms of this Section 4 will remain part of the assets of Nordson and will be subject to the claims of its general creditors.

5. Distribution.

- (a) Normal Distribution. The account maintained for each Director who elects to defer Directors' Compensation will be distributed in 16 quarterly installments (the amount of each to equal the balance in his or her account at the particular time divided by the number of remaining installments) beginning with the first day of the month immediately succeeding the month in which that Director ceases to be a Director. The undistributed balance of any account will bear interest at the rate specified in Section 4(c)(ii), or be credited with additional Stock Equivalent Units upon the payment of dividends as provided in Section 4(d), until the account has been completely distributed.
- (b) Early Distribution in Event of Financial Emergency. Notwithstanding the provisions of Section 5(a), a Director may, with the consent of the Committee, withdraw all or a portion of his or her accounts in the event of a financial emergency that is beyond the Director's control, would cause the Director great hardship if early withdrawal were not permitted, and qualifies as an "unforeseeable emergency" within the meaning of Code Section 409A(a)(2)(B) (ii); provided that, no election to receive such an early withdrawal will be permitted if it would be funded, in whole or in part, by the conversion of Stock Equivalent Units into cash and such election occurs within six months of an election to have all or any portion of the Director's cash account converted into Stock Equivalent Units or an election to make an intra-plan transfer under the NEST of funds from any Fund into the participant's Nordson Common Share Fund account. Any such early withdrawal shall be in the form of a cash distribution, with any Stock Equivalent Units converted into cash on the basis set forth in Section 5(b), and will be limited to the amount necessary to meet the emergency.

6. **Death of a Director.** A Director may elect whether, in the event of his or her death prior to the expiration of the period during which his or her account balance is distributable, the account balance will be distributed to his or her estate (or designated beneficiary) in a single distribution or in the installments contemplated by Section 5(a). Such election will be made at the time of the election contemplated by Section 3; if no such election is made, the account balance will be distributed in a single distribution.
7. **Non-Competition.** In the event a Director ceases to be a Director and becomes a proprietor, officer, partner, or employee of, or otherwise becomes affiliated with, any business that is in competition with the Company, his or her account balance will be distributed immediately to him or her in a single cash distribution. Any Stock Equivalent Units allocated to the Director's account will be converted into an amount of cash equal to the product of the number of Stock Equivalent Units allocated to his or her account multiplied by the Fair Market Value of the Common Shares on the date of the distribution. "Fair Market Value" for purposes of this Section 7 means the average of the high and low price quoted for Common Shares as reported in the NASDAQ National Market System on the date of distribution.

VII. 2005 DIRECTORS' DEFERRED COMPENSATION

The provisions of the Plan and these Rules apply to Directors' Compensation deferred after December 31, 2004. Directors' Compensation deferred before January 1, 2005, remains subject to the provisions of the Plan and the Rules as in effect on October 3, 2004.

1. Definitions. The following definitions apply to Directors' deferred compensation:

- (a) "Directors' Compensation" means all or a portion of the fees (including quarterly retainer fees, meeting fees, stock awards and such special or other fees as may be authorized by the Board of Directors, but excluding Director Options) paid to the Directors by reason of their serving on the Board and, if applicable, on Committees of the Board.

2. Directors' Compensation. Each Director will have the option to defer his or her Directors' Compensation and have it either (i) credited to an account maintained for him or her by Nordson as cash or (ii) allocated to an account maintained for him or her by Nordson as Stock Equivalent Units. Restricted Stock Awards may be deferred in the form of Restricted Stock Units only.

3. Elections to Defer Directors' Compensation.

- (a) **Time of Election.** Any person who is appointed to fill a vacancy on the Board, or is newly elected as a Director, may elect within thirty days after the commencement of his or her term as a Director to defer the receipt of all or a specified portion of his or her Directors' Compensation earned for services performed for the balance of the year in which the election is made and for succeeding years. Deferral of Restricted Stock Awards must be made prior to or on the grant date of such awards, except in the first instance of a Restricted Stock award, in which case the Director will have thirty (30) days from the date of grant to elect a deferral.
 - (b) **Duration of an Election.** An election to defer Directors' Compensation will be irrevocable and will continue from year to year until a Director terminates the election by written request or until the end of the year preceding the initial distribution to the Director under the schedule set forth in Section 5(a), whichever first occurs, but, in the event of a termination, the amount theretofore deferred will not be paid to the Director until the dates specified in the schedule set forth in Section 5(a). Any termination of an election by written request shall be effective as of the first day of the year following the year in which the written request is made. Elections to defer Restricted Stock must be made on an annual basis and are irrevocable.
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- (c) Election to Defer Less than All Directors' Compensation. In the event that any Director elects to defer less than all of the Directors' Compensation payable to him or her for any period, Nordson will first pay the non-deferred portion of the Directors' Compensation to the Director in cash and will only commence to defer his or her Directors' Compensation, whether as cash or as Stock Equivalent Units, at such time as the entire non-deferred portion has been paid to the Director in cash.

4. Election of Cash, Stock Equivalent Units, or Restricted Stock Units.

- (a) Designation as Cash or Stock Equivalent Units. At the time that each Director makes an election to defer the receipt of all or a specified portion of his or her Directors' Compensation paid in the form of cash, the Director will designate whether the amount of the cash compensation he or she elects to defer will be credited to his or her account as cash or allocated as Stock Equivalent Units. With respect to Restricted Stock grants, any deferral will be in the form of Restricted Stock Units.
 - (b) Change of Designation from Cash to Stock Equivalent Units. Each Director who previously designated cash may at any time elect to have his or her designation changed from cash to Stock Equivalent Units (but not from Stock Equivalent Units to cash) and all or a portion of the cash credited to his or her account converted to Stock Equivalent Units; provided that no such election may be made relating to all or a portion of the cash credited to his or her account within six months of (i) an election to receive an early distribution under Section 5(b) hereof (if such distribution is funded by the conversion of Stock Equivalent Units), (ii) an election to make an intra-plan transfer under Nordson's Employees' Savings Trust Plan ("NEST") of funds held in a Nordson Common Share Fund account into any other Fund under the NEST, or (iii) an election to receive a cash distribution from the NEST, including a loan or hardship withdrawal, which is funded in whole or in part by the liquidation of Common Shares in the participant's Nordson Common Share Fund account. Upon making such an election, all or the designated portion of the cash credited to a Director's account will be converted into Stock Equivalent Units based on the Fair Market Value of the Common Shares at the date of conversion. "Fair Market Value" for purposes of this Section 4(b) means the average of the high and low price quoted for Common Shares as reported in the NASDAQ Global Select Market on the date of conversion.
 - (c) Cash Credits. Nordson will maintain an account for each Director who elects to defer Directors' Compensation paid in cash as cash and will credit his or her account (i) on the last day of each month with the amount of cash compensation he or she elects to defer which otherwise would have been paid to him or her during the month and (ii) on the last day of each quarter with interest on the balance in this account at a rate equal to the rate of interest of Ten Year Treasury Securities as reported in the Federal Reserve Bank Constant Maturity Series H-15 Report for the last business day of the quarter, paid on the average daily balance in the account during the quarter. A Director whose account is credited with cash shall receive all distributions in cash.
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- (d) **Stock Equivalent Units.** Nordson will maintain an account for each Director who elects to defer Directors' Compensation (other than Restricted Stock) as Stock Equivalent Units. After a Director makes such an election, Nordson will credit his or her account (i) on the day of each meeting attended by a Director with a number of Stock Equivalent Units equal to the quotient of the amount of meeting fees he or she elects to defer which otherwise would have been paid to him or her divided by the Fair Market Value of the Common Shares on that day (ii) on the last day of each fiscal quarter with a number of Stock Equivalent Units equal to the quotient of the amount of a Director's retainer he or she elects to defer which otherwise would have been paid to him or her divided by the Fair Market Value of the Common Shares on that day; and (iii) on dividend payment dates with an additional number of Stock Equivalent Units equal to the product of the number of Stock Equivalent Units credited to this account immediately prior to the dividend payment date multiplied by a fraction, the numerator of which is the amount of the dividend per Common Share and the denominator of which is the Fair Market Value of the Common Shares on the dividend payment date. A Director whose account is credited with Stock Equivalent Units shall receive all distributions in Common Shares. "Fair Market Value" for purposes of this Section 4(d) means the average of the high and low price quoted for Common Shares as reported in the NASDAQ Global Select Market on the day the Directors account is credited.
 - (e) **Restricted Stock Units.** Nordson will maintain an account for each Director who elects to defer the receipt of Restricted Stock as Restricted Stock Units. After a Director makes such an election, Nordson will credit his or her account with a number of Restricted Stock Units equal to the Fair Market Value of the Common Shares on the date of grant. On dividend payment dates, Nordson will credit his or her account with an additional number of Restricted Stock Units equal to the product of the number of Restricted Stock Units credited to this account immediately prior to the dividend payment date multiplied by a fraction, the numerator of which is the amount of the dividend per Common Share and the denominator of which is the Fair Market Value of the Common Shares on the dividend payment date. "Fair Market Value" for purposes of this Section 4(e) means the average of the high and low price quoted for Common Shares as reported in the NASDAQ Global Select Market on the day the Directors account is credited. Upon the lapse of restrictions accompanying a grant, Nordson will credit the Director's account with a number of Stock Equivalent Units equal to the number of Restricted Stock Units in the Director's account, including the additional Restricted Stock Units representing dividends paid during the restriction period.
 - (e) **Subject to Claims of General Creditors.** All Directors' Compensation deferred and amounts credited to accounts as cash, Stock Equivalent Units or Restricted Stock Units under the terms of this Section 4 will remain part of the assets of Nordson and will be subject to the claims of its general creditors.
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5. Distribution.

- (a) **Normal Distribution.** The account maintained for each Director who elects to defer Directors' Compensation will be distributed in 16 quarterly installments (the amount of each to equal the balance in his or her account at the particular time divided by the number of remaining installments) beginning with the first day of the month immediately succeeding the month in which that Director ceases to be a Director. The undistributed balance of any account will bear interest at the rate specified in Section 4(c)(ii), or be credited with additional Stock Equivalent Units upon the payment of dividends as provided in Section 4(d), until the account has been completely distributed.
- (b) **Early Distribution in Event of Financial Emergency.** Notwithstanding the provisions of Section 5(a), a Director may, with the consent of the Committee, withdraw all or a portion of his or her accounts in the event of a financial emergency that is beyond the Director's control, would cause the Director great hardship if early withdrawal were not permitted, and qualifies as an "unforeseeable emergency" within the meaning of Code Section 409A(a)(2)(B) (ii); provided that, no election to receive such an early withdrawal will be permitted if it would be funded, in whole or in part, by the conversion of Stock Equivalent Units into cash and such election occurs within six months of an election to have all or any portion of the Director's cash account converted into Stock Equivalent Units or an election to make an intra-plan transfer under the NEST of funds from any Fund into the participant's Nordson Common Share Fund account. Any such early withdrawal shall be in the form of a cash distribution, with any Stock Equivalent Units converted into cash on the basis set forth in Section 5(b), and will be limited to the amount necessary to meet the emergency.

6. Death of a Director. A Director may elect whether, in the event of his or her death prior to the expiration of the period during which his or her account balance is distributable, the account balance will be distributed to his or her estate (or designated beneficiary) in a single distribution or in the installments contemplated by Section 5(a). Such election will be made at the time of the election contemplated by Section 3; if no such election is made, the account balance will be distributed in a single distribution.

7. Non-Competition. In the event a Director ceases to be a Director and becomes a proprietor, officer, partner, or employee of, or otherwise becomes affiliated with, any business that is in competition with the Company, his or her account balance will be distributed immediately to him or her in a single cash distribution. Any Stock Equivalent Units allocated to the Director's account will be converted into an amount of cash equal to the product of the number of Stock Equivalent Units allocated to his or her account multiplied by the Fair Market Value of the Common Shares on the date of the distribution. "Fair Market Value" for purposes of this Section 7 means the average of the high and low price quoted for Common Shares as reported in the NASDAQ Global Select Market on the date of distribution.

**SUPPLEMENTAL RETIREMENT AGREEMENT
BETWEEN NORDSON CORPORATION AND MICHAEL F. HILTON**

DATED AS OF DECEMBER 9, 2009

This Supplemental Retirement Agreement Between Nordson Corporation and Michael F. Hilton (the "Agreement"), dated as of December 9, 2009, is made and entered into by and between Nordson Corporation, an Ohio corporation (the "Company"), and Michael F. Hilton (the "Executive").

1. Purpose. The purpose of this Agreement is to provide for treatment of Executive as fully-vested under the Nordson Corporation Salaried Employee Pension Plan (the "Pension Plan") and the Nordson Corporation Amended and Restated 2005 Excess Defined Benefit Pension Plan (the "Pension SERP") in the event that his employment under that certain Employment Agreement between the Company and Executive (the "Employment Agreement") is terminated, under certain circumstances, prior to the attainment of full vesting under the Pension Plan and Pension SERP.
 2. Eligibility to Participate. Only Michael F. Hilton shall be eligible to participate in the arrangement under this Agreement.
 3. Relationship To Pension Plan, Pension SERP and Employment Agreement. To the extent necessary to interpret this Agreement and the obligations set forth herein, the written terms and definitions contained in the Pension Plan, the Pension SERP and the Employment Agreement are hereby incorporated by reference herein. However, this Agreement explicitly does not amend or otherwise alter the Pension Plan, the Pension SERP or the Employment Agreement in any respect. To the extent that this Agreement sets forth benefit obligations to Executive that are different from those set forth in the Pension Plan or the Pension SERP, such differing obligations shall relate only to Executive and shall have no applicability with respect to any other participant under the Pension Plan or the Pension SERP.
 4. Supplemental Benefit Entitlement. Executive shall be entitled to the benefits described under Section 5 of this Agreement in the event that he experiences a Termination due to Death, Termination due to Disability, Termination without Cause, or Resignation with Good Reason (as each is respectively defined under the Employment Agreement, and whether or not such event occurs in connection with a Change in Control) prior to becoming one hundred percent (100%) vested in benefits under the Pension Plan or the Pension SERP. In the event of Executive's Termination due to Death, the benefit entitlement described under Section 5 of this Agreement shall be owed to Executive's spouse (or if he has no spouse as of such time, his estate).
 5. Total Supplemental Benefit Amount. The Total Supplemental Benefit payable under this Agreement shall be equal to the sum of (a) the Supplemental Pension Benefit and (b) the Supplemental SERP Benefit, as described below.
-

- a. Supplemental Pension Benefit. The Supplemental Pension Benefit shall be equal to the difference between (i) and (ii):
- i. The benefit to which Executive would be entitled under the Pension Plan if he were one hundred percent (100%) vested thereunder; and
 - ii. The benefit to which Executive actually is entitled under the Pension Plan.
- b. Supplemental SERP Benefit. The Supplemental SERP Benefit shall be equal to the difference between (i) and (ii):
- i. The benefit to which Executive would be entitled under the Pension SERP if he were one hundred percent (100%) vested thereunder; and
 - ii. The benefit to which Executive actually is entitled under the Pension SERP.
- c. Example. Assume that Executive experiences a Termination without Cause at the end of his third year of employment. Under this Agreement, he would not receive a benefit from or under the Pension Plan. However, instead, he would receive a benefit under this Agreement equal to the benefit that he would have received under the Pension Plan had he been fully vested under the Pension Plan based upon three (3) years of benefit accrual service. This is referred to as the Supplemental Pension Benefit and is described in Section 5(a) above.
- In addition, Executive would receive a benefit under the Pension SERP equal to the benefit that he otherwise would have received under the Pension SERP had he been fully vested in such benefit (again, computed based on three years of benefit accrual service). This is referred to as the Supplemental SERP Benefit and is described in Section 5(b) above.
- d. Modification of Supplemental Pension Benefit and Supplemental SERP Benefit In Event of Change in Control. In the event that at Change in Control (as defined under the Change-in-Control Retention Agreement between the Company and Executive (“Change-in-Control Retention Agreement”)) occurs, and Executive experiences a Termination without Cause or Resignation for Good Reason (as defined under the Employment Agreement within two (2) years following the effective date of a Change in Control, the Supplemental Pension Benefit and Supplemental SERP Benefit described above shall be calculated by crediting Executive with an additional two (2) years service credit and adding an additional two (2) years to Executive’s age.

6. Survivor Benefit. In the event that Executive dies prior to the termination of the Employment Agreement, as well as prior to the attainment of full vesting under the Pension Plan and Pension SERP, Executive's spouse shall be entitled to the benefits described in Section 5 of this Agreement based upon Executive's benefit accrual service earned as of his date of death. Such benefits shall be paid to Executive's spouse in the same amount and in the same form, and at the same time, all as prescribed under Section 3A.1 of the Pension SERP.
7. Supplemental Benefit Commencement. Payment of the benefits described in Section 5 of this Agreement shall commence as soon as administratively practicable following Executive's Date of Termination under the Employment Agreement (but in any event shall be paid in the same calendar year in which such Date of Termination occurs); provided, however, that any benefit payable under this Agreement shall comply with the following restrictions:
- a. If Executive's termination or resignation does not constitute a "separation from service," as such term is defined under Section 409A of the Internal Revenue Code (the "Code"), Executive shall nevertheless be entitled to receive all of the payments and benefits that Executive is entitled to receive under Section 5 of this Agreement on account of his termination of employment prior to the attainment of full vesting under the Pension Plan and Pension SERP. However, the benefits that Executive is entitled to under Section 5 of this Agreement shall not be provided to Executive until such time as Executive has incurred a "separation from service" within the meaning of Section 409A of the Code. Unless otherwise indicated under this Agreement, any payments to which Executive is entitled under Section 5 of this Agreement shall be made as soon as administratively practicable following Executive's separation from service.
 - b. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" (as defined by Section 409A of the Code) at the time of his termination of employment under the Employment Agreement (or, if later, his "separation from service" under Section 409A of the Code), to the extent that a benefit under Section 5 of this Agreement is considered to provide for a "deferral of compensation" (as determined under Section 409A of the Code), then such benefit shall not be paid or provided until six months after Executive's separation from service, or his death, whichever occurs first. Any benefits that are withheld under this provision for the first six months shall be payable in a lump sum on the 181st day after such termination of employment (or, if later, separation from service).

Section 7(g) and (h) of the Employment Agreement and the restrictions contained therein are specifically incorporated by reference herein, and any benefit payable under this Agreement shall commence only after such restrictions have been satisfied.

8. Form of Payment for Supplemental Benefits. The benefits described in Section 5 of this Agreement shall be paid in the form elected by Executive and shall be subject to the restrictions set forth in Sections 2.4 and 2.5 of the Pension SERP. Executive hereby elects to receive the benefits described in Section 5 of this Agreement in a single lump sum.
9. Nonduplication of Benefits. To the extent, and only to the extent, a payment or benefit that is paid or provided under this Agreement would also be paid or provided under the terms of the applicable plan, program, agreement or arrangement, including, without limitation, the Change-in-Control Retention Agreement, such applicable plan, program, agreement or arrangement will be deemed to have been satisfied by the payment made or benefit provided under this Agreement.
10. Source Of Benefits Under This Agreement. The benefits described in Section 5 of this Agreement shall be paid by the Company from its general assets at the time and manner provided herein. Benefits hereunder shall not be subject to assignment, pledge, alienation or anticipation by Executive, his spouse or his estate. Neither Executive, his spouse or his estate shall have, by reason of this Agreement, any right, title or interest of any kind in or to any property of the Company. To the extent that Executive has a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of a general unsecured creditor.
11. Administration. The Compensation Committee of the Company (the "Committee") shall be the "administrator" of this Agreement, as such term is defined under Section 3(16) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").
12. Amendment and Termination. This Agreement may be amended or terminated by mutual written agreement between the Company and Executive; provided, however, that any such amendment or termination shall comply with Section 409A of the Code. Notwithstanding the foregoing, at such time as Executive becomes one hundred percent (100%) vested in benefits under both the Pension Plan or the Pension SERP, the Company shall no longer have any obligations under this Agreement and this Agreement shall terminate. In such case, no benefits shall be payable from or under this Agreement.
13. Withholding. The Company shall have the right to deduct from any payment in accordance with this Agreement any amount required to satisfy its obligation to withhold federal, state and local taxes.
14. Construction. This Agreement is intended to qualify as a plan maintained for the benefit of a select group of management or highly compensated employees within the meaning of ERISA, and shall be construed in accordance with such intention.
15. Effective Date. This Agreement shall be effective January __, 2010.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

NORDSON CORPORATION

By: _____

Name:

Title:

EXECUTIVE

Address:

097488, 000001, 103099386.7

STOCK PURCHASE AGREEMENT

by and among

VP ACQUISITION HOLDINGS, INC.,

THE STOCKHOLDERS OF VP ACQUISITION HOLDINGS, INC.,

THE OPTIONHOLDERS OF VP ACQUISITION HOLDINGS, INC.,

AMERICAN CAPITAL, LTD.,

as Securityholder Representative,

and

NORDSON CORPORATION

Dated as of July 15, 2011

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Cross-References to Other Defined Terms	7
ARTICLE 2 PURCHASE AND SALE	9
Section 2.01. Estimated Purchase Price	9
Section 2.02. Purchase and Sale of the Shares; Payment of Options	10
Section 2.03. The Closing	10
Section 2.04. Post-Closing Adjustment	11
Section 2.05. Reserve Account	13
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY	13
Section 3.01. Organization and Qualification	13
Section 3.02. Capitalization; Subsidiaries; Securities Owned	13
Section 3.03. Authority of the Company	14
Section 3.04. Compliance with Laws	15
Section 3.05. Advisory and Other Fees	15
Section 3.06. Taxes	15
Section 3.07. Officers and Directors; Books and Records	16
Section 3.08. Litigation	16
Section 3.09. Financial Statements	16
Section 3.10. Transactions with Affiliates	17
Section 3.11. Real Properties	17
Section 3.12. Absence of Material Adverse Effect	17
Section 3.13. Absence of Certain Changes	17
Section 3.14. Tangible Personal Property	17
Section 3.15. Intellectual Property	18
Section 3.16. Contracts	18
Section 3.17. Insurance	20
Section 3.18. Permits	20
Section 3.19. Employee Benefit Plans	20
Section 3.20. Employees; Labor Matters	21
Section 3.21. Environmental Matters	21

	<u>Page</u>
Section 3.22. Employee Relations	22
Section 3.23. Accounts Receivable	22
Section 3.24. Bank Accounts	22
Section 3.25. Foreign Corrupt Practices Act	22
Section 3.26. No Other Representations and Warranties	23
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SECURITYHOLDERS	23
Section 4.01. Organizational Authorization	23
Section 4.02. Governmental Authorization	23
Section 4.03. Noncontravention	23
Section 4.04. Ownership of Securities	23
Section 4.05. Advisory and Other Fees	23
Section 4.06. No Action	24
Section 4.07. No Other Representations and Warranties	24
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER	24
Section 5.01. Existence and Power	24
Section 5.02. Organizational Authorization	24
Section 5.03. Governmental Authorization	24
Section 5.04. Noncontravention	24
Section 5.05. Financing	25
Section 5.06. Purchase for Investment	25
Section 5.07. Actions and Proceedings	25
Section 5.08. Finder's Fees	25
Section 5.09. Solvency	25
Section 5.10. Acknowledgment by the Buyer	25
Section 5.11. No Knowledge of Misrepresentations or Omissions; No Reliance	26
Section 5.12. No Other Representations and Warranties	26
ARTICLE 6 COVENANTS OF THE COMPANY AND THE SECURITYHOLDERS	27
Section 6.01. Conduct of the Company and the Subsidiaries	27
Section 6.02. Access	29
Section 6.03. Subsequent Actions	29
ARTICLE 7 COVENANTS OF THE BUYER	29
Section 7.01. Confidentiality	29

	<u>Page</u>
Section 7.02. Access	29
Section 7.03. Notification	30
Section 7.04. Director and Officer Liability, Indemnification and Insurance	30
Section 7.05. Regulatory Filings	31
Section 7.06. Contact with Employees, Customers and Suppliers	31
ARTICLE 8 ADDITIONAL COVENANTS OF THE PARTIES	31
Section 8.01. Reasonable Best Efforts; Further Assurances	31
Section 8.02. Further Cooperation	32
Section 8.03. Public Announcements	32
Section 8.04. Tax Matters	32
Section 8.05. Disclosure Generally	32
Section 8.06. Conflicts and Privilege	33
Section 8.07. Antitrust Filings	33
Section 8.08. WARN	34
ARTICLE 9 CONDITIONS TO CLOSING	34
Section 9.01. Conditions to the Buyer's Obligations	34
Section 9.02. Conditions to the Company and the Securityholders' Obligations	35
ARTICLE 10 TERMINATION	36
Section 10.01. Termination	36
Section 10.02. Effect of Termination	36
ARTICLE 11 INDEMNIFICATION/SECURITYHOLDER REPRESENTATIVE	37
Section 11.01. Survival Period	37
Section 11.02. Indemnification	37
Section 11.03. Limitation of Recourse	39
Section 11.04. Securityholder Representative	40
ARTICLE 12 MISCELLANEOUS	42
Section 12.01. Notices	42
Section 12.02. Amendments and Waivers	43
Section 12.03. Construction; Severability	43
Section 12.04. Expenses	43
Section 12.05. Successors and Assigns	44
Section 12.06. Governing Law	44

	<u>Page</u>
Section 12.07. Arbitration	44
Section 12.08. Forum	45
Section 12.09. Waiver of Jury Trial	45
Section 12.10. Specific Performance	45
Section 12.11. Prevailing Party	46
Section 12.12. Counterparts; Third Party Beneficiaries	46
Section 12.13. Entire Agreement	46
Section 12.14. Termination of Agreements	46

INDEX OF EXHIBITS

Exhibit A	Initial Securityholder Allocations
Exhibit B	Transaction Expenses
Exhibit C	Securityholders Party to Joinder Agreements
Exhibit D	Joinder Agreement

INDEX OF SCHEDULES

Schedule 1.01	— Persons with Knowledge
Schedule 2.01(f)	— Net Working Capital
Schedule 2.03(b)(v)	— Indebtedness to be Repaid
Schedule 9.01(c)	— Required Consents
Schedule 9.01(d)	— Governmental Approvals
Disclosure Schedules	

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of July 15, 2011, by and among VP Acquisition Holdings, Inc., a Delaware corporation (the "Company"), the Persons identified as "Stockholders" of the Company listed on the signature pages hereto (each, a "Stockholder," and collectively, the "Stockholders"), the Persons identified as "Optionholders" on the signature pages hereto (each, an "Optionholder," and collectively, the "Optionholders"), and the Persons listed on Exhibit C hereto and which have, or by the Closing Date will have, joined in this Agreement pursuant to a Joinder Agreement (the "Joinder Agreements") in the form attached hereto as Exhibit D (together with the Stockholders and the Optionholders sometimes referred to herein as the "Securityholders," and each, a "Securityholder"), ACAS, in its capacity as the Securityholder Representative (the "Securityholder Representative"), and Nordson Corporation, an Ohio corporation (the "Buyer"). Unless otherwise provided, capitalized terms used herein are defined in Article 1 below.

PRELIMINARY STATEMENTS

A. The Stockholders collectively own all of the issued and outstanding capital stock of the Company, which as of the date hereof consists of 36,040 shares of Common Stock (the "Shares").

B. The Optionholders own all of the Options, which as of the date hereof consists of Options to acquire up to 3,289 shares of Common Stock on the terms and conditions provided in the Stock Incentive Plan and the agreements evidencing such Options.

C. Upon the terms and subject to the conditions set forth herein, the Buyer desires to acquire from the Stockholders, and the Stockholders desire to sell to the Buyer, all of the issued and outstanding Shares as of the Closing.

STATEMENT OF AGREEMENT

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 1 DEFINITIONS

Section 1.01. Definitions. The following terms, as used herein, have the following meanings:

"ACAS" means American Capital, Ltd.

"ACEI" means American Capital Equity I, LLC.

"ACEII" means American Capital Equity II, LP.

"Affiliate" means (except as otherwise specifically defined herein), as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding the foregoing, no Person of which ACAS, ACEI or ACEII owns debt or equity interests, other than the Company and its Subsidiaries, shall be deemed an Affiliate of the Company or any Subsidiary for purposes of this Agreement.

“Antitrust Approval Fees” means all fees payable by the Company, any Subsidiary and the Securityholders to any Governmental Authority in connection with the Antitrust Approvals to the extent not paid by the Buyer pursuant to Section 8.07(a).

“Antitrust Approvals” means each notification of the transactions contemplated hereby filed with the appropriate Governmental Authority, and the approval of the transactions contemplated hereby by such Governmental Authority and/or the expiration of any applicable waiting period related thereto, in each case as required pursuant to such Antitrust Law.

“Antitrust Law” means any applicable antitrust and competition Law, including the HSR Act.

“Business Day” means any day excluding Saturday, Sunday and any day on which banking institutions located in the State of Colorado are authorized or required to close.

“Cap” means \$12,500,000.

“Cash” means cash, cash equivalents and marketable securities.

“Cash Amount” means the bank balance of all Cash held by the Company or any Subsidiary as of the close of business on the Closing Date plus an amount equal to the aggregate exercise price the Optionholders would have paid if the Optionholders had exercised all Options immediately prior to the Closing, before giving effect to the transactions contemplated hereby, plus any deposits posted by the Company or any Subsidiary as reserves, escrows, security deposits, cash collateral or other similar amounts, as all are to be classified in accordance with GAAP.

“Code” means the Internal Revenue Code of 1986, as amended, and any reference to any particular Code section shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

“Common Stock” means the Company’s common stock, par value \$0.001 per share.

“Employee Benefit Plan” means each retirement, welfare, severance, incentive or bonus, deferred compensation, cafeteria or Section 125, profit sharing, vacation or paid-time-off, stock purchase, stock option or equity incentive plan, program, agreement or arrangement, and any other material employee benefit plan, program or arrangement that is maintained or contributed to by the Company or any ERISA Affiliate, other than (i) statutorily-mandated plans or programs and (ii) any agreement or arrangement for future benefits contained or described in this Agreement or in an agreement, document or instrument to be executed and delivered by the Company or any Subsidiary pursuant to or as contemplated in this Agreement.

“ERISA Affiliate” means any Subsidiary of the Company and any trade or business (whether or not incorporated) that is part of the same controlled group, or under common control with, or part of an affiliated service group that includes the Company or any Subsidiary within the meaning of Section 414(b), (c), (m), or (o) of the Code.

“Fully Diluted Number of Shares” means the sum of the total number of shares of Common Stock issued and outstanding immediately prior to the Closing held by the Stockholders, plus the total number of shares of Common Stock that the Optionholders could have purchased if the Optionholders had exercised their Options in full immediately prior to the Closing.

“GAAP” means United States generally accepted accounting principles, consistently applied in accordance with the Latest Balance Sheet.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“Indebtedness” means, with respect to any Person at any date, without duplication, all obligations of such Person:

- (a) under capitalized leases;
- (b) for borrowed money or in respect of loans or advances;
- (c) for notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money;
- (d) for the face amount of any letter of credit issued as to which that Person is otherwise liable for reimbursement of drawings;
- (e) for the direct or indirect guarantee, endorsement, co-making, discounting with recourse of sale with recourse by such Person of the obligation of another Person;
- (f) for all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any interest rate agreement and currency agreement, whether entered into for hedging or speculative purposes;
- (g) for all unpaid or deferred income Tax liabilities;
- (h) with regard to the Company, the amount of any unpaid management fees payable to ACAS or its Affiliates; and
- (i) for all accrued interest, prepayment premiums or penalties and fees on the foregoing which would be payable if such obligations were paid in full as of such date.

For the avoidance of doubt, Indebtedness shall not include (i) any guarantees, letters of credit, performance bonds, bid bonds or other sureties of any kind or nature issued by or on behalf of the Company or any Subsidiary in connection with any customer contracts, proposals or otherwise, (ii) any trade payables accumulated in the ordinary course of business of the Company or any Subsidiary, or (iii) payables or loans of any kind or nature between the Company and its Subsidiaries or between Subsidiaries.

“Indebtedness Amount” means the amount required to repay all outstanding Indebtedness of the Company and any Subsidiary as of the close of business on the date immediately preceding the Closing Date. The foregoing shall be determined on a consolidated basis for the Company and its Subsidiaries and in accordance with GAAP (except as otherwise provided in the definition of Indebtedness), consistent with the preparation of the Latest Balance Sheet.

“Knowledge” when used in the phrase “to the Knowledge of the Company” or similar phrases means, and shall be limited to, the actual knowledge of the individuals listed on Schedule 1.01 hereto.

“Lazard” means Lazard Middle Market LLC.

“Material Adverse Effect” means a material adverse effect which has occurred to the financial condition or results of operations of the Company and the Subsidiaries on a consolidated basis; provided, that for purposes of this Agreement, a Material Adverse Effect shall not include the effect of (a) changes to the industry or markets in which the business of the Company or any Subsidiary operates that are not unique to such business, (b) the announcement or disclosure of the transactions contemplated herein, (c) general economic, regulatory or political conditions or changes, (d) changes in or the condition of financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (e) military action or any act of terrorism, (f) changes in Law or GAAP after the date hereof, (g) compliance with the terms of this Agreement or any request of the Buyer, (h) actions taken or to be taken in connection with the sale of the Shares, (i) a flood, hurricane, earthquake or other natural disaster, or (j) the failure of the Company or any Subsidiary to meet or achieve the results set forth in any internal projection, or (k) any matter set forth in Schedule 3.06, Schedule 3.08, Schedule 3.12, items 9, 10 or 11 of Schedule 3.19, or Schedule 3.21. The Buyer acknowledges that there could be a disruption to the Company or any Subsidiary’s business as a result of the execution of this Agreement, the announcement by the Buyer of its intention to purchase the Company or the announcement of the Stockholders of their intention to sell the Company, and the consummation of the transactions contemplated hereby, and the Buyer agrees that such disruptions do not and shall not constitute a Material Adverse Effect.

“Net Working Capital” means, subject to the exceptions and qualifications, if any, set forth on Schedule 2.01(f) hereto, the excess of (a) the Company’s current assets (excluding Cash, Tax assets and the Payable Amount), over (b) the Company’s current liabilities (excluding Tax liabilities and Indebtedness).

“Net Working Capital Amount” means the Net Working Capital of the Company as of the close of business on the date immediately preceding the Closing Date.

“Options” shall mean all options to purchase Common Stock of the Company validly issued under the Stock Incentive Plan which are vested and exercisable (or will become vested and exercisable as a result of the transactions contemplated hereby) and which are outstanding immediately prior to the Closing.

“Payables Amount” means the aggregate amount of all accounts payable owed by the Buyer or any of its Affiliates to the Company or any of its Subsidiaries as of the Closing Date.

“Permitted Liens” means any (i) Liens in respect of Taxes and other government charges and assessments the validity of which is being contested in good faith by appropriate proceedings or Liens in respect of Taxes and other government charges and assessments not yet due and payable or which can be paid currently with no penalty; (ii) landlords’, lessors’, warehousemen’s, employees’, materialmen’s, mechanics’, carriers’, workmen’s, repairmen’s, statutorily imposed or other like Liens arising or incurred in the ordinary course of business for amounts not yet due and payable; (iii) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties that are contracts entered into in connection with the Company or any Subsidiary; (iv) limitations on the rights of the Company or any Subsidiary under any Contract or Real Property Lease that are expressly set forth in such contract or lease; (v) survey exceptions, imperfections of title, Liens or other title matters affecting any tangible asset owned by the Company or any Subsidiary that would not, individually or in the aggregate, impair the occupancy or current use of the tangible asset they encumber; (vi) Liens and other similar restrictions of record identified in any title reports obtained by or made available to Buyer; (vii) with respect to the Leased Real Property, zoning, building codes and other land use Laws regulating the use or occupancy of such Leased Real Property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such Leased Real Property and do not materially interfere with the present use of the Leased Real Property; (viii) any and all service contracts and agreements affecting any tangible asset owned by the Company or any Subsidiary; (ix) Liens securing Indebtedness to be repaid and released in connection with the Closing; (x) with respect to Shares or Options, restrictions on transfer under applicable

securities Laws, the Stock Incentive Plan, or the Stockholders' Agreement; (xi) Liens that secure obligations reflected as liabilities in the Financial Statements (or the existence of which is referred to in the notes accompanying the Audited Financial Statements); (xii) deposits or pledges to secure the payment of workers' compensation, unemployment insurance, social security benefits or obligations arising under similar laws, or to secure the performance of public or statutory obligations, surety or appeal bonds, and other obligations of a like nature; (xiii) Liens which are being contested in good faith solely to the extent of any reserve included in the calculation of Net Working Capital hereunder; and (xiv) Liens which, individually or in the aggregate, do not materially detract from the value, or materially interfere with the present use, of the Company's tangible personal property.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Reference Date" means October 14, 2005.

"Securityholder Allocation Percentage" means (A) with respect to each Stockholder, the quotient determined by dividing (i) the number of Shares held by such Stockholder immediately prior to the Closing by (ii) the Fully Diluted Number of Shares, and (B) with respect to each Optionholder, the quotient determined by dividing (i) the number of shares of Common Stock such Optionholder could have purchased if such Optionholder had exercised such Optionholder's Options in full immediately prior to the Closing by (ii) the Fully Diluted Number of Shares. The initial Securityholder Allocation Percentage for each Securityholder is set forth on Exhibit Ahereto, which exhibit may be updated and delivered to the Buyer in connection with the deliveries to be made pursuant to Section 2.01. Notwithstanding the foregoing, the Securityholder Representative shall have the right and authority to equitably adjust the Securityholder Allocation Percentages of the Securityholders with respect to the amounts to be released to the Securityholders from the Reserve Account in connection with the payment of Losses resulting from breaches of a particular Securityholder's representations, warranties, covenants or agreements hereunder.

"Stock Incentive Plan" shall mean the Company's Stock Incentive Plan dated December 31, 2008.

"Stockholders' Agreement" means that certain Stockholders' Agreement dated as of October 14, 2005, by and among the Company and the Stockholders party thereto, as amended.

"Subsidiary" means any entity, the securities or other ownership interests of which are directly or indirectly owned by the Company.

"Target Working Capital Amount" means \$3,747,145.33.

"Tax" means any federal, state, local or foreign income, gross receipts, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, assessment, duty, fee, levy or other governmental charge, including any interest, penalty or addition thereto.

"Tax Returns" means any return, report, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any Governmental Authority or other authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

“Transaction Expenses” means the fees, costs or expenses incurred by any Securityholder, the Company or any Subsidiary in connection with the sale of the Shares or the cancellation of the Options and set forth on Exhibit B hereto (as the same may be updated on or prior to the Closing Date), including all fees and expenses of Lazard but excluding Antitrust Approval Fees.

“Transaction Tax Benefit Amount” means the amount obtained by multiplying (A) the sum of (i) all of the Optionholder Closing Payment Amounts for all Optionholders, (ii) payments under deferred compensation arrangements and (iii) any other deductible Transaction Expenses by (B) 39.6%.

“Treasury Regulations” means the regulations promulgated under the Code. Any reference in this Agreement to Treasury Regulations are intended to refer to such regulations and to such regulations as they may be amended and to any corresponding provision or provisions of succeeding Law.

Section 1.02. Cross-References to Other Defined Terms. Each term listed below is defined in the Section of this Agreement listed opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preface
AP	Section 8.06
Approvals	Section 3.18
Assignee	Section 12.05
Audited Financial Statements	Section 3.09(a)(i)
Buyer	Preface
Buyer's Representatives	Section 7.01
Closing	Section 2.03(a)
Closing Date	Section 2.03(a)
Collateral Source	Section 11.02(e)
Company	Preface
Confidentiality Agreement	Section 7.01
Contracts	Section 3.16
Draft Computation	Section 2.04(a)
Environmental Requirement(s)	Section 3.21
ERISA	Section 3.19(b)
Estimated Purchase Price	Section 2.01
Financial Statements	Section 3.09(a)(ii)
Firm	Section 2.04(a)
Fundamental Representations	Section 11.01
Governmental Authority	Section 3.04
Indemnified Representative	Section 7.04
Indemnatee	Section 11.02(d)

Term	Section
Indemnitors	Section 11.02(d)
Initial Reserve Amount	Section 2.05
Joinder Agreements	Preface
Judicial Action	Section 12.08
Latest Balance Sheet	Section 3.09(a)(ii)
Laws	Section 3.04
Leased Real Property; Leased Real Properties	Section 3.11(b)
Liens	Section 3.14
Loss; Losses	Section 11.02
Objection Notice	Section 2.04(a)
Optionholder; Optionholders	Preface
Optionholder Closing Payment Amount	Section 2.02(b)
Panel	Section 12.07(b)
PB	Section 2.03(a)
Purchase Price	Section 2.01
Real Property Lease; Real Property Leases	Section 3.11(a)
Reserve Account	Section 2.05
Schedule; Schedules	Article 3 Preamble
Securityholder; Securityholders	Preface
Securityholder Representative	Section 11.04(a)
Securityholder Working Capital Payment	Section 2.04(b)(ii)
Shares	Preliminary Statement A
Stockholder; Stockholders	Preface
Stockholder Closing Payment Amount	Section 2.02(a)
Survival Period	Section 11.01

Term	Section
Tax and ERISA Representations	Section 11.01
Tax Benefit	Section 11.02(e)
Terminating Agreements	Section 12.14
Third Party Claim	Section 11.02(d)
Unaudited Financial Statements	Section 3.09(a)(ii)
Updated Schedules	Section 6.03

ARTICLE 2 PURCHASE AND SALE

Section 2.01. Estimated Purchase Price. At least two (2) Business Days prior to the Closing Date, the Company shall deliver to the Buyer the Company's good faith estimate, on a reasonable basis using the Company's then available financial information, of the Purchase Price (such estimate is referred to as the "Estimated Purchase Price") and the initial Securityholder Allocation Percentage for each Securityholder. The Estimated Purchase Price, and each component thereof, shall be determined on a consolidated basis using the same accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet or, to the extent applicable, in accordance with any changes to such accounting methods, policies, principles, practices and procedures which are documented in the Company's books and records prior to the Closing. The amount of the Estimated Purchase Price payable to each Securityholder is set forth on Exhibit A hereto, which exhibit may be updated and delivered to the Buyer in connection with the deliveries to be made pursuant to this Section 2.01. For purposes of this Agreement, "Purchase Price" means an amount equal to:

- (a) \$250,000,000,
- (b) plus the Cash Amount,
- (c) plus the Payables Amount,
- (d) minus the Indebtedness Amount,
- (e) plus the Transaction Tax Benefit Amount,
- (f) (i) plus the excess of the Net Working Capital Amount over the Target Working Capital Amount, if any, or (ii) minus the excess of the Target Working Capital Amount over the Net Working Capital Amount,
- (g) minus the amount of the Transaction Expenses,
- (h) plus the amount of the Antitrust Approval Fees.

Section 2.02. Purchase and Sale of the Shares; Payment of Options.

(a) Purchase and Sale of Shares. As of the Closing, upon the terms and subject to the conditions set forth in this Agreement, each Stockholder shall sell, assign, transfer and convey to the Buyer, and the Buyer shall purchase and acquire from each such Stockholder, all of the Shares held by such Stockholder. Subject to Section 2.04, the purchase price to be paid by the Buyer to each Stockholder for the Shares held by such Stockholder shall consist of a payment at the Closing, by wire transfer of immediately available funds to the account of such Stockholder set forth on Exhibit A hereto (as the same may be updated prior to Closing), of an amount of cash equal to the result of (A) the Estimated Purchase Price multiplied by such Stockholder's Securityholder Allocation Percentage, minus (C) the Initial Reserve Amount multiplied by such Stockholder's Securityholder Allocation Percentage (with respect to a Stockholder, such Stockholder's "Stockholder Closing Payment Amount").

(b) Cash Out of the Options. As of the Closing and simultaneously with the payment to the Stockholders of the Stockholder Closing Payment Amounts, upon the terms and subject to the conditions set forth in this Agreement (including Section 2.04), the Buyer shall pay, or irrevocably cause the Company to pay (by providing funds to the Company or otherwise), to each Optionholder, in cancellation of such Optionholder's Options, an amount in cash equal to the excess of (i) the result of (A) the Estimated Purchase Price multiplied by such Optionholder's Securityholder Allocation Percentage, minus (B) the Initial Reserve Amount multiplied by such Optionholder's Securityholder Allocation Percentage, over (ii) the aggregate exercise price such Optionholder would have paid if such Optionholder had exercised all such Options immediately prior to the Closing (with respect to an Optionholder, such Optionholder's "Optionholder Closing Payment Amount"), less all applicable withholding Taxes. Each Optionholder agrees that he or she will not exercise his or her Option at or prior to the Closing, and that upon the payment by the Company or the Buyer to such Optionholder of the Optionholder Closing Payment Amount, less all applicable withholding Taxes, the Options held by such Optionholder will be cancelled and of no further force and effect.

Section 2.03. The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Patton Boggs LLP ("PB") in Dallas, Texas, at 10:00 a.m. on the third (3rd) Business Day following full satisfaction or due waiver of all of the closing conditions set forth in Article 9 hereof (other than those to be satisfied at the Closing) or on such other date as is mutually agreeable to the Buyer and Securityholder Representative. The date of the Closing is referred to herein as the "Closing Date."

(b) Upon the terms and subject to the conditions set forth in this Agreement, the parties hereto shall consummate the following transactions as of the Closing:

(i) each Stockholder shall deliver to the Buyer all of the stock certificates representing the Shares held by such Stockholder duly endorsed for transfer or accompanied by duly executed stock powers (or other form of assignment or transfer) or a duly executed lost stock affidavit in a form reasonably acceptable to the Buyer and the Company;

(ii) the Buyer shall deliver to each Stockholder, by wire transfer of immediately available funds to the account designated by such Stockholder, cash in an amount equal to such Stockholder's Stockholder Closing Payment Amount;

(iii) the Buyer shall pay to each such Optionholder, by wire transfer of immediately available funds to the account designated by such Optionholder, an amount equal to such Optionholder's Optionholder Closing Payment Amount, less all applicable withholding Taxes;

(iv) the Buyer shall deliver to the Securityholder Representative, for the benefit of the Securityholders in accordance with their respective Securityholder Allocation Percentages, by wire transfer of immediately available funds to the Reserve Account, cash in an amount equal to the Initial Reserve Amount;

(v) the Buyer shall pay on behalf of the Company and the Subsidiaries, all Indebtedness of the Company and the Subsidiaries set forth on Schedule 2.03(b)(v) hereto in accordance with the payoff letters and other payment instructions provided by the Company or the Securityholder Representative;

(vi) the Buyer shall pay on behalf of the Company and the Securityholders, the Transaction Expenses set forth on Exhibit B hereto; and

(vii) the Buyer, the Company and the Securityholders shall make such other deliveries as are required by and in accordance with Article 9 hereof.

Section 2.04. Post-Closing Adjustment.

(a) Post-Closing Determination. Within forty-five (45) days after the Closing Date, the Buyer and its auditors shall prepare and deliver to the Securityholder Representative (i) the Buyer's determinations of the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount, and (ii) the Buyer's calculation of the Purchase Price (collectively, the "Draft Computation"). The Draft Computation shall be prepared and the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount shall be determined on a consolidated basis using the same accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet or, to the extent applicable, in accordance with any changes to such accounting methods, policies, principles, practices and procedures which are documented in the Company's books and records prior to the Closing, and shall not include any changes in assets or liabilities as a result of purchase or other non-cash accounting adjustments or other changes arising from or resulting as a consequence of the transactions contemplated hereby. The parties agree that the purpose of preparing the Draft Computation and determining the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount and the related purchase price adjustment contemplated by this Section 2.04 is to measure the amount of Cash and Indebtedness and changes in Net Working Capital, 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 Draft Computation or determining Cash, Indebtedness or Net Working Capital. The Company and its auditors will make available to the Buyer and its auditors, employees and advisors all records and work papers used in preparing the Estimated Purchase Price. The Buyer and its auditors will make available to the Securityholder Representative and its auditors, employees and advisors all records and work papers used in preparing the Draft Computation and will prepare and deliver to the Securityholder Representative a detailed analysis of the changes behind any material variance(s) between the Buyer's determination of the Cash Amount, the Indebtedness Amount and the Net Working Capital Amount, and the corresponding estimates of such amounts as determined by the Company pursuant to Section 2.01 hereof. If the Securityholder Representative disagrees with any aspect of the Draft Computation, the Securityholder Representative may, within forty-five (45) days after receipt of the Draft Computation, deliver a notice (an "Objection Notice") to the Buyer setting forth the Securityholder Representative's determination of the Cash Amount, the Indebtedness Amount, and/or the Net Working Capital Amount and the Securityholder Representative's calculation of the Purchase Price. If the Securityholder Representative does not deliver an Objection Notice to the Buyer within forty-five (45) days after receipt of the Draft Computation, then the parties hereto will be deemed to have agreed to the Draft Computation and the components of such Draft Computation shall be deemed to be finally determined as set forth therein. The Buyer and the Securityholder Representative shall use reasonable efforts to resolve any disagreements as to the Draft

Computation and the Objection Notice, but if they do not obtain a final resolution within forty-five (45) days after the Buyer has received the Objection Notice, the Buyer and the Securityholder Representative shall jointly retain Grant Thornton LLP or such other accounting firm acceptable to the Buyer and the Securityholder Representative (the “Firm”) to resolve any remaining disagreements. The Buyer and the Securityholder Representative shall direct the Firm to render a determination within thirty (30) days after its retention and the Buyer, the Securityholder Representative and their respective agents shall cooperate with the Firm during its engagement. The Firm will act as an expert and not as an arbitrator in conducting its analysis and may consider only those items and amounts in the Draft Computation or Objection Notice which the Buyer and the Securityholder Representative are unable to resolve. In resolving any disputed item, the Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Firm’s determination shall be based solely on written submissions by the Buyer and the Securityholder Representative (i.e., not on independent review) and on the definitions included herein. The determination of the Firm shall be conclusive and binding upon the Buyer, the Securityholder Representative and the Securityholders. Until the Firm makes its determination, the costs and expenses of the Firm shall be borne equally by the Buyer, on the one hand, and the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), on the other hand; provided, that when the Firm makes its determination, any costs and expenses (including costs and expenses previously advanced) shall be allocated between the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), on the one hand, and the Buyer, on the other hand, based upon the percentage that the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. For example, if the Securityholder Representative claims the Net Working Capital Amount is \$1,000 greater than the amount determined by the Buyer, and the Buyer contests only \$500 of the amount claimed by the Securityholder Representative, and if the Firm ultimately resolves the dispute by awarding the Securityholders \$300 of the \$500 contested, then the costs and expenses of the Firm will be allocated 60% (i.e., $300 \div 500$) to the Buyer and 40% (i.e., $200 \div 500$) to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages).

(b) Post-Closing Adjustment.

(i) Payment by the Buyer. If the Purchase Price as finally determined pursuant to Section 2.04(a) exceeds the Estimated Purchase Price by more than \$250,000, then within five (5) Business Days after such final determination, the Buyer shall pay to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), by wire transfer or delivery of other immediately available funds, an amount equal to the amount by which such excess exceeds \$250,000; provided, however, that in lieu of any distribution of such amount to the Securityholders, the Securityholder Representative, in its sole discretion, may retain all or any portion of such amounts as part of the Reserve Account.

(ii) Payment by the Securityholders. If the Purchase Price as finally determined pursuant to Section 2.04(a) is less than the Estimated Purchase Price, then within five (5) Business Days after the determination thereof, the Securityholder Representative shall pay to the Buyer from the Reserve Account an amount equal to the amount by which such excess exceeds \$250,000 (the amount of such excess, the “Securityholder Working Capital Payment”) and, in the event that the Reserve Account is insufficient to pay the full amount of the Securityholder Working Capital Payment, then each Securityholder shall promptly pay to Buyer by wire transfer or delivery of other immediately available funds, an amount equal to (i) the unpaid portion of the Securityholder Working Capital Payment multiplied by (ii) such Securityholder’s Securityholder Allocation Percentage.

Section 2.05. Reserve Account. At Closing, the Securityholder Representative shall retain from the Estimated Purchase Price the sum of One Million Dollars (\$1,000,000) (the “Initial Reserve Amount”) for deposit into a bank account controlled by the Securityholder Representative (together with any amount retained by the Securityholder Representative pursuant to Section 2.04(b)(i), the “Reserve Account”). All amounts on deposit in the Reserve Account, including any earnings thereon, shall be available to the Securityholder Representative to cover costs and expenses incurred by the Securityholder Representative in the performance of its obligations as Securityholder Representative, including, without limitation, costs and expenses, if any, incurred by the Securityholder Representative (i) in resolving any adjustments pursuant to Section 2.04, (ii) in defending any indemnification claims brought under Article 11 hereof, and (iii) in paying any amounts (including fees, costs and expenses) otherwise payable by the Securityholders to the Buyer or the Securityholder Representative pursuant to the terms hereof. Amounts in the Reserve Account may also be applied by the Securityholder Representative as permitted in accordance with Section 11.04.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Buyer that each statement contained in this Article 3 is correct and complete, except as set forth in the Schedules accompanying this Agreement or in any Updated Schedule delivered pursuant to Section 6.03 (each a “Schedule” and, collectively, the “Schedules”). Capitalized terms used in the Schedules and not otherwise defined therein shall have the meanings ascribed to such terms in this Agreement.

Section 3.01. Organization and Qualification.

(a) The Company and each of the Subsidiaries are corporations duly organized, validly existing and, where applicable, in good standing under the Laws of their respective jurisdictions of organization. The Company and each of its Subsidiaries have full corporate power and authority to own or lease their respective properties and to conduct their businesses in the manner and in the places where such properties are owned or leased and where such businesses are currently conducted, except where the failure to have such power and authority would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The copies of the Company’s and the Subsidiaries’ respective certificates or articles of incorporation and bylaws, as each have been amended to date and heretofore made available to the Buyer and/or its agents, are complete and correct, and no amendments thereto are pending.

(b) The Company and each of the Subsidiaries are duly licensed and qualified to do business and in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification to do business necessary, except where the failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.02. Capitalization; Subsidiaries; Securities Owned.

(a) The authorized capital stock of the Company consists of 1,000,000 shares of Common Stock, 36,040 shares of which are issued and outstanding as of the date hereof. Schedule 3.02 hereto sets forth (i) all of the holders of the Company’s issued and outstanding Shares and Options, and (ii) the number of Shares and Options held by each such holder. All of the Shares have been duly authorized, are validly issued, fully paid and nonassessable, and are neither subject to, nor were they issued in violation of, any preemptive rights. The Company is the sole owner, directly or indirectly, of 100% of the outstanding capital stock of each of the Subsidiaries which are listed on Schedule 3.02 hereto. The ownership and capitalization of each of the Subsidiaries is as set forth on Schedule 3.02 hereto. Other than the shares the Company owns in the Subsidiaries, the Company does not own any capital stock or other equity securities issued by any

other Person (other than Cash). Except for this Agreement, the Options, as contemplated by the Stock Incentive Plan, the rights and restrictions set forth in the Stockholders' Agreement or as set forth on Schedule 3.02 hereto, there are no outstanding or authorized options, warrants, rights, contracts, rights to subscribe, conversion rights, preemptive rights, or other agreements or commitments to which the Company or any Subsidiary is a party or which are binding upon the Company or any Subsidiary providing for the issuance, disposition or acquisition of any shares of capital stock of the Company or any Subsidiary. Except as set forth on Schedule 3.02, the outstanding capital stock of each Subsidiary is free and clear of any Lien, except for Permitted Liens.

(b) Except as set forth on Schedule 3.02:

(i) there are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights with respect to the Company or any Subsidiary;

(ii) except as set forth in the Stockholders' Agreement, there are no voting trusts, proxies or other written agreements or understandings with respect to the voting of the capital stock of the Company or any Subsidiary;

(iii) there are no dividends which have accrued or been declared but are unpaid on any of the Shares or the capital stock of any Subsidiary; and

(iv) except as set forth in the Stockholders' Agreement, there are no shareholder or similar agreements which affect or restrict the voting rights or right to transfer any of the Shares or the capital stock of any Subsidiary, and there are no registration rights or similar agreements with respect to the Company or any Subsidiary in force or effect.

Section 3.03. Authority of the Company.

(a) The Company has the full right, power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and each agreement, document and instrument to be executed and delivered by the Company pursuant to this Agreement constitute, or will when executed and delivered constitute, valid and binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) The execution, delivery and performance by the Company of this Agreement and each such agreement, document and instrument contemplated by this Agreement to which it is a party:

(i) do not and will not violate any provision of the certificate of incorporation or bylaws of the Company or the equivalent governing documents of any Subsidiary;

(ii) subject to the Antitrust Approvals, do not and will not violate any Laws of the United States, or any state or other jurisdiction applicable to the Company or any Subsidiary, or require the Company to obtain any Approval, consent or waiver of, or make any filing with, any Person (including any Governmental Authority) that has not been obtained or made, which violation or failure to obtain or make would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(iii) do not and will not result in a breach of, constitute a default under, accelerate any obligation under, or give rise to a right of termination of any indenture, loan or credit agreement, or any other agreement, contract, instrument, mortgage, deed of trust, lien, lease, permit, authorization, order, writ, judgment, injunction, decree, determination or arbitration award, whether written or oral, to which the Company or any Subsidiary is a party or by which the property of the Company or any Subsidiary is bound, except where any of the foregoing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or except as otherwise set forth on Schedule 3.03(b)(iii) hereto.

Section 3.04. Compliance with Laws. Except as set forth on Schedule 3.04 hereto, and except with respect to the subject matter of the representations and warranties set forth in Section 3.06 (Taxes), Section 3.15 (Intellectual Property), Section 3.18 (Permits), Section 3.19 (Employee Benefit Plans), Section 3.21 (Environmental Matters), and Section 3.22 (Employee Relations), the Company and each of the Subsidiaries are in material compliance with all applicable statutes, ordinances, orders, rules and regulations ("Laws") promulgated by any federal, state, territory, municipal or other governmental authority (each, a "Governmental Authority"), which are necessary for the operation of the business of the Company or such Subsidiary as presently conducted.

Section 3.05. Advisory and Other Fees. Neither the Company nor any of the Subsidiaries has incurred or shall become liable for any advisory fee, broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement, other than fees payable to Lazard and ACAS, which fees shall be paid as provided in Section 12.04, and other than the Transaction Expenses.

Section 3.06. Taxes. Except as set forth on Schedule 3.06 hereto:

(a) (i) since the Reference Date, all United States federal income Tax Returns of or with respect to the Company and the Subsidiaries required by Law to be filed have been timely filed (after giving effect to any applicable extensions granted) and all other material Tax Returns of or with respect to the Company and the Subsidiaries required by applicable federal, foreign, state, local or other Law to be filed have been timely filed (after giving effect to any applicable extensions granted);

(ii) since the Reference Date, the Company and each of the Subsidiaries have timely paid or caused to be paid as of the date hereof all Taxes shown as due on the Tax Returns referred to in Section 3.06(a)(i), except to the extent such Taxes are being contested in good faith by the Company or a Subsidiary or are properly reserved for on the books or records of the Company or such Subsidiary; and

(iii) since the Reference Date, there has not been any audit of any Tax Return filed by or with respect to the Company or any Subsidiary for which the applicable statute of limitations has not expired; no audit of any such Tax Return of or including the Company or any Subsidiary is in progress; and neither the Company nor any Subsidiary has been notified in writing by any Governmental Authority that any audit is contemplated or pending. Since the Reference Date, no written claim has been made by any Governmental Authority in a jurisdiction where the Company or any Subsidiary does not file Tax Returns that the Company or such Subsidiary is or may be subject to taxation by that jurisdiction.

(b) Neither the Company nor any Subsidiary is a party to, bound by or has any obligation under any agreement relating to allocating or sharing the payment of, or liability for, Taxes or has any liability for Taxes of any Person other than members of the affiliated group, within the meaning of Section 1504(a) of the Code, filing consolidated federal income tax returns of which the Company is the common parent under Treasury Regulation § 1.1502-6 (or a similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise.

(c) No closing agreement pursuant to Section 7121 of the Code or any similar provision of any state, local or foreign Law has been entered into by or with respect to the Company or any Subsidiary. Neither the Company nor any Subsidiary has agreed to, or is required to make any adjustment for, any period after the Closing Date pursuant to Section 481(a) of the Code by reason of any change in any accounting method. There is no application pending with any Governmental Authority requesting permission for any such change in any accounting method of the Company or any Subsidiary and the Internal Revenue Service has not proposed in writing any such adjustment or change in accounting method.

Section 3.07. Officers and Directors; Books and Records.

(a) Schedule 3.07(a) hereto sets forth the name and title of each officer and director of the Company and each Subsidiary.

(b) The copies of the records of the Company and the Subsidiaries, as made available by the Company to the Buyer and/or its agents, are true and complete copies of the originals of such documents.

Section 3.08. Litigation. Schedule 3.08 hereto sets forth each continuing action, suit, investigation and other proceeding pending or, to the Company's Knowledge, threatened against the Company or any of the Subsidiaries, at law or in equity, or before or by any Governmental Authority (including any action, suit, investigation or proceeding (i) regarding the existence of a defect in the manufacture, production, distribution or sale of any products made or sold by or on behalf of the Company or any Subsidiary, or (ii) against or relating to any Employee Benefit Plan), other than workers' compensation claims and routine claims for benefits under the Company's Employee Benefit Plans, which would not reasonably be expected to have a Material Adverse Effect, and any action, suit, investigation or proceeding that is reasonably expected to be covered by insurance. Except as set forth on Schedule 3.08, neither the Company nor any Subsidiary is a party to any judgment, order or decree of any court, administration agency, commission or other Governmental Authority.

Section 3.09. Financial Statements.

(a) The Company has delivered to the Buyer the following financial statements, attached as Schedule 3.09(a) hereto:

(i) audited consolidated balance sheet of the Company and the Subsidiaries as of December 31, 2010 and audited consolidated statements of operations, stockholders' equity, and cash flows for the fiscal year then ended (collectively, the "Audited Financial Statements"); and

(ii) unaudited consolidated balance sheets of the Company and the Subsidiaries as of June 30, 2011 (the "Latest Balance Sheet"), and the related statements of operations and cash flows for the fiscal year and the six (6) months then ended (collectively, the "Unaudited Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements").

(b) The Audited Financial Statements have been prepared in accordance with GAAP applied consistently during the periods covered thereby, and present fairly in all material respects the financial condition of the relevant entities at the dates of said statements and the results of their operations and cash flows for the periods covered thereby. The Unaudited Financial Statements have been prepared in accordance with GAAP applied consistently during the period covered thereby, and present fairly in all material respects the financial condition of the Company and the Subsidiaries at the date of such statements and the results of their operations and cash flows for the period covered thereby, except that they do not contain the materials and disclosures to be found in notes to financial statements prepared in accordance with GAAP, nor do they reflect year-end adjustments.

(c) Except as set forth on Schedule 3.09(c) hereto, neither the Company nor any Subsidiary has any liabilities that would be required to be reflected on a balance sheet prepared in accordance with GAAP, except for (i) liabilities reflected or reserved against on the Latest Balance Sheet (including all notes thereto); (ii) liabilities incurred in the ordinary course of business since the date of the Latest Balance Sheet; (iii) liabilities incurred in connection with the transactions contemplated hereby; (iv) liabilities arising under Contracts or other matters otherwise set forth in the Schedules hereto; and (iv) the Transaction Expenses.

Section 3.10. Transactions with Affiliates. Except (i) for intra-company transactions amongst the Company and the Subsidiaries, (ii) transactions, agreements, contracts or understandings between ACAS, ACEI or ACEII and the Company or any Subsidiary or which otherwise relate to the purchase, transfer or voting of securities, in each case, which will be terminated as of the Closing, (iii) the Company's or any Subsidiary's organizational documents, (iv) as set forth on Schedule 3.10 hereto, and (v) to the extent reflected in the Financial Statements, since the date of the Latest Balance Sheet there have been no material transactions, contracts, understandings or agreements of any kind between the Company or any Subsidiary and any Person which is an Affiliate of the Company or such Subsidiary.

Section 3.11. Real Properties.

(a) The Company owns no real property.

(b) Schedule 3.11(b) hereto sets forth each lease or other agreement under which the Company or any Subsidiary leases or has rights to use any material real property owned by a Person other than the Company or a Subsidiary (the "Real Property Leases" and, each individually, a "Real Property Lease"). The Real Property Leases are in full force and effect and (i) the Company or the applicable Subsidiary, as the case may be, has not defaulted thereunder and (ii) to the Knowledge of the Company, no event has occurred that with notice or lapse of time, or both, would constitute a default by the Company or the applicable Subsidiary, as the case may be, which would reasonably be expected to result in a termination of the applicable Real Property Lease. True and complete copies of the Real Property Leases have been made available to the Buyer and/or its agents by the Company. Except as set forth on Schedule 3.11(b) hereto, the Company or a Subsidiary has a valid and subsisting leasehold interest in all the real property which is the subject of each of the respective Real Property Leases set forth on Schedule 3.11(b) hereto (individually, the "Leased Real Property" and, collectively, the "Leased Real Properties").

(c) To the Knowledge of the Company, no material permit, license or certificate of occupancy pertaining to the leasing or operation of any Leased Real Property, other than those which are transferable with such property, is required by any Governmental Authority.

Section 3.12. Absence of Material Adverse Effect. Except as set forth on Schedule 3.12 hereto, since the date of the Latest Balance Sheet, there has not been any Material Adverse Effect.

Section 3.13. Absence of Certain Changes. Except as set forth on Schedule 3.13 hereto, or as contemplated by this Agreement, the Company and each Subsidiary have complied in all material respects with the covenants and restrictions set forth in Section 6.01 hereof to the same extent as if this Agreement had been executed on, and had been in effect since, the date of the Latest Balance Sheet.

Section 3.14. Tangible Personal Property. Except as set forth on Schedule 3.14 hereto, (a) the Company or a Subsidiary has valid title to or a valid license or leasehold interest in all of the material items of tangible personal property reflected on the Latest Balance Sheet, except as sold or disposed of subsequent to the date thereof in the ordinary course of business consistent with past practices, and (b) all such tangible personal property (other than licensed or leased tangible property) is owned or, in the case of licensed or leased tangible

personal property, the Company or the applicable Subsidiary has a valid license or leasehold interest in such tangible personal property, in each case free and clear of all liens, encumbrances, contracts and security interests (collectively, "Liens"), except for Permitted Liens. Except as set forth on Schedule 3.14 hereto, to the Knowledge of the Company, the facilities, plants, machinery and equipment of the Company and the Subsidiaries are in good working order and condition, ordinary wear and tear excepted and subject to routine maintenance, and are fit for the purpose for which they are currently being used.

Section 3.15. Intellectual Property. Schedule 3.15 hereto sets forth all patents, trademark registrations, service mark registrations, trade names, domain name registrations, copyright registrations, and all applications for any of the foregoing, that are material to the business of the Company and its Subsidiaries and that are owned by the Company or any Subsidiary. To the Knowledge of the Company, no intellectual property is owned by a third party that is necessary for the operation of the Company's business (other than such intellectual property currently licensed by the Company or one of its Subsidiaries). Except as set forth on Schedule 3.15 hereto, since the Reference Date, neither the Company nor any Subsidiary has received any written notice of infringement or conflict with asserted rights of others with respect to any know-how, trade secrets, patents, trademarks, trade names, brand names and copyrights that are owned or used by, or licensed to, the Company or any Subsidiary. Except as set forth on Schedule 3.15 hereto, the Company does not have Knowledge of any material infringement or misappropriation by the Company of any third party's material intellectual property. Except as set forth on Schedule 3.15 hereto, the Company does not have Knowledge of any material infringement or misappropriation by any third party of the material intellectual property owned by the Company.

Section 3.16. Contracts. Except for contracts, commitments, plans, agreements and licenses listed on Schedule 3.16 hereto (true and complete copies of which or, with respect to oral Contracts, true and correct written summaries of which, in each case, together with all amendments, supplements or other modifications thereto have been made available to the Buyer and/or its agents) (in each case, whether oral or written, the "Contracts"), and except for purchase orders entered into in the ordinary course of business, neither the Company nor any Subsidiary is a party to or subject to:

(a) any plan or contract providing for bonuses, stock, options, stock purchases, profit sharing, collective bargaining or the like (other than the Options and the Stock Incentive Plan) or any contract or agreement with any labor union (other than the plans listed on Schedule 3.19 hereto);

(b) any employment contract or contract for services which requires the payment of more than \$150,000 annually in total cash compensation, which is not terminable on sixty (60) or fewer days notice by the Company or a Subsidiary without liability for any material penalty or severance payment;

(c) any contract or agreement for the purchase of any commodity, material or equipment in excess of \$150,000;

(d) any other contracts or agreements creating any obligation of the Company or any Subsidiary of more than \$150,000 annually with respect to any such contract;

(e) any contract or agreement requiring the purchase of all or substantially all of its requirements of a particular product from a supplier, except any contract or agreement relating to the purchase of inventory in the ordinary course of business;

(f) any contract or agreement that by its terms does not terminate or is not terminable by the Company or a Subsidiary within twelve (12) months after the date hereof without payment of a penalty of \$150,000 or more;

(g) any contract containing covenants materially limiting the freedom of the Company or any Subsidiary to compete in any line of business or with any Person;

(h) any contract or agreement for the purchase of any fixed asset for a price in excess of \$150,000;

(i) any partnership, joint venture or other similar contract or agreement;

(j) any material contract or agreement providing for the license of patents, trademarks, service marks, trade names or copyrights between the Company or any Subsidiary and any third party;

(k) any agreement concerning confidentiality, except for (i) such agreements entered into in connection with transactions or communications with third parties in the ordinary course of business, (ii) such agreements by the Company or its agents or representatives with third parties in connection with any proposed sale, financing or similar transaction of the Company or its Subsidiaries, including the transactions contemplated hereby and whether similar to the Confidentiality Agreement or otherwise, and (iii) such agreements entered into with employees of the Company or any Subsidiary in the ordinary course of business;

(l) any agreement in which a Securityholder, or an Affiliate of any Securityholder, is a party, other than employment, stock option or other employee benefit agreement;

(m) any material sales, marketing, distributorship, agency or representative agreements where the counter-party to such agreement has the right or power to bind the Company or any Subsidiary;

(n) any agreements with respect to reorganizations, mergers or acquisitions of capital stock or business assets of any Person since January 1, 2006;

(o) any power of attorney granted by the Company or any Subsidiary that is currently effective and outstanding and vests in any Person decision-making authority or the right or power to bind the Company or any Subsidiary;

(p) any agreements, notes, contracts or other documents under which the Company or any Subsidiary has created, incurred, assumed or guaranteed any Indebtedness, or under which it has created a Lien on any of its assets; and

(q) any agreement requiring the payment of any royalty.

All Contracts are valid and in full force and effect and constitute legal, valid and binding obligations of the Company or the applicable Subsidiary and, to the Knowledge of the Company, the other parties thereto, and are enforceable against the Company or such Subsidiary in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). To the Knowledge of the Company, neither the Company nor any Subsidiary is in default in complying with any material provisions thereof, nor has the Company or any Subsidiary received written notice of any such default, and, to the Knowledge of the Company, no condition or event or facts exist that, with notice, lapse of time or both, would constitute a default thereof on the part of the Company or any Subsidiary.

Section 3.17. Insurance. The Company has made available to Buyer true and complete copies of all policies of insurance and fidelity bonds to which the Company or any Subsidiary is a party or under which the company or any Subsidiary is covered. All policies of insurance or fidelity bonds maintained by the Company or any Subsidiary are in full force and effect. All premiums due on any policy of insurance or fidelity bonds have been paid to the extent such premiums are due and payable and the Company and its Subsidiaries have otherwise performed all of their obligations under such policies.

Section 3.18. Permits. Except as set forth on Schedule 3.18 hereto, (i) the Company and each of the Subsidiaries have obtained all permits, registrations, licenses, franchises, certifications and other approvals (collectively, the “Approvals”) from Governmental Authorities (other than Approvals subject to the representations and warranties in Section 3.11 (Real Property), Section 3.15 (Intellectual Property) and Section 3.21 (Environmental Matters)) necessary for the conduct of its business as presently conducted, except where the failure to obtain such Approvals would not reasonably be expected to have a Material Adverse Effect, (ii) all such Approvals are valid and in full force and effect and (iii) none of such Approvals is subject to termination by its terms as a result of the execution of this Agreement by the Company or by the consummation of the transactions contemplated by this Agreement.

Section 3.19. Employee Benefit Plans. All material Employee Benefit Plans maintained by the Company or any Subsidiary or to which the Company (or any Subsidiary) is obligated to contribute are listed on Schedule 3.19 hereto. Except as set forth on Schedule 3.19 hereto:

(a) all such Employee Benefit Plans have been made available to the Buyer and/or its agents;

(b) all such Employee Benefit Plans have been maintained, funded and administered in compliance in all material respects with all applicable Laws, including without limitation, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Code, except where such noncompliance would not reasonably be expected to result in a material liability;

(c) since the Reference Date, no such Employee Benefit Plan, or any trustee, administrator, employee or “fiduciary” thereof has, to the Knowledge of the Company, engaged in any breach of fiduciary responsibility or any “prohibited transaction” (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) to which Section 406 of ERISA or Section 4975 of the Code applies and which could subject any such Employee Benefit Plan, trustee, administrator, employee or fiduciary thereof, or any party dealing with any such Employee Benefit Plan, to a material Tax or penalty on prohibited transactions imposed by Section 4975 of the Code or Section 502 of ERISA;

(d) no Employee Benefit Plan is a defined benefit pension plan or has within the six (6) years preceding the date of this Agreement been subject to the minimum funding requirements of Section 412 of the Code or Title IV of ERISA;

(e) neither the Company nor any ERISA Affiliate has or has ever had any obligation to contribute to any “multiemployer plan” within the meaning of Section 3(37) of ERISA;

(f) each Employee Benefit Plan intended to qualify under Section 401 of the Code has received a favorable determination letter from the Internal Revenue Service that such Employee Benefit Plan is a “qualified plan” under Section 401(a) of the Code; the related trusts are exempt from tax under Section 501(a) of the Code; and, to the Knowledge of the Company, no facts or circumstances exist that would be reasonably likely to jeopardize the qualification of such Employee Benefit Plan;

(g) with respect to the Employee Benefit Plans, to the Knowledge of the Company, all required contributions have been made or properly accrued on the Financial Statements;

(h) neither the Company nor any ERISA Affiliate has liability under any Employee Benefit Plan, or otherwise, to provide medical or death benefits with respect to current or former employees of the Company or any Subsidiaries beyond their termination of employment (other than coverage mandated by Law), and there are no reserve assets, surplus or prepaid premiums under any such Employee Benefit Plan;

(i) the consummation of the transactions contemplated by this Agreement will not, other than pursuant to the Employee Benefit Plans listed on Schedule 3.19 hereto or pursuant to actions taken by the Buyer, result in any material liability to any present or former employee or independent contractor, including, but not limited to, as a result of the Worker Adjustment Retraining and Notification Act;

(j) except as set forth in Schedule 3.19, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment becoming due to any current or former officer, partner, contractor or employee of Company or an ERISA Affiliate, (ii) increase any benefits otherwise payable under any Employee Benefit Plan, (iii) increase any benefits otherwise payable under any Employee Benefit Plan or (iv) result in the acceleration of the time of payment or vesting of any such benefits under any such Employee Benefit Plan; and

(k) no amount required to be paid or payable to or with respect to any employee or other service provider of Company or an ERISA Affiliate in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) could be an “excess parachute payment” within the meaning of Section 280G of the Code. Each Employee Benefit Plan that constitutes a nonqualified deferred compensation plan for purposes of Section 409A of the Code has been operated in compliance in form and substance with Section 409A of the Code and all applicable guidance from the IRS.

Section 3.20. Employees; Labor Matters. Neither the Company nor any Subsidiary is delinquent in any material payments to any of their respective employees for any wages, salaries, commissions, bonuses, severance, termination pay or other direct compensation for any services performed for it to the date hereof or amounts required to be reimbursed to such employees. Except as set forth on Schedule 3.20 hereto, neither the Company nor any Subsidiary has any written policy, practice, plan or program of paying severance pay or any written form of severance compensation in connection with the termination of employment. Except as set forth on Schedule 3.20 hereto, to the Knowledge of the Company, there are no material grievances, complaints or charges that have been filed against the Company or any Subsidiary under any dispute resolution procedure (including, but not limited to, any proceedings under any dispute resolution procedure under any collective bargaining agreement) that have not been dismissed. Except as set forth on Schedule 3.20 hereto, no collective bargaining agreements are in effect or are currently being negotiated by the Company or any Subsidiary.

Section 3.21. Environmental Matters. Except as set forth on Schedule 3.21 hereto, since the Reference Date, the Company and the Subsidiaries have obtained and possessed all material Approvals required under federal, state and local Laws concerning pollution or protection of the environment, in each case in effect on or prior to the date hereof, including all such Laws relating to the emission, discharge, release or threatened release of any petroleum, pollutants, environmental contaminants or hazardous or toxic materials, substances or wastes into air, surface water, groundwater or lands (“Environmental Requirements”), except where the failure to obtain or possess such Approvals would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.21 hereto, to the Knowledge of the Company, the Company and each Subsidiary are in compliance with all terms and conditions of such Approvals and are also in compliance with all other Environmental Requirements, except for such failures to comply that would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.21 hereto, since the Reference Date, neither the Company nor any Subsidiary has received any written notice from any Governmental Authority or other Person asserting or alleging that the Company or any Subsidiary

has failed in any material respect to comply with any Environmental Requirements, or that the Company or any Subsidiary is liable in any material respect for any material injury or material damages to any Person or property because of the release or threatened release of any petroleum, pollutants, environmental contaminants, hazardous or toxic materials, substances or wastes except as would not reasonably be expected to have a Material Adverse Effect. The Company has made available to the Buyer all material environmental audits and reports that are in the Company's possession and that relate to the Company's or any Subsidiary's past or current properties, facilities or operations. Notwithstanding any implication to the contrary contained herein, this Section 3.21 constitutes the sole and exclusive representations and warranties of the Company with respect to Environmental Requirements and all other environmental matters.

Section 3.22. Employee Relations. Except as set forth on Schedule 3.22 hereto, none of the employees of the Company or the Subsidiaries is represented by a union, and, to the Knowledge of the Company, since the Reference Date, no union organizing efforts have been conducted or are now being conducted. Set forth on Schedule 3.22 hereto is a list of all material actions, suits and proceedings pending between the Company or any Subsidiary and any employees, former employees or prospective employees of the Company or such Subsidiary or involving other labor-related matters (including, without limitation, charges of employment discrimination or unfair labor practices) other than ordinary course claims for benefits under Employee Benefit Plans and workers' compensation claims that would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Company, neither the Company nor any Subsidiary is in violation in any material respect of any provision of any Law promulgated by any Governmental Authority regarding the terms and conditions of employees, former employees or prospective employees or other labor-related matters, including, without limitation, Laws relating to discrimination, fair labor standards and occupational health and safety, wrongful discharge or violation of the personal rights of employees, former employees or prospective employees of the Company or any Subsidiary, except where such violation would not, individually or in the aggregate, currently have a Material Adverse Effect.

Section 3.23. Accounts Receivable. All accounts receivable reflected on the Latest Balance Sheet and those accounts receivable that have arisen since the date of the Latest Balance Sheet and have not yet been collected, represent valid obligations of customers of the Company and its Subsidiaries arising from bona fide transactions entered into in the ordinary course of business and, except from Permitted Liens, are free and clear of all Liens.

Section 3.24. Bank Accounts. The Company has provided to Buyer a correct and complete list of each account maintained by the Company and its Subsidiaries at any bank or other financial institution, including the following information for each such account: (a) the name and location of the institution at which such account is maintained, (b) the name in which such account is maintained and the account number of such account, (c) a brief description of such account and (d) the names of all individuals authorized to draw on or make withdrawals from such account.

Section 3.25. Foreign Corrupt Practices Act. Except as would not reasonably be expected to have a Material Adverse Effect, neither the Company, nor any Subsidiary, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any Subsidiary has (i) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder; (ii) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or to influence official action; (iii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee from corporate funds.

Section 3.26. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 3 (QUALIFIED BY THE SCHEDULES), NEITHER THE COMPANY NOR ANY OF THE SUBSIDIARIES MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE COMPANY AND EACH SUBSIDIARY HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SECURITYHOLDERS

Each Securityholder, severally and not jointly, represents and warrants to the Buyer, as to such Securityholder that:

Section 4.01. Organizational Authorization. If such Securityholder is an entity, the execution, delivery and performance by such Securityholder of this Agreement and the consummation of the transactions contemplated hereby are within such Securityholder's organizational powers and have been duly authorized by all necessary action on the part of such Securityholder. This Agreement and the Joinder Agreement, as applicable, constitutes a valid and binding agreement of such Securityholder, enforceable against such Securityholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02. Governmental Authorization. Subject to the Antitrust Approvals, the execution, delivery and performance by such Securityholder of this Agreement and the Joinder Agreement, as applicable, require no material action by or in respect of, or material filing with, any Governmental Authority, agency or official.

Section 4.03. Noncontravention. The execution, delivery and performance by such Securityholder of this Agreement and the Joinder Agreement, as applicable, do not and will not (i) with respect to any Securityholder that is an entity, violate its certificate or articles of incorporation or bylaws or other equivalent governing documents, (ii) assuming compliance with the matters referred to in Section 4.02, violate any material Law applicable to the transactions contemplated hereby or (iii) require any material consent or other material action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Securityholder under any provisions of any material agreement or other material instrument binding upon such Securityholder.

Section 4.04. Ownership of Securities. As of the date hereof, such Securityholder (a) if a Stockholder, is the owner of the number of Shares set forth opposite such Securityholder's name on Schedule 3.02 hereto, free and clear of any Lien, except for Permitted Liens; and (b) if an Optionholder, is the owner of the number of Options at the exercise prices indicated thereon set forth opposite such Optionholder's name on Schedule 3.02 hereto, free and clear of any Lien, except for Permitted Liens. Such Securityholder will be, as of the Closing, the record and beneficial owner of such Securityholder's respective Shares and/or Options, free and clear of any Liens, except Permitted Liens.

Section 4.05. Advisory and Other Fees. Such Securityholder has not incurred nor shall become liable for any advisory fee, broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement.

Section 4.06. No Action. Such Securityholder (i) does not have any action or cause of action or other claim whatsoever against the Company or any Subsidiary, (ii) except for (A) rights under this Agreement, (B) unpaid Indebtedness payable to ACAS, ACEI, ACEII or any of their respective Affiliates, which will be paid in accordance with Section 2.03(b)(v) hereof, (C) rights under matters set forth in Schedule 3.10 hereto or arising under Contracts disclosed pursuant to Section 3.16(l), (D) wages and other employee benefits owed to any Securityholder that is also an employee of the Company or a Subsidiary or (E) rights to indemnification owed to any Securityholder or its Affiliates by virtue of such Securityholder's service as a director, employee, agent or representative of the Company or any Subsidiary, is not owed any amount by and does not owe any amount to the Company or any Subsidiary.

Section 4.07. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 4, SUCH SECURITYHOLDER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND SUCH SECURITYHOLDER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the other parties hereto that:

Section 5.01. Existence and Power. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Ohio and has all corporate powers and all material Approvals from Governmental Authorities required to carry on its business as now conducted.

Section 5.02. Organizational Authorization. The Buyer has the full right, power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the performance of the Buyer's obligations hereunder have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement and each agreement, document and instrument to be executed and delivered by the Buyer pursuant to this Agreement constitute, or will when executed and delivered constitute, valid and binding obligations of the Buyer, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.03. Governmental Authorization. Subject to the Antitrust Approvals, the execution, delivery and performance by the Buyer of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and the consummation of the transactions contemplated hereby or thereby require no material action by or in respect of, or material filing with, any Person (including any Governmental Authority).

Section 5.04. Noncontravention. The execution, delivery and performance by the Buyer of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate the certificate of incorporation or code of regulations of the Buyer, (ii) assuming compliance with the matters referred to in Section 5.03, violate any material Law, judgment, injunction, order or decree or (iii) require any material consent or other material action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Buyer under any provisions of any material agreement or other material instrument binding upon the Buyer.

Section 5.05. Financing. The Buyer has on the date hereof, and at the Closing shall have, sufficient cash, available lines of credit or other sources of immediately available funds or committed capital to enable it to fulfill its obligations hereunder and to make payment of all amounts to be paid by it hereunder on and after the Closing Date.

Section 5.06. Purchase for Investment. The Buyer is purchasing the Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof. The Buyer is an “accredited investor” and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares and is capable of bearing the economic risks of such investment.

Section 5.07. Actions and Proceedings. There are no (i) outstanding judgments, orders, writs, injunctions or decrees of any court, Governmental Authority or arbitration tribunal against the Buyer or any of its Affiliates, which have or could have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated hereby or (ii) actions, suits, claims or legal, administrative or arbitration proceedings or investigations pending or, to the knowledge of the Buyer, threatened against the Buyer, which have or could have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated hereby.

Section 5.08. Finder’s Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission upon the consummation of the transactions contemplated by this Agreement.

Section 5.09. Solvency. Immediately after giving effect to the transactions contemplated by this Agreement and any financing arrangements incurred by the Buyer in connection therewith, the Company and each Subsidiary will be able to pay their respective debts as they become due and will own property that 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). Immediately after giving effect to the transactions contemplated by this Agreement, the Company and each Subsidiary will 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 and the Subsidiaries.

Section 5.10. Acknowledgment by the Buyer.

(A) The Buyer has conducted to its satisfaction, an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Company and, in making its determination to proceed with the transactions contemplated by this Agreement, the Buyer has relied on the results of its own independent investigation and verification and the representations and warranties of the Company and/or the Securityholders expressly and specifically set forth in this Agreement. SUCH REPRESENTATIONS AND WARRANTIES BY THE COMPANY AND/OR THE SECURITYHOLDERS CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS TO THE BUYER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, AND THE BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESSED OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE COMPANY OR THE SUBSIDIARIES OR THE QUALITY, QUANTITY OR CONDITION OF THE ASSETS OF THE COMPANY OR THE SUBSIDIARIES) ARE SPECIFICALLY DISCLAIMED BY THE COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS. THE

COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS DO NOT MAKE OR PROVIDE, AND THE BUYER HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE COMPANY'S OR ANY OF THE SUBSIDIARIES' ASSETS OR ANY PART THEREOF.

(b) In connection with the Buyer's investigation of the Company and the Subsidiaries, the Buyer has received from or on behalf of the Company and the Subsidiaries or the Securityholders certain projections, including projected statements of operating revenues and income from operations of the Company and the Subsidiaries for the fiscal year ending December 31, 2011 and for subsequent fiscal years and certain business plan information for such fiscal year and succeeding fiscal years. The Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that the Buyer is familiar with such uncertainties, that the Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and that the Buyer shall have no claim against the Securityholders with respect thereto. Accordingly, neither the Company, the Subsidiaries nor the Securityholders make any representations or warranties whatsoever with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts). The Buyer agrees that neither any of the Securityholders nor any other Person will have or be subject to any liability to the Buyer or any other Person resulting from the distribution to the Buyer, or the Buyer's use of, any information regarding the Company or any of its Subsidiaries or their respective businesses, including the Confidential Information Memorandum prepared by Lazard, and any information, document or material made available to the Buyer or its Affiliates in certain physical or on-line "data rooms," management presentations or any other form in expectation of the transactions contemplated by this Agreement.

Section 5.11. No Knowledge of Misrepresentations or Omissions; No Reliance. The Buyer has no knowledge that any representation or warranty of the Company or the Securityholders in this Agreement is not true and correct in all material respects. In addition, the Buyer has no knowledge of any material errors in, or material omissions from, the Schedules. The Buyer acknowledges and agrees that the representations and warranties made by the Company in this Agreement (as qualified by the Schedules) supersede, replace and nullify in every respect the data set forth in any other document, material or statement, whether written or oral, made available to the Buyer, and the Buyer shall be deemed to have not relied on any data contained in such other document, material or statement for any purpose whatsoever, including, without limitation, as a promise, projection, guaranty, representation, warranty or covenant.

Section 5.12. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 5 (AS MODIFIED BY THE SCHEDULES), THE BUYER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE BUYER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 6
COVENANTS OF THE COMPANY AND THE SECURITYHOLDERS

Section 6.01. Conduct of the Company and the Subsidiaries. During the period from the date of this Agreement and continuing until the Closing, the Company agrees as to itself and the Subsidiaries that, except (i) as expressly contemplated or permitted by this Agreement, (ii) as required by applicable Law, or (iii) to the extent that the Buyer shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) the Company and the Subsidiaries shall use reasonable efforts to carry on their respective businesses in the usual, regular and ordinary course in all material respects, in substantially the same manner as heretofore conducted, and shall use reasonable efforts to preserve intact their present lines of business, maintain their rights and franchises and preserve their relationships (contractual or otherwise) with customers, suppliers and others having business dealings with them (including, without limitation, through ordinary course renewals, negotiations with and amendments to such relationships) to the end that their ongoing businesses shall not be impaired in any material respect at the Closing; provided, however, that no action by the Company or any Subsidiary with respect to matters specifically addressed by any other provision of this Section 6.01 shall be deemed a breach of this Section 6.01(a), unless such action would constitute a breach of one or more of such other provisions;

(b) neither the Company nor any Subsidiary shall incur or commit to any capital expenditures or any obligations or liabilities in connection with capital expenditures, except for (i) capital expenditures and obligations or liabilities in connection therewith incurred or committed to in the ordinary course of business consistent with past practice or (ii) other capital expenditures and obligations or liabilities in connection therewith in an amount not to exceed \$150,000 in the aggregate;

(c) the Company shall not, and shall not permit any of the Subsidiaries to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock or other equity interests (except for dividends in Cash and dividends by a Subsidiary to another Subsidiary or the Company), (ii) split, combine or reclassify any of its capital stock or other equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock or other equity interests (except for any such transaction by a direct or indirect Subsidiary that remains a direct or indirect Subsidiary after consummation of such transaction), or (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock or other equity interests (except for repurchases and redemptions paid in Cash and upon the exercise of Options);

(d) the Company shall not, and shall not permit any Subsidiary to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares of their respective capital stock, or enter into any agreement with respect to any of the foregoing, other than the issuance of shares upon the exercise of Options or other securities convertible into or exercisable for shares of capital stock issued and outstanding as of the date hereof, issuances of capital stock by a direct or indirect Subsidiary to such Subsidiary's parent or another direct or indirect Subsidiary, the transactions contemplated herein or the Stock Incentive Plan;

(e) other than to the extent required to comply with its obligations hereunder or required by Law, the Company shall not, and shall not permit any Subsidiary to, amend or propose to amend its certificate of incorporation or bylaws or equivalent formation documents;

(f) the Company shall not, and shall not permit any Subsidiary to, acquire or agree to acquire by merging or consolidating with, or by purchasing an equity interest in or any portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire or in-license any assets or rights (other than the acquisition or in-license of assets used in the operations of the business of the Company or any Subsidiary in the ordinary course consistent with past practice); provided, however, that the foregoing shall not prohibit (i) the creation of new direct or indirect Subsidiaries organized to conduct or continue activities otherwise permitted by this Agreement or (ii) internal reorganizations or consolidations involving existing direct or indirect Subsidiaries that remain direct or indirect Subsidiaries;

(g) other than (i) internal reorganizations or consolidations involving existing direct or indirect Subsidiaries that remain direct or indirect Subsidiaries or (ii) as may be required by or in conformance with applicable Law in order to permit or facilitate the consummation of the transactions contemplated hereby, the Company shall not, and shall not permit any Subsidiary to, sell, encumber (other than Permitted Liens) or otherwise dispose of, or agree to sell, encumber (other than Permitted Liens) or otherwise dispose of, any of its assets other than in the ordinary course of business consistent with past practice;

(h) the Company shall not, and shall not permit any Subsidiary to, (i) make any loans, advances or capital contributions to, or investments in, any other Person, other than (A) by the Company or a direct or indirect Subsidiary to or in the Company or any other direct or indirect Subsidiary, (B) pursuant to any contract or other legal obligation of the Company or in any Subsidiary as in effect as of the date hereof or (C) in the ordinary course of business consistent with past practice or (ii) create, incur, assume or suffer to exist any indebtedness, issuances of debt securities, guarantees, loans or advances to the Company or any Subsidiary not in existence as of the date of this Agreement except (A) pursuant to the credit facilities, indentures (but not in excess of amounts authorized for issuance thereunder as of the date of this Agreement) and other arrangements in existence on the date of this Agreement, (B) by the Company or a direct or indirect Subsidiary to or in the Company or any other direct or indirect Subsidiary, or (C) trade debt and commercial finance in the ordinary course of business consistent with past practice, in each case as such credit facilities, indentures and other arrangements and other existing indebtedness may be amended, extended, modified, refunded, renewed or refinanced after the date of this Agreement;

(i) other than as required by an existing contract or agreement, an Employee Benefit Plan or applicable Law and other than in the ordinary course of business consistent with past practice, neither the Company nor any Subsidiary shall (A) increase the amount of cash compensation or severance pay of any director or executive officer, (B) make any material increase in, or commitment to increase materially, any employee benefits, (C) adopt or make any commitment to adopt any material new Employee Benefit Plan or make any material contribution, other than regularly scheduled contributions, to any Employee Benefit Plan; or (D) enter into any employment, severance or similar contract or collective bargaining agreement with respect to any employees.

(j) neither the Company nor any Subsidiary shall (A) change its fiscal year, (B) make, change or revoke any material Tax election (except in the ordinary course of business consistent with past practice or as otherwise required by applicable Law) or (C) except as required by changes in GAAP or as required by applicable Law, materially change its methods of accounting in effect as of the date hereof; and

(k) other than in connection with any action expressly permitted by any other subsection of this Section 6.01 and except for any new contract awards, and any contract renewals, negotiations and amendments entered into in the ordinary course of business and consistent with past practice, neither the Company nor any Subsidiary shall (A) enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any contract of the type required to be disclosed pursuant to Section 3.16 of this Agreement (other than in the ordinary course of business), or (B) prematurely terminate (other than in the ordinary course of business), or waive any material right or remedy under, any such contract.

Section 6.02. Access. From the date hereof until the Closing Date, the Company and each Subsidiary will give the Buyer, its counsel, financial advisors, auditors and other authorized representatives reasonable access to the offices, employees, properties, books and records of the Company and the Subsidiaries; provided, that any such access (i) shall be during normal business hours on reasonable notice, (ii) shall not, except as otherwise agreed in writing by the Securityholder Representative and the Company, include sampling or testing of soil, sediment, surface or ground water and/or building material, (iii) shall not be required where such access would be prohibited or otherwise limited by any applicable Law or agreement and (iv) shall not otherwise unreasonably interfere with the conduct of the business of the Company or the Subsidiaries; provided, further, that nothing herein shall require the Company or any Subsidiary to provide access to, or to disclose any information to, the Buyer if such access or disclosure (x) would cause significant competitive harm to the Company or the Subsidiaries if the transactions contemplated by this Agreement are not consummated or (y) would be in violation of applicable Laws of any Governmental Authority (including Antitrust Laws) or the provisions of any agreement to which the Company or any of the Subsidiaries is a party.

Section 6.03. Subsequent Actions. On or before the Closing Date, the Company and the Securityholders may disclose to the Buyer in writing any exceptions to or variances from the representations and warranties in Article 3 or Article 4, and such disclosures shall amend and supplement the appropriate Schedules (such updated schedules to be referred to herein collectively as the “Updated Schedules”). Except for the purposes of Section 9.01(a) as specifically set forth therein, the delivery of such Updated Schedules will be deemed to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of such exception or variance, and the Buyer shall have no rights or claims under Article 11 of this Agreement with respect to any such misrepresentation or breach of warranty that is deemed cured by the Updated Schedules.

ARTICLE 7 COVENANTS OF THE BUYER

Section 7.01. Confidentiality. Prior to the Closing Date and after any termination of this Agreement, the Buyer shall hold and shall cause its Affiliates, officers, directors, employees, accountants, counsel, consultants, advisors and agents (collectively, the “Buyer’s Representatives”) to hold, in confidence, all confidential documents and information concerning the Company or any Subsidiary furnished to the Buyer or the Buyer’s Representatives in connection with the transactions contemplated by this Agreement in the manner specified in the Confidentiality Agreement dated as of April 25, 2011, between Lazard and the Buyer, as amended from time to time (the “Confidentiality Agreement”).

Section 7.02. Access. From and after the Closing, the Buyer and the Company (and each Subsidiary) shall afford promptly to the Securityholder Representative and its designees and representatives reasonable access to the books, records (including accountants’ work papers) and employees of the Company and the Subsidiaries to the extent necessary to permit the Securityholder Representative to determine any matter relating to the Securityholder Representative’s or the Securityholders’ rights and obligations hereunder or to any period ending on or before the Closing Date; provided, that any such access by the Securityholder Representative (i) shall be during normal business hours on reasonable notice, (ii) shall not be required where such access would be prohibited by applicable Law or agreement, and (iii) shall not otherwise unreasonably interfere with the conduct of the business of the Company or the Subsidiaries. Unless otherwise consented to in writing by the Securityholder Representative, neither the Buyer, the Company nor any Subsidiary shall, for a period of seven (7) years after the Closing Date, destroy, alter or otherwise dispose of any of the material corporate, financial, Tax and accounting books and records (which shall not include e-mails) of the Company or any Subsidiary, without first offering to surrender to the Securityholder Representative such books and records or any portion thereof which the Buyer, the Company or any Subsidiary may intend to destroy, alter or otherwise dispose of.

Section 7.03. Notification. Prior to the Closing, upon discovery of any variances from the representations and warranties contained in this Agreement, the Buyer shall promptly notify the Company and the Securityholder Representative of such variances.

Section 7.04. Director and Officer Liability, Indemnification and Insurance. For a period of six (6) years after the Closing Date, the Buyer shall not, and shall not permit the Company or any Subsidiary to amend, repeal or modify any provision in the Company's or any Subsidiary's certificate of incorporation or bylaws (or equivalent governing documents) relating to the exculpation or indemnification of any current or former officer, manager, director or similar functionary (the "Indemnified Representatives") (unless required by Law), it being the intent of the parties that the Indemnified Representatives prior to the Closing shall continue to be entitled to such exculpation and indemnification to the fullest extent of the Law. The Buyer shall cause the Company and each Subsidiary, at the Company's sole cost and expense, to maintain its existing officers' and directors' liability insurance, or other liability insurance that covers events occurring prior to the Closing on terms and in amounts no less favorable to the Indemnified Representatives than its existing officers' and directors' liability insurance for a period of six (6) years after the Closing. The Buyer shall, to the fullest extent permitted by applicable Law, cause the Company and its Subsidiaries, at the Company's sole cost and expense, to honor all of the Company's and its Subsidiaries' obligations to indemnify (including any obligations to advance funds for expenses) the Indemnified Representatives for acts or omissions by such Indemnified Representatives occurring prior to the Closing Date to the extent that such obligations of the Company or any of its Subsidiaries exist on the date of this Agreement, whether pursuant to the organizational documents of the Company or any of its Subsidiaries, individual indemnity agreements, management board resolution or otherwise, and such obligations shall survive the Closing and shall continue in full force and effect in accordance with the terms of the organizational documents of the Company or any of its Subsidiaries, as the case may be, and such board resolutions or individual indemnity agreements from the Closing Date until the expiration of the applicable statute of limitations with respect to any claims against such Indemnified Representatives arising out of such acts or omissions. From and after the Closing Date, to the fullest extent permitted by applicable law, Buyer shall, and shall cause the Company to, indemnify, defend and hold harmless the Indemnified Representatives against all Losses, as incurred (payable monthly upon written request which request shall include reasonable evidence of the Losses set forth therein) to the extent arising from, relating to, or otherwise in respect of, any actual or threatened Third Party Claim in respect of actions or omissions occurring at or prior to the Closing Date in connection with such Indemnified Representatives duties as an officer, director or employee of the Company or any of its Subsidiaries, including in respect to this Agreement and the other transactions contemplated by the this Agreement. Each of the Buyer and its Affiliates (determined after the Closing Date) covenants for itself and its respective successors, assigns, heirs, legatees and personal representatives that it shall not institute any Third Party Claim against any of the current or former officers or directors of the Company or any of its Subsidiaries, in their capacity as such, with respect to any Losses or other liabilities, actions or causes of action, judgments, claims and demands of any nature or description (consequential, compensatory, punitive or otherwise) arising from or relating to actions occurring prior to the Closing, whether or not such Person would be entitled to indemnification by the Company under this Section 7.04. If the Company or any Subsidiary or any of their respective successors or assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Company or each Subsidiary shall assume all of the obligations set forth in this Section 7.04. The provisions of this Section 7.04 are intended for the benefit of, and will be enforceable by, each Indemnified Representative and his or her heirs and representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have had by contract or otherwise. The Buyer and the Company acknowledge and agree that, to the extent that an Indemnified Representative is entitled to be indemnified by the Company or any Subsidiary as contemplated by this Section 7.04 and by any Securityholder or any Affiliate of any such Securityholder

(other than the Company or any Subsidiary) under any other agreement or instrument, or by any insurer under a policy maintained by any such Securityholder or Affiliate, (i) the obligations of the Company hereunder shall be primary, and the obligations of such Securityholder, Affiliate or insurer secondary, (ii) the Indemnified Representative shall proceed first against the Company and any insurer under any policy maintained by the Company, and second, if indemnification is not provided by the Company or any such insurer on a timely basis, against any insurer under a policy maintained by any such Securityholder or Affiliate, (iii) the Company shall be required to advance the full amount of expenses incurred by any Indemnified Representative and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement, and (iv) the Company shall not be entitled to contribution or indemnification from or subrogation against any such Securityholder, Affiliate or insurer under a policy maintained by any such Securityholder or Affiliate. In the event that any such Securityholder or Affiliate makes indemnification payments or advances to the Indemnified Representative in respect of any Losses (including all interest, assessments and other charges paid or payable in connection with or in respect of any such Losses) for which the Company would also be obligated as contemplated by this Agreement, the Company shall indemnify, reimburse and hold harmless such Securityholder or Affiliate in full on demand.

Section 7.05. Regulatory Filings. Except as otherwise provided in Section 8.07, the Buyer shall, within three (3) Business Days after the date hereof, make or cause to be made all filings and submissions required of the Buyer under any Laws applicable to the Buyer for the consummation of the transactions contemplated herein. The Buyer shall be responsible for all filing fees under any such Laws applicable to the Buyer.

Section 7.06. Contact with Employees, Customers and Suppliers. Prior to the Closing, neither the Buyer nor any of the Buyer's Representatives shall contact or otherwise communicate with any employees, customers or suppliers of the Company or any Subsidiary in connection with or regarding the transactions contemplated hereby, except to the extent approved in writing by the Securityholder Representative.

ARTICLE 8 ADDITIONAL COVENANTS OF THE PARTIES

Section 8.01. Reasonable Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, the Buyer, the Company and the Securityholders shall use their commercially reasonable best efforts to take, or cause to be taken, all actions necessary or desirable to cause the conditions set forth in Article 9 to be satisfied and the transactions contemplated by this Agreement to be consummated, in each case as promptly after the date hereof as practicable. Except as otherwise expressly set forth in this Agreement, neither the Securityholders nor the Company on the one hand, nor the Buyer on the other hand, shall have any obligation to pay any amounts or incur any liability or obligation to any third party as a condition or inducement for obtaining any consents described on Schedule 9.01(c) hereto. Each of the Securityholders, the Company and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement. 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 other party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

Section 8.02. Further Cooperation. Each of the Securityholders and the Buyer shall cooperate with each other (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained under any material contracts, in each case in connection with the consummation of the transactions contemplated by this Agreement, and (ii) in taking such actions or making any such filings, in furnishing information required in connection therewith and in seeking timely to obtain any such actions, consents, approvals or waivers.

Section 8.03. Public Announcements. No press release or other public announcement related to this Agreement or the transactions contemplated herein shall be issued or made without the joint approval of the Buyer, the Securityholder Representative and, prior to the Closing Date, the Company, unless required by Law or the requirements of any stock exchange or Nasdaq (in the reasonable opinion of counsel), in which case the Buyer, the Securityholder Representative and, prior to the Closing Date, the Company shall, to the extent practicable, have the right to review and comment on such public announcement prior to publication. Notwithstanding the foregoing, on or after the Closing, ACAS, ACEI and ACEII shall be permitted to disclose any returns, gains or losses realized as a result of their respective investments in the Company and the transactions contemplated hereby without any approval of the Company, the Buyer or the Securityholder Representative; provided, that neither ACAS, ACEI nor ACEII may, without the consent of the Buyer, disclose in such announcement the purchase price or the multiple of EBITDA paid for the Company hereunder.

Section 8.04. Tax Matters. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement, shall be borne and paid by the Buyer when due, and the Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes and fees, and, if required by applicable Law, then the Securityholders will execute and deliver, and will cause their respective Affiliates to join in the execution and delivery of, any such Tax Returns and other documentation. The Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company and each Subsidiary for all periods ending prior to or including the Closing Date which are filed after the Closing Date. At least fifteen (15) days prior to the date on which each such income Tax Return is filed, the Buyer shall submit such Tax Return to the Securityholder Representative for its review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Buyer shall provide to the Securityholder Representative such use and sales Tax Returns promptly after filing such Tax Returns.

Section 8.05. Disclosure Generally. The Schedules have been arranged, for purposes of convenience only, as separately titled Schedules corresponding to the Sections of Article 3. Any information set forth in any Schedule or incorporated in any Section of this Agreement shall be considered to have been set forth in each other Schedule to the extent the relevance of such information is reasonably apparent on the face of such Schedule and shall be deemed to modify the representations and warranties in Article 3 whether or not such representations and warranties refer to such Schedule. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Schedules is not intended to imply that such amounts, or higher or lower amounts, or the items so included or other items, are or are not required to be disclosed or are within or outside of the ordinary course of business, and neither party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy with any party as to whether any obligation, item or matter not described herein or included in a Schedule is or is not required to be disclosed (including, without limitation, whether such amounts are required to be disclosed as material) or in the ordinary course of business for the purposes of this Agreement. The information contained in the Schedules is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever, including of any violation of Law or breach of any agreement.

Section 8.06. Conflicts and Privilege. It is acknowledged by each of the parties hereto that ACAS, ACEI, ACEII, the Company and the Securityholder Representative have retained PB and Arnold & Porter LLP ("AP") to act as their counsel in connection with the transactions contemplated hereby and that neither PB nor AP has acted as counsel for any other party in connection with the transactions contemplated hereby and that none of the other parties has the status of a client of PB or AP for conflict of interest or any other purposes as a result thereof. The Buyer hereby agrees that, in the event that a dispute arises after the Closing between the Buyer, ACAS, ACEI, ACEII or the Securityholder Representative, PB or AP may represent ACAS, ACEI, ACEII or the Securityholder Representative in such dispute even though the interests of ACAS, ACEI, ACEII or the Securityholder Representative may be directly adverse to Buyer, the other Securityholders, the Company or the Subsidiaries, and even though PB or AP, as applicable, may have represented the Company or the Subsidiaries in a matter substantially related to such dispute, or may be handling ongoing matters for the Buyer, the Company or the Subsidiaries. The Buyer further agrees that, as to all communications among PB or AP and the Company, any Subsidiary, ACAS, ACEI, ACEII and/or the Securityholder Representative that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to the Securityholder Representative and may be controlled by the Securityholder Representative and shall not pass to or be claimed by the Buyer, the Company or any Subsidiary. Notwithstanding the foregoing, in the event that a dispute arises between the Buyer, the Company or any Subsidiary and a third party other than a party to this Agreement after the Closing, the Company or such Subsidiary may assert the attorney-client privilege to prevent disclosure of confidential communications by PB or AP to such third party; provided, however, that neither the Company nor such Subsidiary may waive such privilege without the prior written consent of PB or AP, as applicable. Each of PB and AP is an intended third party beneficiary of this Section 8.06 and shall be entitled to rely on the provisions hereof.

Section 8.07. Antitrust Filings.

(a) The Buyer, the Securityholder Representative and the Company shall, within three (3) Business Days after the date hereof, if required by the Antitrust Laws, file with the appropriate Governmental Authority all forms and documentation required to be filed by them under the Antitrust Laws concerning the transactions contemplated hereby, and shall request early termination of the waiting period, if applicable, under such Antitrust Laws. From the date of such filing until the Closing Date, the Buyer, the Securityholder Representative and the Company shall file all reports or other documents required or requested by the appropriate Governmental Authority under the Antitrust Laws, or otherwise and will comply promptly with any requests by such Governmental Authority for additional information concerning the transactions contemplated hereby, so that the waiting period specified in the Antitrust Laws will expire or terminate as soon as reasonably possible after the execution and delivery of this Agreement. The Buyer shall pay all filing fees required in connection with any filing required under the Antitrust Laws. The Buyer, the Securityholder Representative and the Company agree to use reasonable efforts to insure that any applicable waiting periods imposed under the Antitrust Laws terminate or expire as early as practicable. Without limiting the foregoing, the Buyer, the Securityholder Representative and the Company agree to use reasonable efforts to cooperate and oppose any preliminary injunction sought by any Governmental Body preventing the consummation of the transactions contemplated by this Agreement.

(b) The Buyer and the Securityholder Representative shall cause their respective counsel to furnish each other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of necessary filings or submissions under the provisions of the Antitrust Laws. The Buyer and the Securityholder Representative will cause their respective counsel to supply to each other copies of all correspondence, filings or written communications by or to such party or its Affiliates with or from any Governmental Authority or staff members thereof, with respect to the transactions contemplated by this Agreement and any related or contemplated transactions, except for documents filed pursuant to Item 4(c) of the HSR Act Notification and Report Form or communications

regarding the same documents or information submitted in response to any request for additional information or documents pursuant to the Antitrust Laws that in each case reveal the Company's or the Buyer's negotiating objectives or strategies or purchase price expectations.

Section 8.08. WARN. For a period of one year following the Effective Time, the Buyer agrees to cause the Company and each of its Subsidiaries to provide any required notice under the WARN Act, or any similar law, and to otherwise comply with any such law with respect to any "plant closing" or "mass layoff" (as defined in the WARN Act or similar law) or similar event affecting the employees of the Company or any of its Subsidiaries.

ARTICLE 9 CONDITIONS TO CLOSING

Section 9.01. Conditions to the Buyer's Obligations. The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or the Buyer's waiver) of the following conditions as of the Closing Date:

(a) the representations and warranties of the Company and the Securityholders contained in Article 3 and Article 4 hereof will be true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) at and as of the time of the Closing (without taking into account any Updated Schedules delivered in accordance with Section 6.03 except to the extent that the disclosures in such Updated Schedules are the result of activities explicitly contemplated by this Agreement or permitted by Section 6.01), as if made on the Closing Date and the Closing Date were substituted for the date of this Agreement throughout such representations and warranties, except (i) to the extent that the failure of such representations and warranties to be true and correct has not caused a Material Adverse Effect, (ii) for activities explicitly contemplated by this Agreement or permitted by Section 6.01, and (iii) for those representations and warranties that address matters as of any other particular date (in which case such representations and warranties shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of such particular date, except to the extent that the failure of such representations and warranties to have been true and correct as of such particular date has not caused a Material Adverse Effect);

(b) the Company and the Securityholders 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;

(c) all consents which are set forth on Schedule 9.01(c) hereto shall have been obtained;

(d) all material governmental filings and Approvals, including the Antitrust Approvals, that are required for the consummation of the transactions contemplated hereby and set forth on Schedule 9.01(d) hereto shall have been made and obtained;

(e) any applicable waiting period under the Antitrust Laws, including any extension, shall have expired or shall have been earlier terminated;

(f) no action, suit, claim or legal, administrative or arbitration proceeding or investigation shall be pending or, to the Knowledge of the Company, threatened before any Governmental Authority wherein an unfavorable decision issued pursuant to such action would reasonably be anticipated to (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) permit consummation of the transactions contemplated by this Agreement only subject to any condition or restriction that has had or would reasonably be expected to have a Material Adverse Effect;

(g) the Company shall have delivered to the Buyer a certificate, dated the Closing Date, stating that the preconditions specified in Sections 9.01(a) and 9.01(b), as they relate to the Company, have been satisfied;

(h) the Company shall have delivered a certificate of an officer of the Company (i) certifying and attaching the resolutions of the board of directors of the Company authorizing the consummation of the transactions set forth herein and (ii) certifying to the incumbency and signatures of the officers of the Company executing this Agreement and any other documents delivered pursuant to this Agreement;

(i) no Material Adverse Effect shall have occurred after the date of this Agreement;

(j) the Company shall have delivered evidence that the so-called “shareholder approval requirements” of Section 280G(b)(5)(B) of the Code and the regulations thereunder (including, without limitation, the 75 percent shareholder approval requirement and the adequate disclosure requirement) have been met with respect to each payment that would otherwise be treated as a parachute payment pursuant to Section 280G of the Code, including, without limitation, the matters referenced in the disclosures set forth in items 3 through 14 on Schedule 3.03(b)(iii); and

(k) each of the Securityholders set forth on Exhibit C shall have executed and delivered to the Buyer a Joinder Agreement.

Section 9.02. Conditions to the Company and the Securityholders’ Obligations. The obligation of the Company and the Securityholders to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or the Securityholder Representative’s waiver) of the following conditions as of the Closing Date:

(a) The representations and warranties of the Buyer contained in Article 5 hereof shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of the date of this Agreement and as of the Closing Date, except (i) for changes contemplated by this Agreement, and (ii) for those representations and warranties that address matters only as of the date of this Agreement or any other particular date (in which case such representations and warranties shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of such particular date);

(b) the Buyer 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) all consents which are set forth on Schedule 9.01(c) hereto shall have been obtained;

(d) all material governmental filings and Approvals, including the Antitrust Approvals, that are required for the consummation of the transactions contemplated hereby and set forth on Schedule 9.01(d) hereto shall have been made and obtained;

(e) any applicable waiting period under the Antitrust Laws, including any extension, shall have expired or shall have been earlier terminated;

(f) no action, suit, claim or legal, administrative or arbitration proceeding or investigation shall be pending or, to the Knowledge of the Company, threatened before any Governmental Authority wherein an unfavorable decision issued pursuant to such action would reasonably be anticipated to (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions

contemplated by this Agreement to be rescinded following consummation or (iii) permit consummation of the transactions contemplated by this Agreement only subject to any condition or restriction that has had or would reasonably be expected to have a Material Adverse Effect;

(g) the Buyer shall have delivered to the Securityholder Representative a certificate of the Buyer, dated the Closing Date, stating that the preconditions specified in Sections 9.02(a) and 9.02(b), as they relate to the Buyer, have been satisfied.

ARTICLE 10 TERMINATION

Section 10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Buyer and the Securityholder Representative;

(b) by the Buyer, if there has been a material breach by the Company or any Securityholder of any covenant or other agreement contained herein and such breach has not been waived by the Buyer or cured by the Company or such Securityholder within ten (10) Business Days after the Company's or the Securityholder Representative's receipt of written notice thereof from the Buyer;

(c) by the Securityholder Representative, if there has been a material breach by the Buyer of any covenant or other agreement contained herein and such breach has not been waived by the Securityholder Representative or cured by the Buyer within ten (10) Business Days after the Buyer's receipt of written notice thereof from the Securityholder Representative; provided, that the failure to deliver the payments required by Sections 2.02 or 2.03 as required hereunder shall not be subject to cure hereunder unless otherwise agreed to in writing by the Securityholder Representative;

(d) by the Buyer, if the transactions contemplated hereby have not been consummated on or before September 13, 2011; provided, that, if the only outstanding condition to closing (other than deliveries to be made at or as of the Closing) is the Antitrust Approvals required by Sections 9.01(d) and 9.02(d), then such date shall automatically be extended to October 13, 2011; provided, further, that the Buyer shall not be entitled to terminate this Agreement pursuant to this Section 10.01(d) if the Buyer's knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby; or

(e) by the Securityholder Representative, if the transactions contemplated hereby have not been consummated on or before September 13, 2011; provided, that, if the only outstanding condition to closing (other than deliveries to be made at or as of the Closing) is the Antitrust Approvals required by Sections 9.01(d) and 9.02(d), then such date shall automatically be extended to October 13, 2011; provided, further, that the Securityholder Representative shall not be entitled to terminate this Agreement pursuant to this Section 10.01(e) if the Company's or the Securityholders' knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

The party desiring to terminate this Agreement pursuant to clauses (b), (c), (d) or (e) of this Section 10.01 shall give written notice of such termination to the other parties hereto.

Section 10.02. Effect of Termination. In the event this Agreement is terminated by either the Buyer or the Securityholder Representative as provided in Section 10.01, the provisions of this Agreement shall immediately become void and of no further force and effect (other than Section 7.01 (Confidentiality), Section 7.06 (Contact with Employees, Customers and Suppliers), Section 8.03 (Public Announcements), this Section 10.02, Section 11.04 (Securityholder Representative) and Article 12, each of which shall survive the termination of this Agreement), and there shall be no liability on the part of the Buyer, the

Company, the Securityholder Representative or any of the Securityholders to any other party hereto, except for willful breaches of this Agreement prior to the time of such termination and, in the case of the Buyer, any failure to have sufficiently available funds for the consummation of the transactions contemplated hereby or to pay the amounts due at Closing as set forth in Sections 2.02 and 2.03.

ARTICLE 11 INDEMNIFICATION/SECURITYHOLDER REPRESENTATIVE

Section 11.01. Survival Period. The representations, warranties, covenants and agreements set forth in this Agreement and in any certificates delivered at the Closing in connection with this Agreement shall survive for a period beginning on the Closing Date and ending on April 30, 2012 (the “Survival Period”), and shall thereafter be of no further force or effect; provided, that with respect to any covenant or agreement contained herein that expressly contemplates performance after the end of the Survival Period, the Survival Period for such covenant or agreement shall continue through the period of such contemplated performance provided further, that, (i) the representations and warranties set forth in Sections 3.01, 3.02, 3.03, 3.05, 3.14 (with respect to the first sentence thereof only), 4.01, 4.04, 4.05, 5.01, 5.02, 5.08 (the “Fundamental Representations”), and claims arising out of actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 shall survive the Closing indefinitely and (ii) the representations and warranties in Sections 3.06 and 3.19 (the “Tax and ERISA Representations”) shall survive until the date that is ninety (90) days after the expiration of the statute of limitations applicable to the underlying action.

Section 11.02. Indemnification.

(a) Subject to the provisions of this Section 11.02 and Section 11.03 below, after the Closing, the Securityholders, severally but not jointly and severally, shall indemnify the Buyer and hold it harmless against any actual loss, liability, damage or expense (including reasonable legal fees and expenses, but excluding incidental, consequential or punitive damages or any liability for lost profits or the like or any damages or liability based on multiple of profits, multiple of cash flow or similar valuation methodology) (collectively, “Losses” and individually, a “Loss”) which the Buyer suffers as a result of any breach of the representations, warranties, covenants and agreements of the Company or the Securityholders set forth herein and as restated in any certificates delivered by or on behalf of the Company (or any Subsidiary) or the Securityholders at the Closing; provided, that the Buyer’s right to seek indemnification for such breaches shall be limited to an amount of Losses not to exceed the Cap except for Losses relating to or arising out of (i) (A) a breach of the Fundamental Representations, (B) a breach of the Tax and ERISA Representations, and (C) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company, which shall be limited to an amount of such Losses not to exceed the Purchase Price, or (ii) actual fraud committed by a Securityholder in such Securityholder’s capacity as a securityholder of the Company, which shall be limited to an amount of such Losses; and provided, further, that the Buyer shall not be entitled to seek indemnification with respect to any individual Loss, unless such Loss is greater than \$50,000 and unless such Loss, together with all other Losses that are greater than \$50,000, exceeds \$2,500,000, in which case the Buyer shall be entitled to indemnification only for the amount of such excess up to the Cap, the Purchase Price or the amount of such Losses, as applicable.

(b) Subject to the provisions of this Section 11.02 and Section 11.03 below, after the Closing the Buyer shall indemnify the Securityholder Representative and each Securityholder and hold them harmless against any Loss which the Securityholder Representative or any Securityholder (as the case may be) suffers as a result of (i) any breach by the Buyer of its covenants, agreements, representations and warranties set forth herein and as restated in any certificates delivered by the Buyer at the Closing and any breach by the Company of its covenants or agreements herein following the Closing or (ii) the operations of the Company and the Subsidiaries following the Closing, including, without limitation, any personal injury or other product liability claim arising out of the ownership, possession or use of any product manufactured, distributed or sold by the Company or any of its Subsidiaries after the Closing Date.

(c) No Person shall be liable for any claim for indemnification under subsections (a) or (b) above unless written notice specifying in reasonable detail the nature of the claim for indemnification is delivered by the Person seeking indemnification to the Person from whom indemnification is sought prior to the expiration of the Survival Period, in which case the representation, warranty, covenant or agreement which is the subject of such claim shall survive, to the extent of such claim only, until such claim is resolved, whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given, if, but only if, (i) in the case of a claim made by reason of a Third Party Claim, the written notice is accompanied by a copy of the written notice of the third party claimant and (ii) in the case of any claim made other than by reason of a Third Party Claim, some Losses shall have been incurred in good faith at or prior to the date of such notice.

(d) Promptly after the assertion by any third party of any claim (a “Third Party Claim”) against any Person entitled to indemnification under this Section 11.02 (the “Indemnatee”) that results or may result in the incurrence by such Indemnatee of any Loss for which such Indemnatee would be entitled to indemnification pursuant to this Agreement, such Indemnatee shall promptly provide notice of such Third Party Claim to the parties from whom such indemnification could be sought (the “Indemnitors”) and, if the Securityholders are the Indemnitors, the Securityholder Representative. The Indemnitors may (and if the Indemnitors are the Securityholders, the Securityholders Representative may, at its option, on behalf of the Securityholders), assume the defense of the Indemnatee against such Third Party Claim, (including the employment of counsel and the payment of reasonable expenses). Any Indemnatee shall have the right to employ separate counsel in any such Third Party Claim and to participate in the defense thereof, but the fees and expenses of such counsel shall not be an expense of the Indemnitor unless (i) the Indemnitor shall have failed, within a reasonable time after having been notified by the Indemnatee of the existence of such Third Party Claim as provided in the preceding sentence, to assume the defense of such Third Party Claim or (ii) the employment of such counsel has been specifically authorized by the Indemnitor. In no event will an Indemnatee consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Indemnitor.

(e) The amount of any Loss subject to indemnification hereunder or of any claim therefor shall be calculated net of (i) any accruals or reserves on the Latest Balance Sheet that specifically relate to the matter(s) for which indemnification is claimed, (ii) any amounts actually recovered by an Indemnatee pursuant to any indemnification by or indemnification agreement with any non-affiliated third party (net of all direct collection expenses), (iii) any insurance proceeds or other cash receipts or sources of reimbursement received as an offset against such Loss (net of all direct collection expenses) received or receivable by the Buyer or the Company, any Subsidiary or any of their Affiliates on account of such Loss (each such source named in clauses (ii) and (iii), a “Collateral Source”), and (iv) any Tax Benefit inuring to the Buyer, the Company, any Subsidiary, or any of their Affiliates on account of such Loss. If the Buyer, the Company, any Subsidiary or any of their Affiliates receives a Tax Benefit after an indemnification payment is made, the Buyer shall promptly pay to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages) the amount of such Tax Benefit at such time or times as and to the extent that such Tax Benefit is realized. For purposes hereof, “Tax Benefit” shall mean any refund of Taxes paid or reduction in the amount of Taxes which otherwise would have been paid, in each case computed at the effective tax rates. The Buyer, the Company and the Subsidiaries shall seek full recovery of any Loss from all Collateral Sources covering such Loss to the same extent as they would if such Loss were not subject to indemnification hereunder. The Buyer, the Company and the Subsidiaries shall not terminate or cancel any insurance policies in effect for periods prior to the Closing. In the event that a recovery from a Collateral Source is made by the Buyer, the Company, any Subsidiary or any of their Affiliates with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery (net of all direct collection expenses) shall be made promptly to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages). The Indemnitors shall be subrogated to all rights of the Indemnitees in respect of any Losses indemnified by the Indemnitors.

(f) Each Person entitled to indemnification hereunder shall take all reasonable steps to mitigate all losses, costs, expenses and damages after becoming aware of any event which could reasonably be expected to give rise to any losses, costs, expenses and damages that are indemnifiable or recoverable hereunder or in connection herewith.

(g) All indemnification payments made hereunder shall be treated by all parties as adjustments to the Purchase Price.

(h) Notwithstanding anything to the contrary contained in this Section 11.02, there shall be no recovery for any Loss or alleged Loss by the Buyer under this Section 11.02, and the Loss shall not be included in meeting the stated thresholds hereunder, to the extent such item has been included in the calculation of the Net Working Capital Amount or the Indebtedness Amount as determined pursuant to Section 2.04 hereof.

(i) There shall be no recovery for any Loss or alleged Loss by the Buyer for the conduct of any environmental investigatory, corrective or remedial action: (1) with respect to any conditions of contamination identified through any environmental sampling or analysis, or any report to any Governmental Authority, in either case which is not required by Environmental Requirements, or (2) except to the extent of such action necessary to attain compliance in a cost effective manner with Environmental Requirements assuming continued commercial or industrial use of the subject property and employing risk based standards and institutional controls where available.

Section 11.03. Limitation of Recourse.

(a) Except for Losses resulting from (i) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company (which, in any case, will be subject to the limitations of Section 11.02(a) and Section 11.03(b)), or (ii) actual fraud committed by a Securityholder in such Securityholder's capacity as a securityholder of the Company, the indemnification provided by Section 11.02(a) shall be the sole and exclusive remedy for any Losses of the Buyer, the Company or any Subsidiary with respect to any misrepresentation or inaccuracy in, or breach of, any representations or warranties or any breach or failure in performance of any covenants or agreements made by the Company, any Subsidiary, the Securityholder Representative or any Securityholder in this Agreement or in any exhibit or Schedules hereto or any certificate delivered hereunder. Each party acknowledges and agrees that, from and after the Closing, except: (i) for claims resulting from (A) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company (which, in any case, will be subject to the limitations of Section 11.02(a) and Section 11.03(b)) or (B) actual fraud committed by a Securityholder in such Securityholder's capacity as a securityholder of the Company; (ii) for claims of, or causes of action for which the sole remedy sought is equitable relief; or (iii) for specific performance of obligations to be performed after the Closing Date, the sole and exclusive remedy of the parties hereto for breach of this Agreement shall be indemnification in accordance with this Article 11.

(b) Each Securityholder's liability for each Loss shall be limited to such Securityholder's Securityholder Allocation Percentage multiplied by the amount of such Loss. In no event shall the aggregate amount of Losses payable by any Securityholder in respect of claims for indemnification exceed such Securityholder's Securityholder Allocation Percentage multiplied by the Cap; provided that, each Securityholder's liability for Losses in respect of claims relating to or arising out of (i)(A) a breach of the Fundamental Representations, (B) a breach of the Tax and ERISA Representations, and (C) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company shall not exceed such Securityholder's Securityholder Allocation Percentage multiplied by the Purchase Price, and (ii) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by such Securityholder shall not exceed the amount of such Loss.

(c) No Securityholder shall have any liability for a breach of any other Securityholder's representations, warranties, covenants or agreements in this Agreement, or the actual fraud committed by any other Securityholder in such other Securityholder's capacity as a securityholder of the Company, and, in each case, the Buyer shall have no right to seek indemnification from any other Securityholder for any portion of such Loss.

(d) No claim shall be brought or maintained by the Buyer, the Company or any Subsidiary or their respective successors or permitted assigns against any officer, director, employee (present or former) or Affiliate of any party hereto which is not otherwise expressly identified as a party hereto, and no recourse shall be brought or granted against any of them in such capacities, by virtue of or based upon any alleged misrepresentation or inaccuracy in or breach of any of the representations, warranties or covenants of any party hereto set forth or contained in this Agreement or any exhibit or Schedule hereto or any certificate delivered hereunder.

(e) The Buyer shall not have any right to assert any claim against the Securityholders with respect to any Loss, cause of action or other claim to the extent such Loss is a Loss, cause of action or claim with respect to which the Buyer or any of its Affiliates has taken action (or caused action to be taken) with the primary intent of accelerating the time period in which such matter is asserted or payable in order to cause a claim to be made prior to the applicable expiration date set forth in Section 11.01.

Section 11.04. Securityholder Representative.

(a) Each Securityholder hereby appoints ACAS as the "Securityholder Representative" to act as the agent of the Securityholders with the full power (i) to resolve all questions, disputes, conflicts and controversies concerning Losses as provided in this Article 11, (ii) to execute and enter into, on behalf of the Securityholders, and to take all actions thereunder for and on their behalf, including but not limited the authorization of payments from the Reserve Account (including any increase thereof pursuant to Section 2.04(b)(i)) in connection with Losses as provided herein, (iii) to negotiate and/or settle all claims under this Agreement, (iv) to receive from the Buyer monies payable to the Securityholders in accordance with the provisions of this Agreement, (v) to otherwise take such actions (or refrain from taking actions) and execute such documents (including any modifications, waivers or amendments thereto) on the Securityholders' behalf in connection with this Agreement as the Securityholder Representative, in its sole discretion, deems proper, (vi) to pay, release and/or distribute any or all of the Reserve Account or otherwise to pay Losses hereunder, each in its sole discretion, (vii) to adjust the Securityholder Allocation Percentage of the Reserve Account otherwise payable to any particular Securityholder as a result of the payment of Losses resulting from breaches of such Securityholder's representations, warranties, covenants or agreements hereunder) and (viii) to perform all of the functions of the Securityholder Representative under this Agreement. The Buyer is entitled to rely on the acts and agreements of the Securityholder Representative as the acts and agreements of the Securityholders. The Securityholder Representative shall be entitled to retain counsel and to incur such reasonable expenses (including court costs and reasonable attorney's fees and expenses) as the Securityholder Representative deems to be reasonably necessary or appropriate in connection with its performance of its obligations under this Agreement, and all such fees and expenses incurred by the Securityholder Representative shall be borne pro rata by the Securityholders based upon their respective initial Securityholder Allocation Percentages.

(b) The Securityholders hereby agree severally to indemnify the Securityholder Representative (in its capacity as such), on a pro rata basis based upon their respective Securityholder Allocation Percentages, against, and to hold the Securityholder Representative (in its capacity as such) harmless from (and the Securityholder Representative shall have the right to deduct from the Reserve Account or, after the exhaustion thereof, to seek payment directly from the Securityholders for the amount of), any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or

disbursements of whatever kind which may at any time be imposed upon, incurred by or asserted against the Securityholder Representative in such capacity in any way relating to or arising out of its action or failure to take action pursuant to this Agreement or in connection herewith in such capacity; provided, that none of the Securityholders shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Securityholder Representative. The Securityholder Representative may from time to time submit invoices to the Securityholders covering such expenses and/or liabilities and, upon the request of any Securityholder, shall provide such Securityholder with an accounting of all expenses paid. In addition to any other rights or remedies (including Section 11.02(d)), the Securityholder Representative may, upon prior or contemporaneous written notice, offset any amounts determined by it to be owed to the Securityholder Representative against the Reserve Account and against any amounts to be paid to the Securityholders hereunder. The agreements in this Section 11.04 shall survive termination of this Agreement.

(c) The Buyer shall be fully protected in dealing with the Securityholder Representative under this Agreement and may rely upon the authority of the Securityholder Representative to act on behalf of the Securityholders. Any payment by the Buyer to the Securityholder Representative to the extent authorized under this Agreement shall be considered a payment by the Buyer to the Securityholders. The appointment of the Securityholder Representative is coupled with an interest and shall be irrevocable by any Securityholder in any manner or for any reason. This power of attorney shall not be affected by the death, illness, dissolution, disability, incapacity or other inability to act of the principal pursuant to any applicable Law.

(d) The Securityholder Representative may resign from its capacity as Securityholder Representative at any time by written notice delivered to the Buyer and the Securityholders. If there is a vacancy at any time in the position of Securityholder Representative for any reason, such vacancy shall be filled by a Securityholders vote in the form of a writing executed by the Securityholders entitled to a majority of the number of votes referred to in the next sentence. In such event, each Securityholder shall have a number of votes equal to such Securityholder's Securityholder Allocation Percentage multiplied by 100 and the authorization of a majority of such number of votes shall be binding on all of the Securityholders and shall constitute the authorization of the Securityholders.

(e) The Securityholder Representative shall not be liable to the Buyer or the Securityholders in its capacity as the Securityholder Representative for any liability of a Securityholder or for any error of judgment, or any act done or step taken or omitted by it believed by it to be in good faith or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection with this Agreement except in the case of gross negligence or willful misconduct by it. The Securityholder Representative may seek the advice of reputable legal counsel in the event of any dispute or question as to the construction of any of the provisions of this Agreement or its duties hereunder, and it shall incur no liability in its capacity as Securityholder Representative to the Buyer or the Securityholders and shall be fully protected with respect to any action taken, omitted or suffered by it in good faith in accordance with the opinion of such counsel.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to the Company (after the Closing) or to the Buyer, then to:

Nordson Corporation
28601 Clemens Road
Westlake, Ohio 44145
Attn: Robert Veillette, Vice President, General Counsel and Secretary
Fax: 440-892-9253

with a copy to:

Ulmer & Berne LLP
1660 West 2nd St., Suite 1100
Cleveland, OH 44113-1448
Attn: Peter A. Rome, Esq.
Fax: 216-583-7005

or, if to the Company (before the Closing), ACAS, ACEI, ACEII or the Securityholder Representative, then to:

American Capital, Ltd.
Two Bethesda Metro Center, 14th floor
Bethesda, Maryland 20814

Attn: Compliance Officer
Fax: (301) 659-6714

with copies to (which copies shall not constitute notice):

American Capital, Ltd.
2200 Ross Avenue, Suite 5000E
Dallas, Texas 75201
Attn: Kyle Bradford
Fax: (214) 273-6635

and

Patton Boggs LLP
2000 McKinney Avenue, Suite 1700
Dallas, Texas 75201
Attn: Akash D. Sethi
Fax: (214) 758-1550

and, for notices to the Company (before the Closing), with a copy to (which shall not constitute notice):

VP Acquisition Holdings, Inc.
c/o Value Plastics, Inc.
3325 South Timberline Road
Fort Collins, CO 80525
Attn: Chief Financial Officer
Fax: (970) 267-2063

or, if to any other Securityholder, at the address set forth below such Securityholder's name on the signature pages hereto or the Joinder Agreement, as applicable.

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received on a Business Day in the place of receipt prior to 5:00 p.m. in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 12.02. Amendments and Waivers.

(a) Except as otherwise provided herein, any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by the Buyer and the Securityholder Representative, or in the case of a waiver, by the party against whom the waiver (in the case of any Securityholder, the Securityholder Representative) is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 12.03. Construction; Severability. 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 headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. In the event a subject matter is addressed in more than one representation and warranty in Article 3, the Buyer shall be entitled to rely only on the most specific representation and warranty addressing such subject matter. 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, then 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. Unless otherwise indicated, references in this Agreement to \$ or dollars are to U.S. dollars.

Section 12.04. Expenses. Except as otherwise provided herein, and subject to Section 11.04, each party shall pay all of its own fees, costs and expenses (including, without limitation, fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby; provided, that the Buyer shall pay any and all expenses relating to surveys, title insurance, and any other filings and consents required in connection with the transactions contemplated by this Agreement; and provided, further, that all fees payable by the Buyer, the Company, any Subsidiary or the Securityholders in connection with the Antitrust Approvals shall be paid by the Buyer.

Section 12.05. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except (i) that Buyer may assign this Agreement to an Affiliate (an "Assignee") provided that Buyer remains liable for the obligations, representations, warranties, covenants and agreements of Assignee hereunder, and (ii) that following the Closing, the Securityholder Representative may assign, delegate or otherwise transfer any of its rights to one or more of its Affiliates. Notwithstanding the foregoing, upon notice to the Securityholder Representative, the Buyer may assign any or all of its rights and obligations under this Agreement to any lender to the Buyer as security for indebtedness to any such lender with respect to a financing arrangement in connection with the transactions contemplated under this Agreement.

Section 12.06. 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.

Section 12.07. Arbitration.

(a) Except for the matters set forth in Section 2.04(a) and the rights of the parties to equitable relief pursuant to Section 12.10, any dispute, controversy, or claim under, arising out of, or relating in any way to this Agreement and/or the negotiation, inducement, validity, interpretation, or breach thereof shall be resolved solely and exclusively by binding arbitration. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time a demand for arbitration is made, and the provisions of this Section. In the event of a conflict between the provisions of this Section and the Commercial Arbitration Rules, the provisions of this Section shall govern.

(b) Any dispute, controversy, or claim shall be deemed submitted to arbitration under this Section upon the filing with the Washington, D.C. office of the American Arbitration Association and delivery to the parties hereto of a written demand for arbitration, which demand shall describe in reasonable detail the facts and legal grounds forming the basis for the claim and any request for relief. The arbitration shall be conducted before a panel of three (3) arbitrators (the "Panel") who are mutually agreeable to the parties. If the parties cannot mutually agree upon the selection of an arbitrator, the arbitrator shall be selected in accordance with the rules of the then-effective Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be held in New York, New York, or at another location if agreed to by all parties.

(c) The arbitration hearing shall commence within one hundred and twenty (120) calendar days of the selection of the arbitrator and shall proceed and be completed expeditiously thereafter.

(d) Unless otherwise ordered by the Panel upon application by a party and good cause shown by such party, discovery for each party shall be limited to fifteen (15) interrogatories, twenty-five (25) requests for production of documents, and three (3) depositions. All issues concerning discovery (including the scope of discovery) upon which the parties cannot agree shall be submitted to the arbitrator for determination.

(e) Each party shall identify, no less than twenty (20) business days before the date of the commencement of the arbitration hearing, all persons that may testify at the arbitration hearing, all exhibits to be introduced into evidence at the arbitration hearing, and all documents considered, used, or relied upon by any witness in support of or in connection with that witness' testimony at the arbitration hearing.

(f) In rendering an award, the arbitrator shall determine the rights and obligations of the parties according to the laws of the State of Delaware, except as otherwise expressly provided in this Section.

(g) The arbitrator's decision and award shall be made in writing and shall be issued in a final, confirmable form no more than forty-five (45) calendar days after the commencement of the arbitration hearing. The arbitrator shall not have the power to award damages that are specifically excluded under this Agreement, and each party hereby irrevocably waives any claim to such damages. The decision and award of the arbitrator shall be final and binding on the parties and shall not be subject to appeal. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(h) Notwithstanding the provisions of Sections 11.02(a) and (b), and subject to Section 11.04, each party shall bear its own costs and fees in connection with any arbitration conducted pursuant to this Section 12.07 and any proceedings in connection therewith.

(i) Any party unsuccessfully refusing to comply with an order of the arbitrator shall be liable for costs and expenses, including reasonable attorneys' fees, incurred by the other party in enforcing the order.

Section 12.08. Forum. Except for the dispute resolution procedures otherwise set forth in Section 2.04(a) and the rights of the parties to seek equitable relief pursuant to Section 12.10, each party agrees that any suit, action or proceeding brought by such party against the other in connection with or arising from this Agreement shall be subject to the arbitration provisions set forth in Section 12.07. Any equitable remedies sought in connection with this Agreement ("Judicial Action") shall be brought against any of the parties only in any United States federal or state court located in the State of Delaware and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such Judicial Action and waives any objection to venue laid therein. Process in any such Judicial Action proceeding may be served on any party anywhere in the world, whether within or without the State of Delaware. Without limiting the generality of the foregoing, each party hereto agrees that service of process upon such party at the address referred to in Section 12.01, together with written notice of such service to such party, shall be deemed effective service of process upon such party.

Section 12.09. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.09.

Section 12.10. Specific Performance. Each of the parties hereto acknowledges that the rights of each party to consummate the transactions contemplated hereby are unique and recognize and affirm that in the event of a breach of this Agreement by any party, money damages may be inadequate and the non-breaching party may have no adequate remedy at law. Accordingly, the parties agree that such non-breaching party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce their rights and the other party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

Section 12.11. Prevailing Party. If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by any party hereto to enforce its rights under this Agreement against any other party, all fees, costs and expenses, including, without limitation, reasonable attorneys fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party; provided, that if a party to such litigation, action, arbitration or proceeding prevails in part, and loses in part, then the court, arbitrator or other adjudicator presiding over such litigation, action, arbitration or proceeding shall award a reimbursement of the fees, costs and expenses incurred by such party on an equitable basis. For the avoidance of doubt, the foregoing sentence shall not apply to any fees, costs or expenses in connection with Section 2.04(a) or as contemplated by Section 12.07(h).

Section 12.12. Counterparts; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. Except as otherwise specifically set forth herein (including specifically, but not limited to, the Persons not party hereto entitled to the benefits of Sections 7.04, 8.06, 11.01, 11.02 and 11.03), no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

Section 12.13. Entire Agreement. This Agreement and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any other prior understandings, agreements, representations or warranties by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 12.14. Termination of Agreements. Each Securityholder (other than ACAS for the sole purpose of the enforcement by ACAS of the provisions thereof prior to the Closing), to the extent a party thereto, agrees that the Stockholders Agreement and that certain Agreement dated October 14, 2005 between the Company and its Subsidiaries, on the one hand, and ACAS, on the other hand (together, the "Terminating Agreements") shall be of no further force or effect from and after the Closing, and hereby waives any and all (i) notice requirements and (ii) rights or restrictions with respect to the transfer of the shares of Common Stock of the Company set forth in the Stockholders Agreement. Each Securityholder (other than ACAS for the sole purpose of the enforcement by ACAS of the provisions thereof prior to the Closing), to the extent a party thereto, hereby waives any and all rights under the Terminating Agreements, and, except for the continuing obligations provided for herein, releases all other parties to the Terminating Agreements from all obligations, commitments, liabilities or claims arising thereunder.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed either individually or by their respective authorized officers as of the day and year first above written.

BUYER :

NORDSON CORPORATION

By:

Name:

Title:

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

COMPANY :

VP ACQUISITION HOLDINGS, INC.

By:

Name:

Title:

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

STOCKHOLDERS :

AMERICAN CAPITAL, LTD.

By: _____
Name: _____
Title: _____

AMERICAN CAPITAL EQUITY I, LLC

By: American Capital Equity Management,
LLC, its Manager

By: _____
Name: _____
Title: _____

AMERICAN CAPITAL EQUITY II, LP

By: American Capital Equity Management II,

LLC, its General Partner

By: _____
Name: _____
Title: _____

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

STOCKHOLDERS (cont.):

Jim Pisula

Address: _____

Jeff Jensen

Address: _____

Bruce Williams

Address: _____

John Gibson

Address: _____

Charles Philipp

Address: _____

[Additional Signature Pages Follow]
[Signature Page to Stock Purchase Agreement]

OPTIONHOLDERS :

Bruce Williams
Address: _____

John Gibson
Address: _____

Charles Philipp
Address: _____

Terry Gibbons
Address: _____

[Additional Signature Page Follows]
[Signature Page to Stock Purchase Agreement]

SECURITYHOLDER REPRESENTATIVE :

AMERICAN CAPITAL, LTD., solely in its
capacity as Securityholder Representative

By: _____
Name: _____
Title: _____

[Signature Page to Stock Purchase Agreement]

Exhibit A

Initial Securityholder Allocation

Names	Initial Securityholder Allocation (%) ¹	Estimated Purchase Price (\$) ²	Reserve Account (\$) ³
American Capital, Ltd.	50.2937%		\$ 502,936.82
American Capital Equity I, LLC	25.8791%		\$ 258,791.20
American Capital Equity II, LP	10.0943%		\$ 100,943.30
Jeff Jensen	0.8136%		\$ 8,136.49
Jim Pisula	1.0171%		\$ 10,170.61
Terry Gibbons	1.8002%		\$ 18,001.98
John Gibson	2.5172%		\$ 25,172.26
Charles Philipp	2.0901%		\$ 20,900.61
Bruce Williams	5.4947%		\$ 54,946.73
TOTAL	100.0%	\$	\$ 1,000,000.00

- 1 Subject to adjustment as set forth in the definition of “Security Allocation Percentage” and Section 11.04.
- 2 Subject to adjustment pursuant to Section 2.04.
- 3 Amounts subject to increase pursuant to Section 2.05.

Exhibit B

Transaction Expenses⁴

4 To be provided at least 2 Business Days prior to the Closing Date.

Exhibit C

Securityholders Party to Joinder Agreements

Jeff Jensen

Joinder Agreement

Schedule 1.01

Persons With Knowledge

Bruce Williams
Terry Gibbons
John Gibson
Chuck Philipp

Schedule 2.01(f)

Net Working Capital

None.

Schedule 2.03(b)(v)

Indebtedness to be Repaid¹

Indebtedness to ACAS and its affiliates.

1 To be provided at least 2 Business Days prior to the Closing Date.

Schedule 9.01(c)

Required Consents

None.

Governmental Approvals

The Anti-Trust Approvals.

STOCK PURCHASE AGREEMENT

by and among

VP ACQUISITION HOLDINGS, INC.,

THE STOCKHOLDERS OF VP ACQUISITION HOLDINGS, INC.,

THE OPTIONHOLDERS OF VP ACQUISITION HOLDINGS, INC.,

AMERICAN CAPITAL, LTD.,
as Securityholder Representative,

and

NORDSON CORPORATION

Dated as of July 15, 2011

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Cross-References to Other Defined Terms	7
ARTICLE 2 PURCHASE AND SALE	9
Section 2.01. Estimated Purchase Price	9
Section 2.02. Purchase and Sale of the Shares; Payment of Options	10
Section 2.03. The Closing	10
Section 2.04. Post-Closing Adjustment	11
Section 2.05. Reserve Account	13
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY	13
Section 3.01. Organization and Qualification	13
Section 3.02. Capitalization; Subsidiaries; Securities Owned	13
Section 3.03. Authority of the Company	14
Section 3.04. Compliance with Laws	15
Section 3.05. Advisory and Other Fees	15
Section 3.06. Taxes	15
Section 3.07. Officers and Directors; Books and Records	16
Section 3.08. Litigation	16
Section 3.09. Financial Statements	16
Section 3.10. Transactions with Affiliates	17
Section 3.11. Real Properties	17
Section 3.12. Absence of Material Adverse Effect	17
Section 3.13. Absence of Certain Changes	17
Section 3.14. Tangible Personal Property	17
Section 3.15. Intellectual Property	18
Section 3.16. Contracts	18
Section 3.17. Insurance	20
Section 3.18. Permits	20
Section 3.19. Employee Benefit Plans	20
Section 3.20. Employees; Labor Matters	21
Section 3.21. Environmental Matters	21

	<u>Page</u>
Section 3.22. Employee Relations	22
Section 3.23. Accounts Receivable	22
Section 3.24. Bank Accounts	22
Section 3.25. Foreign Corrupt Practices Act	22
Section 3.26. No Other Representations and Warranties	23
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SECURITYHOLDERS	23
Section 4.01. Organizational Authorization	23
Section 4.02. Governmental Authorization	23
Section 4.03. Noncontravention	23
Section 4.04. Ownership of Securities	23
Section 4.05. Advisory and Other Fees	23
Section 4.06. No Action	24
Section 4.07. No Other Representations and Warranties	24
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER	24
Section 5.01. Existence and Power	24
Section 5.02. Organizational Authorization	24
Section 5.03. Governmental Authorization	24
Section 5.04. Noncontravention	24
Section 5.05. Financing	25
Section 5.06. Purchase for Investment	25
Section 5.07. Actions and Proceedings	25
Section 5.08. Finder's Fees	25
Section 5.09. Solvency	25
Section 5.10. Acknowledgment by the Buyer	25
Section 5.11. No Knowledge of Misrepresentations or Omissions; No Reliance	26
Section 5.12. No Other Representations and Warranties	26
ARTICLE 6 COVENANTS OF THE COMPANY AND THE SECURITYHOLDERS	27
Section 6.01. Conduct of the Company and the Subsidiaries	27
Section 6.02. Access	29
Section 6.03. Subsequent Actions	29
ARTICLE 7 COVENANTS OF THE BUYER	29
Section 7.01. Confidentiality	29

	<u>Page</u>
Section 7.02. Access	29
Section 7.03. Notification	30
Section 7.04. Director and Officer Liability, Indemnification and Insurance	30
Section 7.05. Regulatory Filings	31
Section 7.06. Contact with Employees, Customers and Suppliers	31
ARTICLE 8 ADDITIONAL COVENANTS OF THE PARTIES	31
Section 8.01. Reasonable Best Efforts; Further Assurances	31
Section 8.02. Further Cooperation	32
Section 8.03. Public Announcements	32
Section 8.04. Tax Matters	32
Section 8.05. Disclosure Generally	32
Section 8.06. Conflicts and Privilege	33
Section 8.07. Antitrust Filings	33
Section 8.08. WARN	34
ARTICLE 9 CONDITIONS TO CLOSING	34
Section 9.01. Conditions to the Buyer's Obligations	34
Section 9.02. Conditions to the Company and the Securityholders' Obligations	35
ARTICLE 10 TERMINATION	36
Section 10.01. Termination	36
Section 10.02. Effect of Termination	37
ARTICLE 11 INDEMNIFICATION/SECURITYHOLDER REPRESENTATIVE	37
Section 11.01. Survival Period	37
Section 11.02. Indemnification	37
Section 11.03. Limitation of Recourse	39
Section 11.04. Securityholder Representative	40
ARTICLE 12 MISCELLANEOUS	42
Section 12.01. Notices	42
Section 12.02. Amendments and Waivers	43
Section 12.03. Construction; Severability	43
Section 12.04. Expenses	43
Section 12.05. Successors and Assigns	44
Section 12.06. Governing Law	44

	<u>Page</u>
Section 12.07. Arbitration	44
Section 12.08. Forum	45
Section 12.09. Waiver of Jury Trial	45
Section 12.10. Specific Performance	45
Section 12.11. Prevailing Party	46
Section 12.12. Counterparts; Third Party Beneficiaries	46
Section 12.13. Entire Agreement	46
Section 12.14. Termination of Agreements	46

INDEX OF EXHIBITS

Exhibit A	Initial Securityholder Allocations
Exhibit B	Transaction Expenses
Exhibit C	Securityholders Party to Joinder Agreements
Exhibit D	Joinder Agreement

INDEX OF SCHEDULES

Schedule 1.01	— Persons with Knowledge
Schedule 2.01(f)	— Net Working Capital
Schedule 2.03(b)(v)	— Indebtedness to be Repaid
Schedule 9.01(c)	— Required Consents
Schedule 9.01(d)	— Governmental Approvals
Disclosure Schedules	

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of July 15, 2011, by and among VP Acquisition Holdings, Inc., a Delaware corporation (the "Company"), the Persons identified as "Stockholders" of the Company listed on the signature pages hereto (each, a "Stockholder," and collectively, the "Stockholders"), the Persons identified as "Optionholders" on the signature pages hereto (each, an "Optionholder," and collectively, the "Optionholders"), and the Persons listed on Exhibit C hereto and which have, or by the Closing Date will have, joined in this Agreement pursuant to a Joinder Agreement (the "Joinder Agreements") in the form attached hereto as Exhibit D (together with the Stockholders and the Optionholders sometimes referred to herein as the "Securityholders," and each, a "Securityholder"), ACAS, in its capacity as the Securityholder Representative (the "Securityholder Representative"), and Nordson Corporation, an Ohio corporation (the "Buyer"). Unless otherwise provided, capitalized terms used herein are defined in Article 1 below.

PRELIMINARY STATEMENTS

A. The Stockholders collectively own all of the issued and outstanding capital stock of the Company, which as of the date hereof consists of 36,040 shares of Common Stock (the "Shares").

B. The Optionholders own all of the Options, which as of the date hereof consists of Options to acquire up to 3,289 shares of Common Stock on the terms and conditions provided in the Stock Incentive Plan and the agreements evidencing such Options.

C. Upon the terms and subject to the conditions set forth herein, the Buyer desires to acquire from the Stockholders, and the Stockholders desire to sell to the Buyer, all of the issued and outstanding Shares as of the Closing.

STATEMENT OF AGREEMENT

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 1 DEFINITIONS

Section 1.01. Definitions. The following terms, as used herein, have the following meanings:

"ACAS" means American Capital, Ltd.

"ACEI" means American Capital Equity I, LLC.

"ACEII" means American Capital Equity II, LP.

"Affiliate" means (except as otherwise specifically defined herein), as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding the foregoing, no Person of which ACAS, ACEI or ACEII owns debt or equity interests, other than the Company and its Subsidiaries, shall be deemed an Affiliate of the Company or any Subsidiary for purposes of this Agreement.

“Antitrust Approval Fees” means all fees payable by the Company, any Subsidiary and the Securityholders to any Governmental Authority in connection with the Antitrust Approvals to the extent not paid by the Buyer pursuant to Section 8.07(a).

“Antitrust Approvals” means each notification of the transactions contemplated hereby filed with the appropriate Governmental Authority, and the approval of the transactions contemplated hereby by such Governmental Authority and/or the expiration of any applicable waiting period related thereto, in each case as required pursuant to such Antitrust Law.

“Antitrust Law” means any applicable antitrust and competition Law, including the HSR Act.

“Business Day” means any day excluding Saturday, Sunday and any day on which banking institutions located in the State of Colorado are authorized or required to close.

“Cap” means \$12,500,000.

“Cash” means cash, cash equivalents and marketable securities.

“Cash Amount” means the bank balance of all Cash held by the Company or any Subsidiary as of the close of business on the Closing Date plus an amount equal to the aggregate exercise price the Optionholders would have paid if the Optionholders had exercised all Options immediately prior to the Closing, before giving effect to the transactions contemplated hereby, plus any deposits posted by the Company or any Subsidiary as reserves, escrows, security deposits, cash collateral or other similar amounts, as all are to be classified in accordance with GAAP.

“Code” means the Internal Revenue Code of 1986, as amended, and any reference to any particular Code section shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

“Common Stock” means the Company’s common stock, par value \$0.001 per share.

“Employee Benefit Plan” means each retirement, welfare, severance, incentive or bonus, deferred compensation, cafeteria or Section 125, profit sharing, vacation or paid-time-off, stock purchase, stock option or equity incentive plan, program, agreement or arrangement, and any other material employee benefit plan, program or arrangement that is maintained or contributed to by the Company or any ERISA Affiliate, other than (i) statutorily-mandated plans or programs and (ii) any agreement or arrangement for future benefits contained or described in this Agreement or in an agreement, document or instrument to be executed and delivered by the Company or any Subsidiary pursuant to or as contemplated in this Agreement.

“ERISA Affiliate” means any Subsidiary of the Company and any trade or business (whether or not incorporated) that is part of the same controlled group, or under common control with, or part of an affiliated service group that includes the Company or any Subsidiary within the meaning of Section 414(b), (c), (m), or (o) of the Code.

“Fully Diluted Number of Shares” means the sum of the total number of shares of Common Stock issued and outstanding immediately prior to the Closing held by the Stockholders, plus the total number of shares of Common Stock that the Optionholders could have purchased if the Optionholders had exercised their Options in full immediately prior to the Closing.

“GAAP” means United States generally accepted accounting principles, consistently applied in accordance with the Latest Balance Sheet.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“Indebtedness” means, with respect to any Person at any date, without duplication, all obligations of such Person:

- (a) under capitalized leases;
- (b) for borrowed money or in respect of loans or advances;
- (c) for notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money;
- (d) for the face amount of any letter of credit issued as to which that Person is otherwise liable for reimbursement of drawings;
- (e) for the direct or indirect guarantee, endorsement, co-making, discounting with recourse of sale with recourse by such Person of the obligation of another Person;
- (f) for all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any interest rate agreement and currency agreement, whether entered into for hedging or speculative purposes;
- (g) for all unpaid or deferred income Tax liabilities;
- (h) with regard to the Company, the amount of any unpaid management fees payable to ACAS or its Affiliates; and
- (i) for all accrued interest, prepayment premiums or penalties and fees on the foregoing which would be payable if such obligations were paid in full as of such date.

For the avoidance of doubt, Indebtedness shall not include (i) any guarantees, letters of credit, performance bonds, bid bonds or other sureties of any kind or nature issued by or on behalf of the Company or any Subsidiary in connection with any customer contracts, proposals or otherwise, (ii) any trade payables accumulated in the ordinary course of business of the Company or any Subsidiary, or (iii) payables or loans of any kind or nature between the Company and its Subsidiaries or between Subsidiaries.

“Indebtedness Amount” means the amount required to repay all outstanding Indebtedness of the Company and any Subsidiary as of the close of business on the date immediately preceding the Closing Date. The foregoing shall be determined on a consolidated basis for the Company and its Subsidiaries and in accordance with GAAP (except as otherwise provided in the definition of Indebtedness), consistent with the preparation of the Latest Balance Sheet.

“Knowledge” when used in the phrase “to the Knowledge of the Company” or similar phrases means, and shall be limited to, the actual knowledge of the individuals listed on Schedule 1.01 hereto.

“Lazard” means Lazard Middle Market LLC.

“Material Adverse Effect” means a material adverse effect which has occurred to the financial condition or results of operations of the Company and the Subsidiaries on a consolidated basis; provided, that for purposes of this Agreement, a Material Adverse Effect shall not include the effect of (a) changes to the industry or markets in which the business of the Company or any Subsidiary operates that are not unique to such business, (b) the announcement or disclosure of the transactions contemplated herein, (c) general economic, regulatory or political conditions or changes, (d) changes in or the condition of financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (e) military action or any act of terrorism, (f) changes in Law or GAAP after the date hereof, (g) compliance with the terms of this Agreement or any request of the Buyer, (h) actions taken or to be taken in connection with the sale of the Shares, (i) a flood, hurricane, earthquake or other natural disaster, or (j) the failure of the Company or any Subsidiary to meet or achieve the results set forth in any internal projection, or (k) any matter set forth in Schedule 3.06, Schedule 3.08, Schedule 3.12, items 9, 10 or 11 of Schedule 3.19, or Schedule 3.21. The Buyer acknowledges that there could be a disruption to the Company or any Subsidiary’s business as a result of the execution of this Agreement, the announcement by the Buyer of its intention to purchase the Company or the announcement of the Stockholders of their intention to sell the Company, and the consummation of the transactions contemplated hereby, and the Buyer agrees that such disruptions do not and shall not constitute a Material Adverse Effect.

“Net Working Capital” means, subject to the exceptions and qualifications, if any, set forth on Schedule 2.01(f) hereto, the excess of (a) the Company’s current assets (excluding Cash, Tax assets and the Payable Amount), over (b) the Company’s current liabilities (excluding Tax liabilities and Indebtedness).

“Net Working Capital Amount” means the Net Working Capital of the Company as of the close of business on the date immediately preceding the Closing Date.

“Options” shall mean all options to purchase Common Stock of the Company validly issued under the Stock Incentive Plan which are vested and exercisable (or will become vested and exercisable as a result of the transactions contemplated hereby) and which are outstanding immediately prior to the Closing.

“Payables Amount” means the aggregate amount of all accounts payable owed by the Buyer or any of its Affiliates to the Company or any of its Subsidiaries as of the Closing Date.

“Permitted Liens” means any (i) Liens in respect of Taxes and other government charges and assessments the validity of which is being contested in good faith by appropriate proceedings or Liens in respect of Taxes and other government charges and assessments not yet due and payable or which can be paid currently with no penalty; (ii) landlords’, lessors’, warehousemen’s, employees’, materialmen’s, mechanics’, carriers’, workmen’s, repairmen’s, statutorily imposed or other like Liens arising or incurred in the ordinary course of business for amounts not yet due and payable; (iii) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties that are contracts entered into in connection with the Company or any Subsidiary; (iv) limitations on the rights of the Company or any Subsidiary under any Contract or Real Property Lease that are expressly set forth in such contract or lease; (v) survey exceptions, imperfections of title, Liens or other title matters affecting any tangible asset owned by the Company or any Subsidiary that would not, individually or in the aggregate, impair the occupancy or current use of the tangible asset they encumber; (vi) Liens and other similar restrictions of record identified in any title reports obtained by or made available to Buyer; (vii) with respect to the Leased Real Property, zoning, building codes and other land use Laws regulating the use or occupancy of such Leased Real Property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such Leased Real Property and do not materially interfere with the present use of the Leased Real Property; (viii) any and all service contracts and agreements affecting any tangible asset owned by the Company or any Subsidiary; (ix) Liens securing Indebtedness to be repaid and released in connection with the Closing; (x) with respect to Shares or Options, restrictions on transfer under applicable securities Laws, the Stock Incentive Plan, or the Stockholders’ Agreement; (xi) Liens that secure

obligations reflected as liabilities in the Financial Statements (or the existence of which is referred to in the notes accompanying the Audited Financial Statements); (xii) deposits or pledges to secure the payment of workers' compensation, unemployment insurance, social security benefits or obligations arising under similar laws, or to secure the performance of public or statutory obligations, surety or appeal bonds, and other obligations of a like nature; (xiii) Liens which are being contested in good faith solely to the extent of any reserve included in the calculation of Net Working Capital hereunder; and (xiv) Liens which, individually or in the aggregate, do not materially detract from the value, or materially interfere with the present use, of the Company's tangible personal property.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Reference Date" means October 14, 2005.

"Securityholder Allocation Percentage" means (A) with respect to each Stockholder, the quotient determined by dividing (i) the number of Shares held by such Stockholder immediately prior to the Closing by (ii) the Fully Diluted Number of Shares, and (B) with respect to each Optionholder, the quotient determined by dividing (i) the number of shares of Common Stock such Optionholder could have purchased if such Optionholder had exercised such Optionholder's Options in full immediately prior to the Closing by (ii) the Fully Diluted Number of Shares. The initial Securityholder Allocation Percentage for each Securityholder is set forth on Exhibit Ahereto, which exhibit may be updated and delivered to the Buyer in connection with the deliveries to be made pursuant to Section 2.01. Notwithstanding the foregoing, the Securityholder Representative shall have the right and authority to equitably adjust the Securityholder Allocation Percentages of the Securityholders with respect to the amounts to be released to the Securityholders from the Reserve Account in connection with the payment of Losses resulting from breaches of a particular Securityholder's representations, warranties, covenants or agreements hereunder.

"Stock Incentive Plan" shall mean the Company's Stock Incentive Plan dated December 31, 2008.

"Stockholders' Agreement" means that certain Stockholders' Agreement dated as of October 14, 2005, by and among the Company and the Stockholders party thereto, as amended.

"Subsidiary" means any entity, the securities or other ownership interests of which are directly or indirectly owned by the Company.

"Target Working Capital Amount" means \$3,747,145.33.

"Tax" means any federal, state, local or foreign income, gross receipts, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, assessment, duty, fee, levy or other governmental charge, including any interest, penalty or addition thereto.

"Tax Returns" means any return, report, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any Governmental Authority or other authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

“Transaction Expenses” means the fees, costs or expenses incurred by any Securityholder, the Company or any Subsidiary in connection with the sale of the Shares or the cancellation of the Options and set forth on Exhibit B hereto (as the same may be updated on or prior to the Closing Date), including all fees and expenses of Lazard but excluding Antitrust Approval Fees.

“Transaction Tax Benefit Amount” means the amount obtained by multiplying (A) the sum of (i) all of the Optionholder Closing Payment Amounts for all Optionholders, (ii) payments under deferred compensation arrangements and (iii) any other deductible Transaction Expenses by (B) 39.6%.

“Treasury Regulations” means the regulations promulgated under the Code. Any reference in this Agreement to Treasury Regulations are intended to refer to such regulations and to such regulations as they may be amended and to any corresponding provision or provisions of succeeding Law.

Section 1.02. Cross-References to Other Defined Terms. Each term listed below is defined in the Section of this Agreement listed opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preface
AP	Section 8.06
Approvals	Section 3.18
Assignee	Section 12.05
Audited Financial Statements	Section 3.09(a)(i)
Buyer	Preface
Buyer's Representatives	Section 7.01
Closing	Section 2.03(a)
Closing Date	Section 2.03(a)
Collateral Source	Section 11.02(e)
Company	Preface
Confidentiality Agreement	Section 7.01
Contracts	Section 3.16
Draft Computation	Section 2.04(a)
Environmental Requirement(s)	Section 3.21
ERISA	Section 3.19(b)
Estimated Purchase Price	Section 2.01
Financial Statements	Section 3.09(a)(ii)
Firm	Section 2.04(a)
Fundamental Representations	Section 11.01
Governmental Authority	Section 3.04
Indemnified Representative	Section 7.04
Indemnatee	Section 11.02(d)

Term	Section
Indemnitors	Section 11.02(d)
Initial Reserve Amount	Section 2.05
Joinder Agreements	Preface
Judicial Action	Section 12.08
Latest Balance Sheet	Section 3.09(a)(ii)
Laws	Section 3.04
Leased Real Property; Leased Real Properties	Section 3.11(b)
Liens	Section 3.14
Loss; Losses	Section 11.02
Objection Notice	Section 2.04(a)
Optionholder; Optionholders	Preface
Optionholder Closing Payment Amount	Section 2.02(b)
Panel	Section 12.07(b)
PB	Section 2.03(a)
Purchase Price	Section 2.01
Real Property Lease; Real Property Leases	Section 3.11(a)
Reserve Account	Section 2.05
Schedule; Schedules	Article 3 Preamble
Securityholder; Securityholders	Preface
Securityholder Representative	Section 11.04(a)
Securityholder Working Capital Payment	Section 2.04(b)(ii)
Shares	Preliminary Statement A
Stockholder; Stockholders	Preface
Stockholder Closing Payment Amount	Section 2.02(a)
Survival Period	Section 11.01

Term	Section
Tax and ERISA Representations	Section 11.01
Tax Benefit	Section 11.02(e)
Terminating Agreements	Section 12.14
Third Party Claim	Section 11.02(d)
Unaudited Financial Statements	Section 3.09(a)(ii)
Updated Schedules	Section 6.03

ARTICLE 2 PURCHASE AND SALE

Section 2.01. Estimated Purchase Price. At least two (2) Business Days prior to the Closing Date, the Company shall deliver to the Buyer the Company's good faith estimate, on a reasonable basis using the Company's then available financial information, of the Purchase Price (such estimate is referred to as the "Estimated Purchase Price") and the initial Securityholder Allocation Percentage for each Securityholder. The Estimated Purchase Price, and each component thereof, shall be determined on a consolidated basis using the same accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet or, to the extent applicable, in accordance with any changes to such accounting methods, policies, principles, practices and procedures which are documented in the Company's books and records prior to the Closing. The amount of the Estimated Purchase Price payable to each Securityholder is set forth on Exhibit A hereto, which exhibit may be updated and delivered to the Buyer in connection with the deliveries to be made pursuant to this Section 2.01. For purposes of this Agreement, "Purchase Price" means an amount equal to:

- (a) \$250,000,000,
- (b) plus the Cash Amount,
- (c) plus the Payables Amount,
- (d) minus the Indebtedness Amount,
- (e) plus the Transaction Tax Benefit Amount,
- (f) (i) plus the excess of the Net Working Capital Amount over the Target Working Capital Amount, if any, or (ii) minus the excess of the Target Working Capital Amount over the Net Working Capital Amount,
- (g) minus the amount of the Transaction Expenses,
- (h) plus the amount of the Antitrust Approval Fees.

Section 2.02. Purchase and Sale of the Shares; Payment of Options.

(a) Purchase and Sale of Shares. As of the Closing, upon the terms and subject to the conditions set forth in this Agreement, each Stockholder shall sell, assign, transfer and convey to the Buyer, and the Buyer shall purchase and acquire from each such Stockholder, all of the Shares held by such Stockholder. Subject to Section 2.04, the purchase price to be paid by the Buyer to each Stockholder for the Shares held by such Stockholder shall consist of a payment at the Closing, by wire transfer of immediately available funds to the account of such Stockholder set forth on Exhibit A hereto (as the same may be updated prior to Closing), of an amount of cash equal to the result of (A) the Estimated Purchase Price multiplied by such Stockholder's Securityholder Allocation Percentage, minus (C) the Initial Reserve Amount multiplied by such Stockholder's Securityholder Allocation Percentage (with respect to a Stockholder, such Stockholder's "Stockholder Closing Payment Amount").

(b) Cash Out of the Options. As of the Closing and simultaneously with the payment to the Stockholders of the Stockholder Closing Payment Amounts, upon the terms and subject to the conditions set forth in this Agreement (including Section 2.04), the Buyer shall pay, or irrevocably cause the Company to pay (by providing funds to the Company or otherwise), to each Optionholder, in cancellation of such Optionholder's Options, an amount in cash equal to the excess of (i) the result of (A) the Estimated Purchase Price multiplied by such Optionholder's Securityholder Allocation Percentage, minus (B) the Initial Reserve Amount multiplied by such Optionholder's Securityholder Allocation Percentage, over (ii) the aggregate exercise price such Optionholder would have paid if such Optionholder had exercised all such Options immediately prior to the Closing (with respect to an Optionholder, such Optionholder's "Optionholder Closing Payment Amount"), less all applicable withholding Taxes. Each Optionholder agrees that he or she will not exercise his or her Option at or prior to the Closing, and that upon the payment by the Company or the Buyer to such Optionholder of the Optionholder Closing Payment Amount, less all applicable withholding Taxes, the Options held by such Optionholder will be cancelled and of no further force and effect.

Section 2.03. The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Patton Boggs LLP ("PB") in Dallas, Texas, at 10:00 a.m. on the third (3rd) Business Day following full satisfaction or due waiver of all of the closing conditions set forth in Article 9 hereof (other than those to be satisfied at the Closing) or on such other date as is mutually agreeable to the Buyer and Securityholder Representative. The date of the Closing is referred to herein as the "Closing Date."

(b) Upon the terms and subject to the conditions set forth in this Agreement, the parties hereto shall consummate the following transactions as of the Closing:

(i) each Stockholder shall deliver to the Buyer all of the stock certificates representing the Shares held by such Stockholder duly endorsed for transfer or accompanied by duly executed stock powers (or other form of assignment or transfer) or a duly executed lost stock affidavit in a form reasonably acceptable to the Buyer and the Company;

(ii) the Buyer shall deliver to each Stockholder, by wire transfer of immediately available funds to the account designated by such Stockholder, cash in an amount equal to such Stockholder's Stockholder Closing Payment Amount;

(iii) the Buyer shall pay to each such Optionholder, by wire transfer of immediately available funds to the account designated by such Optionholder, an amount equal to such Optionholder's Optionholder Closing Payment Amount, less all applicable withholding Taxes;

(iv) the Buyer shall deliver to the Securityholder Representative, for the benefit of the Securityholders in accordance with their respective Securityholder Allocation Percentages, by wire transfer of immediately available funds to the Reserve Account, cash in an amount equal to the Initial Reserve Amount;

(v) the Buyer shall pay on behalf of the Company and the Subsidiaries, all Indebtedness of the Company and the Subsidiaries set forth on Schedule 2.03(b)(v) hereto in accordance with the payoff letters and other payment instructions provided by the Company or the Securityholder Representative;

(vi) the Buyer shall pay on behalf of the Company and the Securityholders, the Transaction Expenses set forth on Exhibit B hereto; and

(vii) the Buyer, the Company and the Securityholders shall make such other deliveries as are required by and in accordance with Article 9 hereof.

Section 2.04. Post-Closing Adjustment.

(a) Post-Closing Determination. Within forty-five (45) days after the Closing Date, the Buyer and its auditors shall prepare and deliver to the Securityholder Representative (i) the Buyer's determinations of the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount, and (ii) the Buyer's calculation of the Purchase Price (collectively, the "Draft Computation"). The Draft Computation shall be prepared and the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount shall be determined on a consolidated basis using the same accounting methods, policies, principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet or, to the extent applicable, in accordance with any changes to such accounting methods, policies, principles, practices and procedures which are documented in the Company's books and records prior to the Closing, and shall not include any changes in assets or liabilities as a result of purchase or other non-cash accounting adjustments or other changes arising from or resulting as a consequence of the transactions contemplated hereby. The parties agree that the purpose of preparing the Draft Computation and determining the Cash Amount, the Indebtedness Amount, and the Net Working Capital Amount and the related purchase price adjustment contemplated by this Section 2.04 is to measure the amount of Cash and Indebtedness and changes in Net Working Capital, 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 Draft Computation or determining Cash, Indebtedness or Net Working Capital. The Company and its auditors will make available to the Buyer and its auditors, employees and advisors all records and work papers used in preparing the Estimated Purchase Price. The Buyer and its auditors will make available to the Securityholder Representative and its auditors, employees and advisors all records and work papers used in preparing the Draft Computation and will prepare and deliver to the Securityholder Representative a detailed analysis of the changes behind any material variance(s) between the Buyer's determination of the Cash Amount, the Indebtedness Amount and the Net Working Capital Amount, and the corresponding estimates of such amounts as determined by the Company pursuant to Section 2.01 hereof. If the Securityholder Representative disagrees with any aspect of the Draft Computation, the Securityholder Representative may, within forty-five (45) days after receipt of the Draft Computation, deliver a notice (an "Objection Notice") to the Buyer setting forth the Securityholder Representative's determination of the Cash Amount, the Indebtedness Amount, and/or the Net Working Capital Amount and the Securityholder Representative's calculation of the Purchase Price. If the Securityholder Representative does not deliver an Objection Notice to the Buyer within forty-five (45) days after receipt of the Draft Computation, then the parties hereto will be deemed to have agreed to the Draft Computation and the components of such Draft Computation shall be deemed to be finally determined as set forth therein. The Buyer and the Securityholder Representative shall use reasonable efforts to resolve any disagreements as to the Draft

Computation and the Objection Notice, but if they do not obtain a final resolution within forty-five (45) days after the Buyer has received the Objection Notice, the Buyer and the Securityholder Representative shall jointly retain Grant Thornton LLP or such other accounting firm acceptable to the Buyer and the Securityholder Representative (the “Firm”) to resolve any remaining disagreements. The Buyer and the Securityholder Representative shall direct the Firm to render a determination within thirty (30) days after its retention and the Buyer, the Securityholder Representative and their respective agents shall cooperate with the Firm during its engagement. The Firm will act as an expert and not as an arbitrator in conducting its analysis and may consider only those items and amounts in the Draft Computation or Objection Notice which the Buyer and the Securityholder Representative are unable to resolve. In resolving any disputed item, the Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Firm’s determination shall be based solely on written submissions by the Buyer and the Securityholder Representative (i.e., not on independent review) and on the definitions included herein. The determination of the Firm shall be conclusive and binding upon the Buyer, the Securityholder Representative and the Securityholders. Until the Firm makes its determination, the costs and expenses of the Firm shall be borne equally by the Buyer, on the one hand, and the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), on the other hand; provided, that when the Firm makes its determination, any costs and expenses (including costs and expenses previously advanced) shall be allocated between the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), on the one hand, and the Buyer, on the other hand, based upon the percentage that the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. For example, if the Securityholder Representative claims the Net Working Capital Amount is \$1,000 greater than the amount determined by the Buyer, and the Buyer contests only \$500 of the amount claimed by the Securityholder Representative, and if the Firm ultimately resolves the dispute by awarding the Securityholders \$300 of the \$500 contested, then the costs and expenses of the Firm will be allocated 60% (i.e., $300 \div 500$) to the Buyer and 40% (i.e., $200 \div 500$) to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages).

(b) Post-Closing Adjustment.

(i) Payment by the Buyer. If the Purchase Price as finally determined pursuant to Section 2.04(a) exceeds the Estimated Purchase Price by more than \$250,000, then within five (5) Business Days after such final determination, the Buyer shall pay to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages), by wire transfer or delivery of other immediately available funds, an amount equal to the amount by which such excess exceeds \$250,000; provided, however, that in lieu of any distribution of such amount to the Securityholders, the Securityholder Representative, in its sole discretion, may retain all or any portion of such amounts as part of the Reserve Account.

(ii) Payment by the Securityholders. If the Purchase Price as finally determined pursuant to Section 2.04(a) is less than the Estimated Purchase Price, then within five (5) Business Days after the determination thereof, the Securityholder Representative shall pay to the Buyer from the Reserve Account an amount equal to the amount by which such excess exceeds \$250,000 (the amount of such excess, the “Securityholder Working Capital Payment”) and, in the event that the Reserve Account is insufficient to pay the full amount of the Securityholder Working Capital Payment, then each Securityholder shall promptly pay to Buyer by wire transfer or delivery of other immediately available funds, an amount equal to (i) the unpaid portion of the Securityholder Working Capital Payment multiplied by (ii) such Securityholder’s Securityholder Allocation Percentage.

Section 2.05. Reserve Account. At Closing, the Securityholder Representative shall retain from the Estimated Purchase Price the sum of One Million Dollars (\$1,000,000) (the “Initial Reserve Amount”) for deposit into a bank account controlled by the Securityholder Representative (together with any amount retained by the Securityholder Representative pursuant to Section 2.04(b)(i), the “Reserve Account”). All amounts on deposit in the Reserve Account, including any earnings thereon, shall be available to the Securityholder Representative to cover costs and expenses incurred by the Securityholder Representative in the performance of its obligations as Securityholder Representative, including, without limitation, costs and expenses, if any, incurred by the Securityholder Representative (i) in resolving any adjustments pursuant to Section 2.04, (ii) in defending any indemnification claims brought under Article 11 hereof, and (iii) in paying any amounts (including fees, costs and expenses) otherwise payable by the Securityholders to the Buyer or the Securityholder Representative pursuant to the terms hereof. Amounts in the Reserve Account may also be applied by the Securityholder Representative as permitted in accordance with Section 11.04.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Buyer that each statement contained in this Article 3 is correct and complete, except as set forth in the Schedules accompanying this Agreement or in any Updated Schedule delivered pursuant to Section 6.03 (each a “Schedule” and, collectively, the “Schedules”). Capitalized terms used in the Schedules and not otherwise defined therein shall have the meanings ascribed to such terms in this Agreement.

Section 3.01. Organization and Qualification.

(a) The Company and each of the Subsidiaries are corporations duly organized, validly existing and, where applicable, in good standing under the Laws of their respective jurisdictions of organization. The Company and each of its Subsidiaries have full corporate power and authority to own or lease their respective properties and to conduct their businesses in the manner and in the places where such properties are owned or leased and where such businesses are currently conducted, except where the failure to have such power and authority would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The copies of the Company’s and the Subsidiaries’ respective certificates or articles of incorporation and bylaws, as each have been amended to date and heretofore made available to the Buyer and/or its agents, are complete and correct, and no amendments thereto are pending.

(b) The Company and each of the Subsidiaries are duly licensed and qualified to do business and in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification to do business necessary, except where the failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.02. Capitalization; Subsidiaries; Securities Owned.

(a) The authorized capital stock of the Company consists of 1,000,000 shares of Common Stock, 36,040 shares of which are issued and outstanding as of the date hereof. Schedule 3.02 hereto sets forth (i) all of the holders of the Company’s issued and outstanding Shares and Options, and (ii) the number of Shares and Options held by each such holder. All of the Shares have been duly authorized, are validly issued, fully paid and nonassessable, and are neither subject to, nor were they issued in violation of, any preemptive rights. The Company is the sole owner, directly or indirectly, of 100% of the outstanding capital stock of each of the Subsidiaries which are listed on Schedule 3.02 hereto. The ownership and capitalization of each of the Subsidiaries is as set forth on Schedule 3.02 hereto. Other than the shares the Company owns in the Subsidiaries, the Company does not own any capital stock or other equity securities issued by any

other Person (other than Cash). Except for this Agreement, the Options, as contemplated by the Stock Incentive Plan, the rights and restrictions set forth in the Stockholders' Agreement or as set forth on Schedule 3.02 hereto, there are no outstanding or authorized options, warrants, rights, contracts, rights to subscribe, conversion rights, preemptive rights, or other agreements or commitments to which the Company or any Subsidiary is a party or which are binding upon the Company or any Subsidiary providing for the issuance, disposition or acquisition of any shares of capital stock of the Company or any Subsidiary. Except as set forth on Schedule 3.02, the outstanding capital stock of each Subsidiary is free and clear of any Lien, except for Permitted Liens.

(b) Except as set forth on Schedule 3.02:

(i) there are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights with respect to the Company or any Subsidiary;

(ii) except as set forth in the Stockholders' Agreement, there are no voting trusts, proxies or other written agreements or understandings with respect to the voting of the capital stock of the Company or any Subsidiary;

(iii) there are no dividends which have accrued or been declared but are unpaid on any of the Shares or the capital stock of any Subsidiary; and

(iv) except as set forth in the Stockholders' Agreement, there are no shareholder or similar agreements which affect or restrict the voting rights or right to transfer any of the Shares or the capital stock of any Subsidiary, and there are no registration rights or similar agreements with respect to the Company or any Subsidiary in force or effect.

Section 3.03. Authority of the Company.

(a) The Company has the full right, power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and each agreement, document and instrument to be executed and delivered by the Company pursuant to this Agreement constitute, or will when executed and delivered constitute, valid and binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) The execution, delivery and performance by the Company of this Agreement and each such agreement, document and instrument contemplated by this Agreement to which it is a party:

(i) do not and will not violate any provision of the certificate of incorporation or bylaws of the Company or the equivalent governing documents of any Subsidiary;

(ii) subject to the Antitrust Approvals, do not and will not violate any Laws of the United States, or any state or other jurisdiction applicable to the Company or any Subsidiary, or require the Company to obtain any Approval, consent or waiver of, or make any filing with, any Person (including any Governmental Authority) that has not been obtained or made, which violation or failure to obtain or make would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(iii) do not and will not result in a breach of, constitute a default under, accelerate any obligation under, or give rise to a right of termination of any indenture, loan or credit agreement, or any other agreement, contract, instrument, mortgage, deed of trust, lien, lease, permit, authorization, order, writ, judgment, injunction, decree, determination or arbitration award, whether written or oral, to which the Company or any Subsidiary is a party or by which the property of the Company or any Subsidiary is bound, except where any of the foregoing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or except as otherwise set forth on Schedule 3.03(b)(iii) hereto.

Section 3.04. Compliance with Laws. Except as set forth on Schedule 3.04 hereto, and except with respect to the subject matter of the representations and warranties set forth in Section 3.06 (Taxes), Section 3.15 (Intellectual Property), Section 3.18 (Permits), Section 3.19 (Employee Benefit Plans), Section 3.21 (Environmental Matters), and Section 3.22 (Employee Relations), the Company and each of the Subsidiaries are in material compliance with all applicable statutes, ordinances, orders, rules and regulations ("Laws") promulgated by any federal, state, territory, municipal or other governmental authority (each, a "Governmental Authority"), which are necessary for the operation of the business of the Company or such Subsidiary as presently conducted.

Section 3.05. Advisory and Other Fees. Neither the Company nor any of the Subsidiaries has incurred or shall become liable for any advisory fee, broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement, other than fees payable to Lazard and ACAS, which fees shall be paid as provided in Section 12.04, and other than the Transaction Expenses.

Section 3.06. Taxes. Except as set forth on Schedule 3.06 hereto:

(a) (i) since the Reference Date, all United States federal income Tax Returns of or with respect to the Company and the Subsidiaries required by Law to be filed have been timely filed (after giving effect to any applicable extensions granted) and all other material Tax Returns of or with respect to the Company and the Subsidiaries required by applicable federal, foreign, state, local or other Law to be filed have been timely filed (after giving effect to any applicable extensions granted);

(ii) since the Reference Date, the Company and each of the Subsidiaries have timely paid or caused to be paid as of the date hereof all Taxes shown as due on the Tax Returns referred to in Section 3.06(a)(i), except to the extent such Taxes are being contested in good faith by the Company or a Subsidiary or are properly reserved for on the books or records of the Company or such Subsidiary; and

(iii) since the Reference Date, there has not been any audit of any Tax Return filed by or with respect to the Company or any Subsidiary for which the applicable statute of limitations has not expired; no audit of any such Tax Return of or including the Company or any Subsidiary is in progress; and neither the Company nor any Subsidiary has been notified in writing by any Governmental Authority that any audit is contemplated or pending. Since the Reference Date, no written claim has been made by any Governmental Authority in a jurisdiction where the Company or any Subsidiary does not file Tax Returns that the Company or such Subsidiary is or may be subject to taxation by that jurisdiction.

(b) Neither the Company nor any Subsidiary is a party to, bound by or has any obligation under any agreement relating to allocating or sharing the payment of, or liability for, Taxes or has any liability for Taxes of any Person other than members of the affiliated group, within the meaning of Section 1504(a) of the Code, filing consolidated federal income tax returns of which the Company is the common parent under Treasury Regulation § 1.1502-6 (or a similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise.

(c) No closing agreement pursuant to Section 7121 of the Code or any similar provision of any state, local or foreign Law has been entered into by or with respect to the Company or any Subsidiary. Neither the Company nor any Subsidiary has agreed to, or is required to make any adjustment for, any period after the Closing Date pursuant to Section 481(a) of the Code by reason of any change in any accounting method. There is no application pending with any Governmental Authority requesting permission for any such change in any accounting method of the Company or any Subsidiary and the Internal Revenue Service has not proposed in writing any such adjustment or change in accounting method.

Section 3.07. Officers and Directors; Books and Records.

(a) Schedule 3.07(a) hereto sets forth the name and title of each officer and director of the Company and each Subsidiary.

(b) The copies of the records of the Company and the Subsidiaries, as made available by the Company to the Buyer and/or its agents, are true and complete copies of the originals of such documents.

Section 3.08. Litigation. Schedule 3.08 hereto sets forth each continuing action, suit, investigation and other proceeding pending or, to the Company's Knowledge, threatened against the Company or any of the Subsidiaries, at law or in equity, or before or by any Governmental Authority (including any action, suit, investigation or proceeding (i) regarding the existence of a defect in the manufacture, production, distribution or sale of any products made or sold by or on behalf of the Company or any Subsidiary, or (ii) against or relating to any Employee Benefit Plan), other than workers' compensation claims and routine claims for benefits under the Company's Employee Benefit Plans, which would not reasonably be expected to have a Material Adverse Effect, and any action, suit, investigation or proceeding that is reasonably expected to be covered by insurance. Except as set forth on Schedule 3.08, neither the Company nor any Subsidiary is a party to any judgment, order or decree of any court, administration agency, commission or other Governmental Authority.

Section 3.09. Financial Statements.

(a) The Company has delivered to the Buyer the following financial statements, attached as Schedule 3.09(a) hereto:

(i) audited consolidated balance sheet of the Company and the Subsidiaries as of December 31, 2010 and audited consolidated statements of operations, stockholders' equity, and cash flows for the fiscal year then ended (collectively, the "Audited Financial Statements"); and

(ii) unaudited consolidated balance sheets of the Company and the Subsidiaries as of June 30, 2011 (the "Latest Balance Sheet"), and the related statements of operations and cash flows for the fiscal year and the six (6) months then ended (collectively, the "Unaudited Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements").

(b) The Audited Financial Statements have been prepared in accordance with GAAP applied consistently during the periods covered thereby, and present fairly in all material respects the financial condition of the relevant entities at the dates of said statements and the results of their operations and cash flows for the periods covered thereby. The Unaudited Financial Statements have been prepared in accordance with GAAP applied consistently during the period covered thereby, and present fairly in all material respects the financial condition of the Company and the Subsidiaries at the date of such statements and the results of their operations and cash flows for the period covered thereby, except that they do not contain the materials and disclosures to be found in notes to financial statements prepared in accordance with GAAP, nor do they reflect year-end adjustments.

(c) Except as set forth on Schedule 3.09(c) hereto, neither the Company nor any Subsidiary has any liabilities that would be required to be reflected on a balance sheet prepared in accordance with GAAP, except for (i) liabilities reflected or reserved against on the Latest Balance Sheet (including all notes thereto); (ii) liabilities incurred in the ordinary course of business since the date of the Latest Balance Sheet; (iii) liabilities incurred in connection with the transactions contemplated hereby; (iv) liabilities arising under Contracts or other matters otherwise set forth in the Schedules hereto; and (iv) the Transaction Expenses.

Section 3.10. Transactions with Affiliates. Except (i) for intra-company transactions amongst the Company and the Subsidiaries, (ii) transactions, agreements, contracts or understandings between ACAS, ACEI or ACEII and the Company or any Subsidiary or which otherwise relate to the purchase, transfer or voting of securities, in each case, which will be terminated as of the Closing, (iii) the Company's or any Subsidiary's organizational documents, (iv) as set forth on Schedule 3.10 hereto, and (v) to the extent reflected in the Financial Statements, since the date of the Latest Balance Sheet there have been no material transactions, contracts, understandings or agreements of any kind between the Company or any Subsidiary and any Person which is an Affiliate of the Company or such Subsidiary.

Section 3.11. Real Properties.

(a) The Company owns no real property.

(b) Schedule 3.11(b) hereto sets forth each lease or other agreement under which the Company or any Subsidiary leases or has rights to use any material real property owned by a Person other than the Company or a Subsidiary (the "Real Property Leases" and, each individually, a "Real Property Lease"). The Real Property Leases are in full force and effect and (i) the Company or the applicable Subsidiary, as the case may be, has not defaulted thereunder and (ii) to the Knowledge of the Company, no event has occurred that with notice or lapse of time, or both, would constitute a default by the Company or the applicable Subsidiary, as the case may be, which would reasonably be expected to result in a termination of the applicable Real Property Lease. True and complete copies of the Real Property Leases have been made available to the Buyer and/or its agents by the Company. Except as set forth on Schedule 3.11(b) hereto, the Company or a Subsidiary has a valid and subsisting leasehold interest in all the real property which is the subject of each of the respective Real Property Leases set forth on Schedule 3.11(b) hereto (individually, the "Leased Real Property" and, collectively, the "Leased Real Properties").

(c) To the Knowledge of the Company, no material permit, license or certificate of occupancy pertaining to the leasing or operation of any Leased Real Property, other than those which are transferable with such property, is required by any Governmental Authority.

Section 3.12. Absence of Material Adverse Effect. Except as set forth on Schedule 3.12 hereto, since the date of the Latest Balance Sheet, there has not been any Material Adverse Effect.

Section 3.13. Absence of Certain Changes. Except as set forth on Schedule 3.13 hereto, or as contemplated by this Agreement, the Company and each Subsidiary have complied in all material respects with the covenants and restrictions set forth in Section 6.01 hereof to the same extent as if this Agreement had been executed on, and had been in effect since, the date of the Latest Balance Sheet.

Section 3.14. Tangible Personal Property. Except as set forth on Schedule 3.14 hereto, (a) the Company or a Subsidiary has valid title to or a valid license or leasehold interest in all of the material items of tangible personal property reflected on the Latest Balance Sheet, except as sold or disposed of subsequent to the date thereof in the ordinary course of business consistent with past practices, and (b) all such tangible personal property (other than licensed or leased tangible property) is owned or, in the case of licensed or leased tangible personal property, the Company or the applicable Subsidiary has a valid license or leasehold

interest in such tangible personal property, in each case free and clear of all liens, encumbrances, contracts and security interests (collectively, "Liens"), except for Permitted Liens. Except as set forth on Schedule 3.14 hereto, to the Knowledge of the Company, the facilities, plants, machinery and equipment of the Company and the Subsidiaries are in good working order and condition, ordinary wear and tear excepted and subject to routine maintenance, and are fit for the purpose for which they are currently being used.

Section 3.15. Intellectual Property. Schedule 3.15 hereto sets forth all patents, trademark registrations, service mark registrations, trade names, domain name registrations, copyright registrations, and all applications for any of the foregoing, that are material to the business of the Company and its Subsidiaries and that are owned by the Company or any Subsidiary. To the Knowledge of the Company, no intellectual property is owned by a third party that is necessary for the operation of the Company's business (other than such intellectual property currently licensed by the Company or one of its Subsidiaries). Except as set forth on Schedule 3.15 hereto, since the Reference Date, neither the Company nor any Subsidiary has received any written notice of infringement of or conflict with asserted rights of others with respect to any know-how, trade secrets, patents, trademarks, trade names, brand names and copyrights that are owned or used by, or licensed to, the Company or any Subsidiary. Except as set forth on Schedule 3.15 hereto, the Company does not have Knowledge of any material infringement or misappropriation by the Company of any third party's material intellectual property. Except as set forth on Schedule 3.15 hereto, the Company does not have Knowledge of any material infringement or misappropriation by any third party of the material intellectual property owned by the Company.

Section 3.16. Contracts. Except for contracts, commitments, plans, agreements and licenses listed on Schedule 3.16 hereto (true and complete copies of which or, with respect to oral Contracts, true and correct written summaries of which, in each case, together with all amendments, supplements or other modifications thereto have been made available to the Buyer and/or its agents) (in each case, whether oral or written, the "Contracts"), and except for purchase orders entered into in the ordinary course of business, neither the Company nor any Subsidiary is a party to or subject to:

(a) any plan or contract providing for bonuses, stock, options, stock purchases, profit sharing, collective bargaining or the like (other than the Options and the Stock Incentive Plan) or any contract or agreement with any labor union (other than the plans listed on Schedule 3.19 hereto);

(b) any employment contract or contract for services which requires the payment of more than \$150,000 annually in total cash compensation, which is not terminable on sixty (60) or fewer days notice by the Company or a Subsidiary without liability for any material penalty or severance payment;

(c) any contract or agreement for the purchase of any commodity, material or equipment in excess of \$150,000;

(d) any other contracts or agreements creating any obligation of the Company or any Subsidiary of more than \$150,000 annually with respect to any such contract;

(e) any contract or agreement requiring the purchase of all or substantially all of its requirements of a particular product from a supplier, except any contract or agreement relating to the purchase of inventory in the ordinary course of business;

(f) any contract or agreement that by its terms does not terminate or is not terminable by the Company or a Subsidiary within twelve (12) months after the date hereof without payment of a penalty of \$150,000 or more;

(g) any contract containing covenants materially limiting the freedom of the Company or any Subsidiary to compete in any line of business or with any Person;

(h) any contract or agreement for the purchase of any fixed asset for a price in excess of \$150,000;

(i) any partnership, joint venture or other similar contract or agreement;

(j) any material contract or agreement providing for the license of patents, trademarks, service marks, trade names or copyrights between the Company or any Subsidiary and any third party;

(k) any agreement concerning confidentiality, except for (i) such agreements entered into in connection with transactions or communications with third parties in the ordinary course of business, (ii) such agreements by the Company or its agents or representatives with third parties in connection with any proposed sale, financing or similar transaction of the Company or its Subsidiaries, including the transactions contemplated hereby and whether similar to the Confidentiality Agreement or otherwise, and (iii) such agreements entered into with employees of the Company or any Subsidiary in the ordinary course of business;

(l) any agreement in which a Securityholder, or an Affiliate of any Securityholder, is a party, other than employment, stock option or other employee benefit agreement;

(m) any material sales, marketing, distributorship, agency or representative agreements where the counter-party to such agreement has the right or power to bind the Company or any Subsidiary;

(n) any agreements with respect to reorganizations, mergers or acquisitions of capital stock or business assets of any Person since January 1, 2006;

(o) any power of attorney granted by the Company or any Subsidiary that is currently effective and outstanding and vests in any Person decision-making authority or the right or power to bind the Company or any Subsidiary;

(p) any agreements, notes, contracts or other documents under which the Company or any Subsidiary has created, incurred, assumed or guaranteed any Indebtedness, or under which it has created a Lien on any of its assets; and

(q) any agreement requiring the payment of any royalty.

All Contracts are valid and in full force and effect and constitute legal, valid and binding obligations of the Company or the applicable Subsidiary and, to the Knowledge of the Company, the other parties thereto, and are enforceable against the Company or such Subsidiary in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). To the Knowledge of the Company, neither the Company nor any Subsidiary is in default in complying with any material provisions thereof, nor has the Company or any Subsidiary received written notice of any such default, and, to the Knowledge of the Company, no condition or event or facts exist that, with notice, lapse of time or both, would constitute a default thereof on the part of the Company or any Subsidiary.

Section 3.17. Insurance. The Company has made available to Buyer true and complete copies of all policies of insurance and fidelity bonds to which the Company or any Subsidiary is a party or under which the company or any Subsidiary is covered. All policies of insurance or fidelity bonds maintained by the Company or any Subsidiary are in full force and effect. All premiums due on any policy of insurance or fidelity bonds have been paid to the extent such premiums are due and payable and the Company and its Subsidiaries have otherwise performed all of their obligations under such policies.

Section 3.18. Permits. Except as set forth on Schedule 3.18 hereto, (i) the Company and each of the Subsidiaries have obtained all permits, registrations, licenses, franchises, certifications and other approvals (collectively, the “Approvals”) from Governmental Authorities (other than Approvals subject to the representations and warranties in Section 3.11 (Real Property), Section 3.15 (Intellectual Property) and Section 3.21 (Environmental Matters)) necessary for the conduct of its business as presently conducted, except where the failure to obtain such Approvals would not reasonably be expected to have a Material Adverse Effect, (ii) all such Approvals are valid and in full force and effect and (iii) none of such Approvals is subject to termination by its terms as a result of the execution of this Agreement by the Company or by the consummation of the transactions contemplated by this Agreement.

Section 3.19. Employee Benefit Plans. All material Employee Benefit Plans maintained by the Company or any Subsidiary or to which the Company (or any Subsidiary) is obligated to contribute are listed on Schedule 3.19 hereto. Except as set forth on Schedule 3.19 hereto:

(a) all such Employee Benefit Plans have been made available to the Buyer and/or its agents;

(b) all such Employee Benefit Plans have been maintained, funded and administered in compliance in all material respects with all applicable Laws, including without limitation, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Code, except where such noncompliance would not reasonably be expected to result in a material liability;

(c) since the Reference Date, no such Employee Benefit Plan, or any trustee, administrator, employee or “fiduciary” thereof has, to the Knowledge of the Company, engaged in any breach of fiduciary responsibility or any “prohibited transaction” (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) to which Section 406 of ERISA or Section 4975 of the Code applies and which could subject any such Employee Benefit Plan, trustee, administrator, employee or fiduciary thereof, or any party dealing with any such Employee Benefit Plan, to a material Tax or penalty on prohibited transactions imposed by Section 4975 of the Code or Section 502 of ERISA;

(d) no Employee Benefit Plan is a defined benefit pension plan or has within the six (6) years preceding the date of this Agreement been subject to the minimum funding requirements of Section 412 of the Code or Title IV of ERISA;

(e) neither the Company nor any ERISA Affiliate has or has ever had any obligation to contribute to any “multiemployer plan” within the meaning of Section 3(37) of ERISA;

(f) each Employee Benefit Plan intended to qualify under Section 401 of the Code has received a favorable determination letter from the Internal Revenue Service that such Employee Benefit Plan is a “qualified plan” under Section 401(a) of the Code; the related trusts are exempt from tax under Section 501(a) of the Code; and, to the Knowledge of the Company, no facts or circumstances exist that would be reasonably likely to jeopardize the qualification of such Employee Benefit Plan;

(g) with respect to the Employee Benefit Plans, to the Knowledge of the Company, all required contributions have been made or properly accrued on the Financial Statements;

(h) neither the Company nor any ERISA Affiliate has liability under any Employee Benefit Plan, or otherwise, to provide medical or death benefits with respect to current or former employees of the Company or any Subsidiaries beyond their termination of employment (other than coverage mandated by Law), and there are no reserve assets, surplus or prepaid premiums under any such Employee Benefit Plan;

(i) the consummation of the transactions contemplated by this Agreement will not, other than pursuant to the Employee Benefit Plans listed on Schedule 3.19 hereto or pursuant to actions taken by the Buyer, result in any material liability to any present or former employee or independent contractor, including, but not limited to, as a result of the Worker Adjustment Retraining and Notification Act;

(j) except as set forth in Schedule 3.19, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment becoming due to any current or former officer, partner, contractor or employee of Company or an ERISA Affiliate, (ii) increase any benefits otherwise payable under any Employee Benefit Plan, (iii) increase any benefits otherwise payable under any Employee Benefit Plan or (iv) result in the acceleration of the time of payment or vesting of any such benefits under any such Employee Benefit Plan; and

(k) no amount required to be paid or payable to or with respect to any employee or other service provider of Company or an ERISA Affiliate in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) could be an “excess parachute payment” within the meaning of Section 280G of the Code. Each Employee Benefit Plan that constitutes a nonqualified deferred compensation plan for purposes of Section 409A of the Code has been operated in compliance in form and substance with Section 409A of the Code and all applicable guidance from the IRS.

Section 3.20. Employees; Labor Matters. Neither the Company nor any Subsidiary is delinquent in any material payments to any of their respective employees for any wages, salaries, commissions, bonuses, severance, termination pay or other direct compensation for any services performed for it to the date hereof or amounts required to be reimbursed to such employees. Except as set forth on Schedule 3.20 hereto, neither the Company nor any Subsidiary has any written policy, practice, plan or program of paying severance pay or any written form of severance compensation in connection with the termination of employment. Except as set forth on Schedule 3.20 hereto, to the Knowledge of the Company, there are no material grievances, complaints or charges that have been filed against the Company or any Subsidiary under any dispute resolution procedure (including, but not limited to, any proceedings under any dispute resolution procedure under any collective bargaining agreement) that have not been dismissed. Except as set forth on Schedule 3.20 hereto, no collective bargaining agreements are in effect or are currently being negotiated by the Company or any Subsidiary.

Section 3.21. Environmental Matters. Except as set forth on Schedule 3.21 hereto, since the Reference Date, the Company and the Subsidiaries have obtained and possessed all material Approvals required under federal, state and local Laws concerning pollution or protection of the environment, in each case in effect on or prior to the date hereof, including all such Laws relating to the emission, discharge, release or threatened release of any petroleum, pollutants, environmental contaminants or hazardous or toxic materials, substances or wastes into air, surface water, groundwater or lands (“Environmental Requirements”), except where the failure to obtain or possess such Approvals would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.21 hereto, to the Knowledge of the Company, the Company and each Subsidiary are in compliance with all terms and conditions of such Approvals and are also in compliance with all other Environmental Requirements, except for such failures to comply that would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 3.21 hereto, since the Reference Date, neither the Company nor any Subsidiary has received any written notice from any Governmental Authority or other Person asserting or alleging that the Company or any Subsidiary

has failed in any material respect to comply with any Environmental Requirements, or that the Company or any Subsidiary is liable in any material respect for any material injury or material damages to any Person or property because of the release or threatened release of any petroleum, pollutants, environmental contaminants, hazardous or toxic materials, substances or wastes except as would not reasonably be expected to have a Material Adverse Effect. The Company has made available to the Buyer all material environmental audits and reports that are in the Company's possession and that relate to the Company's or any Subsidiary's past or current properties, facilities or operations. Notwithstanding any implication to the contrary contained herein, this Section 3.21 constitutes the sole and exclusive representations and warranties of the Company with respect to Environmental Requirements and all other environmental matters.

Section 3.22. Employee Relations. Except as set forth on Schedule 3.22 hereto, none of the employees of the Company or the Subsidiaries is represented by a union, and, to the Knowledge of the Company, since the Reference Date, no union organizing efforts have been conducted or are now being conducted. Set forth on Schedule 3.22 hereto is a list of all material actions, suits and proceedings pending between the Company or any Subsidiary and any employees, former employees or prospective employees of the Company or such Subsidiary or involving other labor-related matters (including, without limitation, charges of employment discrimination or unfair labor practices) other than ordinary course claims for benefits under Employee Benefit Plans and workers' compensation claims that would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Company, neither the Company nor any Subsidiary is in violation in any material respect of any provision of any Law promulgated by any Governmental Authority regarding the terms and conditions of employees, former employees or prospective employees or other labor-related matters, including, without limitation, Laws relating to discrimination, fair labor standards and occupational health and safety, wrongful discharge or violation of the personal rights of employees, former employees or prospective employees of the Company or any Subsidiary, except where such violation would not, individually or in the aggregate, currently have a Material Adverse Effect.

Section 3.23. Accounts Receivable. All accounts receivable reflected on the Latest Balance Sheet and those accounts receivable that have arisen since the date of the Latest Balance Sheet and have not yet been collected, represent valid obligations of customers of the Company and its Subsidiaries arising from bona fide transactions entered into in the ordinary course of business and, except from Permitted Liens, are free and clear of all Liens.

Section 3.24. Bank Accounts. The Company has provided to Buyer a correct and complete list of each account maintained by the Company and its Subsidiaries at any bank or other financial institution, including the following information for each such account: (a) the name and location of the institution at which such account is maintained, (b) the name in which such account is maintained and the account number of such account, (c) a brief description of such account and (d) the names of all individuals authorized to draw on or make withdrawals from such account.

Section 3.25. Foreign Corrupt Practices Act. Except as would not reasonably be expected to have a Material Adverse Effect, neither the Company, nor any Subsidiary, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any Subsidiary has (i) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder; (ii) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or to influence official action; (iii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee from corporate funds.

Section 3.26. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 3 (QUALIFIED BY THE SCHEDULES), NEITHER THE COMPANY NOR ANY OF THE SUBSIDIARIES MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE COMPANY AND EACH SUBSIDIARY HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SECURITYHOLDERS

Each Securityholder, severally and not jointly, represents and warrants to the Buyer, as to such Securityholder that:

Section 4.01. Organizational Authorization. If such Securityholder is an entity, the execution, delivery and performance by such Securityholder of this Agreement and the consummation of the transactions contemplated hereby are within such Securityholder's organizational powers and have been duly authorized by all necessary action on the part of such Securityholder. This Agreement and the Joinder Agreement, as applicable, constitutes a valid and binding agreement of such Securityholder, enforceable against such Securityholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02. Governmental Authorization. Subject to the Antitrust Approvals, the execution, delivery and performance by such Securityholder of this Agreement and the Joinder Agreement, as applicable, require no material action by or in respect of, or material filing with, any Governmental Authority, agency or official.

Section 4.03. Noncontravention. The execution, delivery and performance by such Securityholder of this Agreement and the Joinder Agreement, as applicable, do not and will not (i) with respect to any Securityholder that is an entity, violate its certificate or articles of incorporation or bylaws or other equivalent governing documents, (ii) assuming compliance with the matters referred to in Section 4.02, violate any material Law applicable to the transactions contemplated hereby or (iii) require any material consent or other material action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Securityholder under any provisions of any material agreement or other material instrument binding upon such Securityholder.

Section 4.04. Ownership of Securities. As of the date hereof, such Securityholder (a) if a Stockholder, is the owner of the number of Shares set forth opposite such Securityholder's name on Schedule 3.02 hereto, free and clear of any Lien, except for Permitted Liens; and (b) if an Optionholder, is the owner of the number of Options at the exercise prices indicated thereon set forth opposite such Optionholder's name on Schedule 3.02 hereto, free and clear of any Lien, except for Permitted Liens. Such Securityholder will be, as of the Closing, the record and beneficial owner of such Securityholder's respective Shares and/or Options, free and clear of any Liens, except Permitted Liens.

Section 4.05. Advisory and Other Fees. Such Securityholder has not incurred nor shall become liable for any advisory fee, broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement.

Section 4.06. No Action. Such Securityholder (i) does not have any action or cause of action or other claim whatsoever against the Company or any Subsidiary, (ii) except for (A) rights under this Agreement, (B) unpaid Indebtedness payable to ACAS, ACEI, ACEII or any of their respective Affiliates, which will be paid in accordance with Section 2.03(b)(v) hereof, (C) rights under matters set forth in Schedule 3.10 hereto or arising under Contracts disclosed pursuant to Section 3.16(l), (D) wages and other employee benefits owed to any Securityholder that is also an employee of the Company or a Subsidiary or (E) rights to indemnification owed to any Securityholder or its Affiliates by virtue of such Securityholder's service as a director, employee, agent or representative of the Company or any Subsidiary, is not owed any amount by and does not owe any amount to the Company or any Subsidiary.

Section 4.07. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 4, SUCH SECURITYHOLDER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND SUCH SECURITYHOLDER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the other parties hereto that:

Section 5.01. Existence and Power. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Ohio and has all corporate powers and all material Approvals from Governmental Authorities required to carry on its business as now conducted.

Section 5.02. Organizational Authorization. The Buyer has the full right, power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the performance of the Buyer's obligations hereunder have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement and each agreement, document and instrument to be executed and delivered by the Buyer pursuant to this Agreement constitute, or will when executed and delivered constitute, valid and binding obligations of the Buyer, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.03. Governmental Authorization. Subject to the Antitrust Approvals, the execution, delivery and performance by the Buyer of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and the consummation of the transactions contemplated hereby or thereby require no material action by or in respect of, or material filing with, any Person (including any Governmental Authority).

Section 5.04. Noncontravention. The execution, delivery and performance by the Buyer of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate the certificate of incorporation or code of regulations of the Buyer, (ii) assuming compliance with the matters referred to in Section 5.03, violate any material Law, judgment, injunction, order or decree or (iii) require any material consent or other material action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Buyer under any provisions of any material agreement or other material instrument binding upon the Buyer.

Section 5.05. Financing. The Buyer has on the date hereof, and at the Closing shall have, sufficient cash, available lines of credit or other sources of immediately available funds or committed capital to enable it to fulfill its obligations hereunder and to make payment of all amounts to be paid by it hereunder on and after the Closing Date.

Section 5.06. Purchase for Investment. The Buyer is purchasing the Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof. The Buyer is an “accredited investor” and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares and is capable of bearing the economic risks of such investment.

Section 5.07. Actions and Proceedings. There are no (i) outstanding judgments, orders, writs, injunctions or decrees of any court, Governmental Authority or arbitration tribunal against the Buyer or any of its Affiliates, which have or could have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated hereby or (ii) actions, suits, claims or legal, administrative or arbitration proceedings or investigations pending or, to the knowledge of the Buyer, threatened against the Buyer, which have or could have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated hereby.

Section 5.08. Finder’s Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission upon the consummation of the transactions contemplated by this Agreement.

Section 5.09. Solvency. Immediately after giving effect to the transactions contemplated by this Agreement and any financing arrangements incurred by the Buyer in connection therewith, the Company and each Subsidiary will be able to pay their respective debts as they become due and will own property that 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). Immediately after giving effect to the transactions contemplated by this Agreement, the Company and each Subsidiary will 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 and the Subsidiaries.

Section 5.10. Acknowledgment by the Buyer.

(A) The Buyer has conducted to its satisfaction, an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Company and, in making its determination to proceed with the transactions contemplated by this Agreement, the Buyer has relied on the results of its own independent investigation and verification and the representations and warranties of the Company and/or the Securityholders expressly and specifically set forth in this Agreement. SUCH REPRESENTATIONS AND WARRANTIES BY THE COMPANY AND/OR THE SECURITYHOLDERS CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS TO THE BUYER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, AND THE BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESSED OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE COMPANY OR THE SUBSIDIARIES OR THE QUALITY, QUANTITY OR CONDITION OF THE ASSETS OF THE COMPANY OR THE SUBSIDIARIES) ARE SPECIFICALLY DISCLAIMED BY THE COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS. THE

COMPANY, THE SUBSIDIARIES AND THE SECURITYHOLDERS DO NOT MAKE OR PROVIDE, AND THE BUYER HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE COMPANY'S OR ANY OF THE SUBSIDIARIES' ASSETS OR ANY PART THEREOF.

(b) In connection with the Buyer's investigation of the Company and the Subsidiaries, the Buyer has received from or on behalf of the Company and the Subsidiaries or the Securityholders certain projections, including projected statements of operating revenues and income from operations of the Company and the Subsidiaries for the fiscal year ending December 31, 2011 and for subsequent fiscal years and certain business plan information for such fiscal year and succeeding fiscal years. The Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that the Buyer is familiar with such uncertainties, that the Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and that the Buyer shall have no claim against the Securityholders with respect thereto. Accordingly, neither the Company, the Subsidiaries nor the Securityholders make any representations or warranties whatsoever with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts). The Buyer agrees that neither any of the Securityholders nor any other Person will have or be subject to any liability to the Buyer or any other Person resulting from the distribution to the Buyer, or the Buyer's use of, any information regarding the Company or any of its Subsidiaries or their respective businesses, including the Confidential Information Memorandum prepared by Lazard, and any information, document or material made available to the Buyer or its Affiliates in certain physical or on-line "data rooms," management presentations or any other form in expectation of the transactions contemplated by this Agreement.

Section 5.11. No Knowledge of Misrepresentations or Omissions; No Reliance. The Buyer has no knowledge that any representation or warranty of the Company or the Securityholders in this Agreement is not true and correct in all material respects. In addition, the Buyer has no knowledge of any material errors in, or material omissions from, the Schedules. The Buyer acknowledges and agrees that the representations and warranties made by the Company in this Agreement (as qualified by the Schedules) supersede, replace and nullify in every respect the data set forth in any other document, material or statement, whether written or oral, made available to the Buyer, and the Buyer shall be deemed to have not relied on any data contained in such other document, material or statement for any purpose whatsoever, including, without limitation, as a promise, projection, guaranty, representation, warranty or covenant.

Section 5.12. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 5 (AS MODIFIED BY THE SCHEDULES), THE BUYER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND THE BUYER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 6
COVENANTS OF THE COMPANY AND THE SECURITYHOLDERS

Section 6.01. Conduct of the Company and the Subsidiaries. During the period from the date of this Agreement and continuing until the Closing, the Company agrees as to itself and the Subsidiaries that, except (i) as expressly contemplated or permitted by this Agreement, (ii) as required by applicable Law, or (iii) to the extent that the Buyer shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) the Company and the Subsidiaries shall use reasonable efforts to carry on their respective businesses in the usual, regular and ordinary course in all material respects, in substantially the same manner as heretofore conducted, and shall use reasonable efforts to preserve intact their present lines of business, maintain their rights and franchises and preserve their relationships (contractual or otherwise) with customers, suppliers and others having business dealings with them (including, without limitation, through ordinary course renewals, negotiations with and amendments to such relationships) to the end that their ongoing businesses shall not be impaired in any material respect at the Closing; provided, however, that no action by the Company or any Subsidiary with respect to matters specifically addressed by any other provision of this Section 6.01 shall be deemed a breach of this Section 6.01(a), unless such action would constitute a breach of one or more of such other provisions;

(b) neither the Company nor any Subsidiary shall incur or commit to any capital expenditures or any obligations or liabilities in connection with capital expenditures, except for (i) capital expenditures and obligations or liabilities in connection therewith incurred or committed to in the ordinary course of business consistent with past practice or (ii) other capital expenditures and obligations or liabilities in connection therewith in an amount not to exceed \$150,000 in the aggregate;

(c) the Company shall not, and shall not permit any of the Subsidiaries to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock or other equity interests (except for dividends in Cash and dividends by a Subsidiary to another Subsidiary or the Company), (ii) split, combine or reclassify any of its capital stock or other equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock or other equity interests (except for any such transaction by a direct or indirect Subsidiary that remains a direct or indirect Subsidiary after consummation of such transaction), or (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock or other equity interests (except for repurchases and redemptions paid in Cash and upon the exercise of Options);

(d) the Company shall not, and shall not permit any Subsidiary to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares of their respective capital stock, or enter into any agreement with respect to any of the foregoing, other than the issuance of shares upon the exercise of Options or other securities convertible into or exercisable for shares of capital stock issued and outstanding as of the date hereof, issuances of capital stock by a direct or indirect Subsidiary to such Subsidiary's parent or another direct or indirect Subsidiary, the transactions contemplated herein or the Stock Incentive Plan;

(e) other than to the extent required to comply with its obligations hereunder or required by Law, the Company shall not, and shall not permit any Subsidiary to, amend or propose to amend its certificate of incorporation or bylaws or equivalent formation documents;

(f) the Company shall not, and shall not permit any Subsidiary to, acquire or agree to acquire by merging or consolidating with, or by purchasing an equity interest in or any portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire or in-license any assets or rights (other than the acquisition or in-license of assets used in the operations of the business of the Company or any Subsidiary in the ordinary course consistent with past practice); provided, however, that the foregoing shall not prohibit (i) the creation of new direct or indirect Subsidiaries organized to conduct or continue activities otherwise permitted by this Agreement or (ii) internal reorganizations or consolidations involving existing direct or indirect Subsidiaries that remain direct or indirect Subsidiaries;

(g) other than (i) internal reorganizations or consolidations involving existing direct or indirect Subsidiaries that remain direct or indirect Subsidiaries or (ii) as may be required by or in conformance with applicable Law in order to permit or facilitate the consummation of the transactions contemplated hereby, the Company shall not, and shall not permit any Subsidiary to, sell, encumber (other than Permitted Liens) or otherwise dispose of, or agree to sell, encumber (other than Permitted Liens) or otherwise dispose of, any of its assets other than in the ordinary course of business consistent with past practice;

(h) the Company shall not, and shall not permit any Subsidiary to, (i) make any loans, advances or capital contributions to, or investments in, any other Person, other than (A) by the Company or a direct or indirect Subsidiary to or in the Company or any other direct or indirect Subsidiary, (B) pursuant to any contract or other legal obligation of the Company or in any Subsidiary as in effect as of the date hereof or (C) in the ordinary course of business consistent with past practice or (ii) create, incur, assume or suffer to exist any indebtedness, issuances of debt securities, guarantees, loans or advances to the Company or any Subsidiary not in existence as of the date of this Agreement except (A) pursuant to the credit facilities, indentures (but not in excess of amounts authorized for issuance thereunder as of the date of this Agreement) and other arrangements in existence on the date of this Agreement, (B) by the Company or a direct or indirect Subsidiary to or in the Company or any other direct or indirect Subsidiary, or (C) trade debt and commercial finance in the ordinary course of business consistent with past practice, in each case as such credit facilities, indentures and other arrangements and other existing indebtedness may be amended, extended, modified, refunded, renewed or refinanced after the date of this Agreement;

(i) other than as required by an existing contract or agreement, an Employee Benefit Plan or applicable Law and other than in the ordinary course of business consistent with past practice, neither the Company nor any Subsidiary shall (A) increase the amount of cash compensation or severance pay of any director or executive officer, (B) make any material increase in, or commitment to increase materially, any employee benefits, (C) adopt or make any commitment to adopt any material new Employee Benefit Plan or make any material contribution, other than regularly scheduled contributions, to any Employee Benefit Plan; or (D) enter into any employment, severance or similar contract or collective bargaining agreement with respect to any employees.

(j) neither the Company nor any Subsidiary shall (A) change its fiscal year, (B) make, change or revoke any material Tax election (except in the ordinary course of business consistent with past practice or as otherwise required by applicable Law) or (C) except as required by changes in GAAP or as required by applicable Law, materially change its methods of accounting in effect as of the date hereof; and

(k) other than in connection with any action expressly permitted by any other subsection of this Section 6.01 and except for any new contract awards, and any contract renewals, negotiations and amendments entered into in the ordinary course of business and consistent with past practice, neither the Company nor any Subsidiary shall (A) enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any contract of the type required to be disclosed pursuant to Section 3.16 of this Agreement (other than in the ordinary course of business), or (B) prematurely terminate (other than in the ordinary course of business), or waive any material right or remedy under, any such contract.

Section 6.02. Access. From the date hereof until the Closing Date, the Company and each Subsidiary will give the Buyer, its counsel, financial advisors, auditors and other authorized representatives reasonable access to the offices, employees, properties, books and records of the Company and the Subsidiaries; provided, that any such access (i) shall be during normal business hours on reasonable notice, (ii) shall not, except as otherwise agreed in writing by the Securityholder Representative and the Company, include sampling or testing of soil, sediment, surface or ground water and/or building material, (iii) shall not be required where such access would be prohibited or otherwise limited by any applicable Law or agreement and (iv) shall not otherwise unreasonably interfere with the conduct of the business of the Company or the Subsidiaries; provided, further, that nothing herein shall require the Company or any Subsidiary to provide access to, or to disclose any information to, the Buyer if such access or disclosure (x) would cause significant competitive harm to the Company or the Subsidiaries if the transactions contemplated by this Agreement are not consummated or (y) would be in violation of applicable Laws of any Governmental Authority (including Antitrust Laws) or the provisions of any agreement to which the Company or any of the Subsidiaries is a party.

Section 6.03. Subsequent Actions. On or before the Closing Date, the Company and the Securityholders may disclose to the Buyer in writing any exceptions to or variances from the representations and warranties in Article 3 or Article 4, and such disclosures shall amend and supplement the appropriate Schedules (such updated schedules to be referred to herein collectively as the "Updated Schedules"). Except for the purposes of Section 9.01(a) as specifically set forth therein, the delivery of such Updated Schedules will be deemed to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of such exception or variance, and the Buyer shall have no rights or claims under Article 11 of this Agreement with respect to any such misrepresentation or breach of warranty that is deemed cured by the Updated Schedules.

ARTICLE 7 COVENANTS OF THE BUYER

Section 7.01. Confidentiality. Prior to the Closing Date and after any termination of this Agreement, the Buyer shall hold and shall cause its Affiliates, officers, directors, employees, accountants, counsel, consultants, advisors and agents (collectively, the "Buyer's Representatives") to hold, in confidence, all confidential documents and information concerning the Company or any Subsidiary furnished to the Buyer or the Buyer's Representatives in connection with the transactions contemplated by this Agreement in the manner specified in the Confidentiality Agreement dated as of April 25, 2011, between Lazard and the Buyer, as amended from time to time (the "Confidentiality Agreement").

Section 7.02. Access. From and after the Closing, the Buyer and the Company (and each Subsidiary) shall afford promptly to the Securityholder Representative and its designees and representatives reasonable access to the books, records (including accountants' work papers) and employees of the Company and the Subsidiaries to the extent necessary to permit the Securityholder Representative to determine any matter relating to the Securityholder Representative's or the Securityholders' rights and obligations hereunder or to any period ending on or before the Closing Date; provided, that any such access by the Securityholder Representative (i) shall be during normal business hours on reasonable notice, (ii) shall not be required where such access would be prohibited by applicable Law or agreement, and (iii) shall not otherwise unreasonably interfere with the conduct of the business of the Company or the Subsidiaries. Unless otherwise consented to in writing by the Securityholder Representative, neither the Buyer, the Company nor any Subsidiary shall, for a period of seven (7) years after the Closing Date, destroy, alter or otherwise dispose of any of the material corporate, financial, Tax and accounting books and records (which shall not include e-mails) of the Company or any Subsidiary, without first offering to surrender to the Securityholder Representative such books and records or any portion thereof which the Buyer, the Company or any Subsidiary may intend to destroy, alter or otherwise dispose of.

Section 7.03. Notification. Prior to the Closing, upon discovery of any variances from the representations and warranties contained in this Agreement, the Buyer shall promptly notify the Company and the Securityholder Representative of such variances.

Section 7.04. Director and Officer Liability, Indemnification and Insurance. For a period of six (6) years after the Closing Date, the Buyer shall not, and shall not permit the Company or any Subsidiary to amend, repeal or modify any provision in the Company's or any Subsidiary's certificate of incorporation or bylaws (or equivalent governing documents) relating to the exculpation or indemnification of any current or former officer, manager, director or similar functionary (the "Indemnified Representatives") (unless required by Law), it being the intent of the parties that the Indemnified Representatives prior to the Closing shall continue to be entitled to such exculpation and indemnification to the fullest extent of the Law. The Buyer shall cause the Company and each Subsidiary, at the Company's sole cost and expense, to maintain its existing officers' and directors' liability insurance, or other liability insurance that covers events occurring prior to the Closing on terms and in amounts no less favorable to the Indemnified Representatives than its existing officers' and directors' liability insurance for a period of six (6) years after the Closing. The Buyer shall, to the fullest extent permitted by applicable Law, cause the Company and its Subsidiaries, at the Company's sole cost and expense, to honor all of the Company's and its Subsidiaries' obligations to indemnify (including any obligations to advance funds for expenses) the Indemnified Representatives for acts or omissions by such Indemnified Representatives occurring prior to the Closing Date to the extent that such obligations of the Company or any of its Subsidiaries exist on the date of this Agreement, whether pursuant to the organizational documents of the Company or any of its Subsidiaries, individual indemnity agreements, management board resolution or otherwise, and such obligations shall survive the Closing and shall continue in full force and effect in accordance with the terms of the organizational documents of the Company or any of its Subsidiaries, as the case may be, and such board resolutions or individual indemnity agreements from the Closing Date until the expiration of the applicable statute of limitations with respect to any claims against such Indemnified Representatives arising out of such acts or omissions. From and after the Closing Date, to the fullest extent permitted by applicable law, Buyer shall, and shall cause the Company to, indemnify, defend and hold harmless the Indemnified Representatives against all Losses, as incurred (payable monthly upon written request which request shall include reasonable evidence of the Losses set forth therein) to the extent arising from, relating to, or otherwise in respect of, any actual or threatened Third Party Claim in respect of actions or omissions occurring at or prior to the Closing Date in connection with such Indemnified Representatives duties as an officer, director or employee of the Company or any of its Subsidiaries, including in respect to this Agreement and the other transactions contemplated by the this Agreement. Each of the Buyer and its Affiliates (determined after the Closing Date) covenants for itself and its respective successors, assigns, heirs, legatees and personal representatives that it shall not institute any Third Party Claim against any of the current or former officers or directors of the Company or any of its Subsidiaries, in their capacity as such, with respect to any Losses or other liabilities, actions or causes of action, judgments, claims and demands of any nature or description (consequential, compensatory, punitive or otherwise) arising from or relating to actions occurring prior to the Closing, whether or not such Person would be entitled to indemnification by the Company under this Section 7.04. If the Company or any Subsidiary or any of their respective successors or assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Company or each Subsidiary shall assume all of the obligations set forth in this Section 7.04. The provisions of this Section 7.04 are intended for the benefit of, and will be enforceable by, each Indemnified Representative and his or her heirs and representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have had by contract or otherwise. The Buyer and the Company acknowledge and agree that, to the extent that an Indemnified Representative is entitled to be indemnified by the Company or any Subsidiary as contemplated by this Section 7.04 and by any Securityholder or any Affiliate of any such Securityholder

(other than the Company or any Subsidiary) under any other agreement or instrument, or by any insurer under a policy maintained by any such Securityholder or Affiliate, (i) the obligations of the Company hereunder shall be primary, and the obligations of such Securityholder, Affiliate or insurer secondary, (ii) the Indemnified Representative shall proceed first against the Company and any insurer under any policy maintained by the Company, and second, if indemnification is not provided by the Company or any such insurer on a timely basis, against any insurer under a policy maintained by any such Securityholder or Affiliate, (iii) the Company shall be required to advance the full amount of expenses incurred by any Indemnified Representative and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement, and (iv) the Company shall not be entitled to contribution or indemnification from or subrogation against any such Securityholder, Affiliate or insurer under a policy maintained by any such Securityholder or Affiliate. In the event that any such Securityholder or Affiliate makes indemnification payments or advances to the Indemnified Representative in respect of any Losses (including all interest, assessments and other charges paid or payable in connection with or in respect of any such Losses) for which the Company would also be obligated as contemplated by this Agreement, the Company shall indemnify, reimburse and hold harmless such Securityholder or Affiliate in full on demand.

Section 7.05. Regulatory Filings. Except as otherwise provided in Section 8.07, the Buyer shall, within three (3) Business Days after the date hereof, make or cause to be made all filings and submissions required of the Buyer under any Laws applicable to the Buyer for the consummation of the transactions contemplated herein. The Buyer shall be responsible for all filing fees under any such Laws applicable to the Buyer.

Section 7.06. Contact with Employees, Customers and Suppliers. Prior to the Closing, neither the Buyer nor any of the Buyer's Representatives shall contact or otherwise communicate with any employees, customers or suppliers of the Company or any Subsidiary in connection with or regarding the transactions contemplated hereby, except to the extent approved in writing by the Securityholder Representative.

ARTICLE 8 ADDITIONAL COVENANTS OF THE PARTIES

Section 8.01. Reasonable Best Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, the Buyer, the Company and the Securityholders shall use their commercially reasonable best efforts to take, or cause to be taken, all actions necessary or desirable to cause the conditions set forth in Article 9 to be satisfied and the transactions contemplated by this Agreement to be consummated, in each case as promptly after the date hereof as practicable. Except as otherwise expressly set forth in this Agreement, neither the Securityholders nor the Company on the one hand, nor the Buyer on the other hand, shall have any obligation to pay any amounts or incur any liability or obligation to any third party as a condition or inducement for obtaining any consents described on Schedule 9.01(c) hereto. Each of the Securityholders, the Company and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement. 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 other party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

Section 8.02. Further Cooperation. Each of the Securityholders and the Buyer shall cooperate with each other (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained under any material contracts, in each case in connection with the consummation of the transactions contemplated by this Agreement, and (ii) in taking such actions or making any such filings, in furnishing information required in connection therewith and in seeking timely to obtain any such actions, consents, approvals or waivers.

Section 8.03. Public Announcements. No press release or other public announcement related to this Agreement or the transactions contemplated herein shall be issued or made without the joint approval of the Buyer, the Securityholder Representative and, prior to the Closing Date, the Company, unless required by Law or the requirements of any stock exchange or Nasdaq (in the reasonable opinion of counsel), in which case the Buyer, the Securityholder Representative and, prior to the Closing Date, the Company shall, to the extent practicable, have the right to review and comment on such public announcement prior to publication. Notwithstanding the foregoing, on or after the Closing, ACAS, ACEI and ACEII shall be permitted to disclose any returns, gains or losses realized as a result of their respective investments in the Company and the transactions contemplated hereby without any approval of the Company, the Buyer or the Securityholder Representative; provided, that neither ACAS, ACEI nor ACEII may, without the consent of the Buyer, disclose in such announcement the purchase price or the multiple of EBITDA paid for the Company hereunder.

Section 8.04. Tax Matters. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement, shall be borne and paid by the Buyer when due, and the Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes and fees, and, if required by applicable Law, then the Securityholders will execute and deliver, and will cause their respective Affiliates to join in the execution and delivery of, any such Tax Returns and other documentation. The Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company and each Subsidiary for all periods ending prior to or including the Closing Date which are filed after the Closing Date. At least fifteen (15) days prior to the date on which each such income Tax Return is filed, the Buyer shall submit such Tax Return to the Securityholder Representative for its review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Buyer shall provide to the Securityholder Representative such use and sales Tax Returns promptly after filing such Tax Returns.

Section 8.05. Disclosure Generally. The Schedules have been arranged, for purposes of convenience only, as separately titled Schedules corresponding to the Sections of Article 3. Any information set forth in any Schedule or incorporated in any Section of this Agreement shall be considered to have been set forth in each other Schedule to the extent the relevance of such information is reasonably apparent on the face of such Schedule and shall be deemed to modify the representations and warranties in Article 3 whether or not such representations and warranties refer to such Schedule. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Schedules is not intended to imply that such amounts, or higher or lower amounts, or the items so included or other items, are or are not required to be disclosed or are within or outside of the ordinary course of business, and neither party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy with any party as to whether any obligation, item or matter not described herein or included in a Schedule is or is not required to be disclosed (including, without limitation, whether such amounts are required to be disclosed as material) or in the ordinary course of business for the purposes of this Agreement. The information contained in the Schedules is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever, including of any violation of Law or breach of any agreement.

Section 8.06. Conflicts and Privilege. It is acknowledged by each of the parties hereto that ACAS, ACEI, ACEII, the Company and the Securityholder Representative have retained PB and Arnold & Porter LLP ("AP") to act as their counsel in connection with the transactions contemplated hereby and that neither PB nor AP has acted as counsel for any other party in connection with the transactions contemplated hereby and that none of the other parties has the status of a client of PB or AP for conflict of interest or any other purposes as a result thereof. The Buyer hereby agrees that, in the event that a dispute arises after the Closing between the Buyer, ACAS, ACEI, ACEII or the Securityholder Representative, PB or AP may represent ACAS, ACEI, ACEII or the Securityholder Representative in such dispute even though the interests of ACAS, ACEI, ACEII or the Securityholder Representative may be directly adverse to Buyer, the other Securityholders, the Company or the Subsidiaries, and even though PB or AP, as applicable, may have represented the Company or the Subsidiaries in a matter substantially related to such dispute, or may be handling ongoing matters for the Buyer, the Company or the Subsidiaries. The Buyer further agrees that, as to all communications among PB or AP and the Company, any Subsidiary, ACAS, ACEI, ACEII and/or the Securityholder Representative that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to the Securityholder Representative and may be controlled by the Securityholder Representative and shall not pass to or be claimed by the Buyer, the Company or any Subsidiary. Notwithstanding the foregoing, in the event that a dispute arises between the Buyer, the Company or any Subsidiary and a third party other than a party to this Agreement after the Closing, the Company or such Subsidiary may assert the attorney-client privilege to prevent disclosure of confidential communications by PB or AP to such third party; provided, however, that neither the Company nor such Subsidiary may waive such privilege without the prior written consent of PB or AP, as applicable. Each of PB and AP is an intended third party beneficiary of this Section 8.06 and shall be entitled to rely on the provisions hereof.

Section 8.07. Antitrust Filings.

(a) The Buyer, the Securityholder Representative and the Company shall, within three (3) Business Days after the date hereof, if required by the Antitrust Laws, file with the appropriate Governmental Authority all forms and documentation required to be filed by them under the Antitrust Laws concerning the transactions contemplated hereby, and shall request early termination of the waiting period, if applicable, under such Antitrust Laws. From the date of such filing until the Closing Date, the Buyer, the Securityholder Representative and the Company shall file all reports or other documents required or requested by the appropriate Governmental Authority under the Antitrust Laws, or otherwise and will comply promptly with any requests by such Governmental Authority for additional information concerning the transactions contemplated hereby, so that the waiting period specified in the Antitrust Laws will expire or terminate as soon as reasonably possible after the execution and delivery of this Agreement. The Buyer shall pay all filing fees required in connection with any filing required under the Antitrust Laws. The Buyer, the Securityholder Representative and the Company agree to use reasonable efforts to insure that any applicable waiting periods imposed under the Antitrust Laws terminate or expire as early as practicable. Without limiting the foregoing, the Buyer, the Securityholder Representative and the Company agree to use reasonable efforts to cooperate and oppose any preliminary injunction sought by any Governmental Body preventing the consummation of the transactions contemplated by this Agreement.

(b) The Buyer and the Securityholder Representative shall cause their respective counsel to furnish each other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of necessary filings or submissions under the provisions of the Antitrust Laws. The Buyer and the Securityholder Representative will cause their respective counsel to supply to each other copies of all correspondence, filings or written communications by or to such party or its Affiliates with or from any Governmental Authority or staff members thereof, with respect to the transactions contemplated by this Agreement and any related or contemplated transactions, except for documents filed pursuant to Item 4(c) of the HSR Act Notification and Report Form or communications

regarding the same documents or information submitted in response to any request for additional information or documents pursuant to the Antitrust Laws that in each case reveal the Company's or the Buyer's negotiating objectives or strategies or purchase price expectations.

Section 8.08. WARN. For a period of one year following the Effective Time, the Buyer agrees to cause the Company and each of its Subsidiaries to provide any required notice under the WARN Act, or any similar law, and to otherwise comply with any such law with respect to any "plant closing" or "mass layoff" (as defined in the WARN Act or similar law) or similar event affecting the employees of the Company or any of its Subsidiaries.

ARTICLE 9 CONDITIONS TO CLOSING

Section 9.01. Conditions to the Buyer's Obligations. The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or the Buyer's waiver) of the following conditions as of the Closing Date:

(a) the representations and warranties of the Company and the Securityholders contained in Article 3 and Article 4 hereof will be true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) at and as of the time of the Closing (without taking into account any Updated Schedules delivered in accordance with Section 6.03 except to the extent that the disclosures in such Updated Schedules are the result of activities explicitly contemplated by this Agreement or permitted by Section 6.01), as if made on the Closing Date and the Closing Date were substituted for the date of this Agreement throughout such representations and warranties, except (i) to the extent that the failure of such representations and warranties to be true and correct has not caused a Material Adverse Effect, (ii) for activities explicitly contemplated by this Agreement or permitted by Section 6.01, and (iii) for those representations and warranties that address matters as of any other particular date (in which case such representations and warranties shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of such particular date, except to the extent that the failure of such representations and warranties to have been true and correct as of such particular date has not caused a Material Adverse Effect);

(b) the Company and the Securityholders 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;

(c) all consents which are set forth on Schedule 9.01(c) hereto shall have been obtained;

(d) all material governmental filings and Approvals, including the Antitrust Approvals, that are required for the consummation of the transactions contemplated hereby and set forth on Schedule 9.01(d) hereto shall have been made and obtained;

(e) any applicable waiting period under the Antitrust Laws, including any extension, shall have expired or shall have been earlier terminated;

(f) no action, suit, claim or legal, administrative or arbitration proceeding or investigation shall be pending or, to the Knowledge of the Company, threatened before any Governmental Authority wherein an unfavorable decision issued pursuant to such action would reasonably be anticipated to (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) permit consummation of the transactions contemplated by this Agreement only subject to any condition or restriction that has had or would reasonably be expected to have a Material Adverse Effect;

(g) the Company shall have delivered to the Buyer a certificate, dated the Closing Date, stating that the preconditions specified in Sections 9.01(a) and 9.01(b), as they relate to the Company, have been satisfied;

(h) the Company shall have delivered a certificate of an officer of the Company (i) certifying and attaching the resolutions of the board of directors of the Company authorizing the consummation of the transactions set forth herein and (ii) certifying to the incumbency and signatures of the officers of the Company executing this Agreement and any other documents delivered pursuant to this Agreement;

(i) no Material Adverse Effect shall have occurred after the date of this Agreement;

(j) the Company shall have delivered evidence that the so-called “shareholder approval requirements” of Section 280G(b)(5)(B) of the Code and the regulations thereunder (including, without limitation, the 75 percent shareholder approval requirement and the adequate disclosure requirement) have been met with respect to each payment that would otherwise be treated as a parachute payment pursuant to Section 280G of the Code, including, without limitation, the matters referenced in the disclosures set forth in items 3 through 14 on Schedule 3.03(b)(iii); and

(k) each of the Securityholders set forth on Exhibit C shall have executed and delivered to the Buyer a Joinder Agreement.

Section 9.02. Conditions to the Company and the Securityholders’ Obligations. The obligation of the Company and the Securityholders to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or the Securityholder Representative’s waiver) of the following conditions as of the Closing Date:

(a) The representations and warranties of the Buyer contained in Article 5 hereof shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of the date of this Agreement and as of the Closing Date, except (i) for changes contemplated by this Agreement, and (ii) for those representations and warranties that address matters only as of the date of this Agreement or any other particular date (in which case such representations and warranties shall have been true and correct in all material respects (or, to the extent qualified by materiality within any such representation or warranty, true and correct in all respects) as of such particular date);

(b) the Buyer 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) all consents which are set forth on Schedule 9.01(c) hereto shall have been obtained;

(d) all material governmental filings and Approvals, including the Antitrust Approvals, that are required for the consummation of the transactions contemplated hereby and set forth on Schedule 9.01(d) hereto shall have been made and obtained;

(e) any applicable waiting period under the Antitrust Laws, including any extension, shall have expired or shall have been earlier terminated;

(f) no action, suit, claim or legal, administrative or arbitration proceeding or investigation shall be pending or, to the Knowledge of the Company, threatened before any Governmental Authority wherein an unfavorable decision issued pursuant to such action would reasonably be anticipated to (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) permit consummation of the transactions contemplated by this Agreement only subject to any condition or restriction that has had or would reasonably be expected to have a Material Adverse Effect;

(g) the Buyer shall have delivered to the Securityholder Representative a certificate of the Buyer, dated the Closing Date, stating that the preconditions specified in Sections 9.02(a) and 9.02(b), as they relate to the Buyer, have been satisfied.

ARTICLE 10 TERMINATION

Section 10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Buyer and the Securityholder Representative;

(b) by the Buyer, if there has been a material breach by the Company or any Securityholder of any covenant or other agreement contained herein and such breach has not been waived by the Buyer or cured by the Company or such Securityholder within ten (10) Business Days after the Company's or the Securityholder Representative's receipt of written notice thereof from the Buyer;

(c) by the Securityholder Representative, if there has been a material breach by the Buyer of any covenant or other agreement contained herein and such breach has not been waived by the Securityholder Representative or cured by the Buyer within ten (10) Business Days after the Buyer's receipt of written notice thereof from the Securityholder Representative; provided, that the failure to deliver the payments required by Sections 2.02 or 2.03 as required hereunder shall not be subject to cure hereunder unless otherwise agreed to in writing by the Securityholder Representative;

(d) by the Buyer, if the transactions contemplated hereby have not been consummated on or before September 13, 2011; provided, that, if the only outstanding condition to closing (other than deliveries to be made at or as of the Closing) is the Antitrust Approvals required by Sections 9.01(d) and 9.02(d), then such date shall automatically be extended to October 13, 2011; provided, further, that the Buyer shall not be entitled to terminate this Agreement pursuant to this Section 10.01(d) if the Buyer's knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby; or

(e) by the Securityholder Representative, if the transactions contemplated hereby have not been consummated on or before September 13, 2011; provided, that, if the only outstanding condition to closing (other than deliveries to be made at or as of the Closing) is the Antitrust Approvals required by Sections 9.01(d) and 9.02(d), then such date shall automatically be extended to October 13, 2011; provided, further, that the Securityholder Representative shall not be entitled to terminate this Agreement pursuant to this Section 10.01(e) if the Company's or the Securityholders' knowing or willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

The party desiring to terminate this Agreement pursuant to clauses (b), (c), (d) or (e) of this Section 10.01 shall give written notice of such termination to the other parties hereto.

Section 10.02. Effect of Termination. In the event this Agreement is terminated by either the Buyer or the Securityholder Representative as provided in Section 10.01, the provisions of this Agreement shall immediately become void and of no further force and effect (other than Section 7.01 (Confidentiality), Section 7.06 (Contact with Employees, Customers and Suppliers), Section 8.03 (Public Announcements), this Section 10.02, Section 11.04 (Securityholder Representative) and Article 12, each of which shall survive the termination of this Agreement), and there shall be no liability on the part of the Buyer, the Company, the Securityholder Representative or any of the Securityholders to any other party hereto, except for willful breaches of this Agreement prior to the time of such termination and, in the case of the Buyer, any failure to have sufficiently available funds for the consummation of the transactions contemplated hereby or to pay the amounts due at Closing as set forth in Sections 2.02 and 2.03.

ARTICLE 11 INDEMNIFICATION/SECURITYHOLDER REPRESENTATIVE

Section 11.01. Survival Period. The representations, warranties, covenants and agreements set forth in this Agreement and in any certificates delivered at the Closing in connection with this Agreement shall survive for a period beginning on the Closing Date and ending on April 30, 2012 (the “Survival Period”), and shall thereafter be of no further force or effect; provided, that with respect to any covenant or agreement contained herein that expressly contemplates performance after the end of the Survival Period, the Survival Period for such covenant or agreement shall continue through the period of such contemplated performance provided further, that, (i) the representations and warranties set forth in Sections 3.01, 3.02, 3.03, 3.05, 3.14 (with respect to the first sentence thereof only), 4.01, 4.04, 4.05, 5.01, 5.02, 5.08 (the “Fundamental Representations”), and claims arising out of actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 shall survive the Closing indefinitely and (ii) the representations and warranties in Sections 3.06 and 3.19 (the “Tax and ERISA Representations”) shall survive until the date that is ninety (90) days after the expiration of the statute of limitations applicable to the underlying action.

Section 11.02. Indemnification.

(a) Subject to the provisions of this Section 11.02 and Section 11.03 below, after the Closing, the Securityholders, severally but not jointly and severally, shall indemnify the Buyer and hold it harmless against any actual loss, liability, damage or expense (including reasonable legal fees and expenses, but excluding incidental, consequential or punitive damages or any liability for lost profits or the like or any damages or liability based on multiple of profits, multiple of cash flow or similar valuation methodology) (collectively, “Losses” and individually, a “Loss”) which the Buyer suffers as a result of any breach of the representations, warranties, covenants and agreements of the Company or the Securityholders set forth herein and as restated in any certificates delivered by or on behalf of the Company (or any Subsidiary) or the Securityholders at the Closing; provided, that the Buyer’s right to seek indemnification for such breaches shall be limited to an amount of Losses not to exceed the Cap except for Losses relating to or arising out of (i) (A) a breach of the Fundamental Representations, (B) a breach of the Tax and ERISA Representations, and (C) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company, which shall be limited to an amount of such Losses not to exceed the Purchase Price, or (ii) actual fraud committed by a Securityholder in such Securityholder’s capacity as a securityholder of the Company, which shall be limited to an amount of such Losses; and provided, further, that the Buyer shall not be entitled to seek indemnification with respect to any individual Loss, unless such Loss is greater than \$50,000 and unless such Loss, together with all other Losses that are greater than \$50,000, exceeds \$2,500,000, in which case the Buyer shall be entitled to indemnification only for the amount of such excess up to the Cap, the Purchase Price or the amount of such Losses, as applicable.

(b) Subject to the provisions of this Section 11.02 and Section 11.03 below, after the Closing the Buyer shall indemnify the Securityholder Representative and each Securityholder and hold them harmless against any Loss which the Securityholder Representative or any Securityholder (as the case may be) suffers as a result of (i) any breach by the Buyer of its covenants, agreements, representations and warranties set forth herein and as restated in any certificates delivered by the Buyer at the Closing and any breach by the Company of its covenants or agreements herein following the Closing or (ii) the operations of the Company and the Subsidiaries following the Closing, including, without limitation, any personal injury or other product liability claim arising out of the ownership, possession or use of any product manufactured, distributed or sold by the Company or any of its Subsidiaries after the Closing Date.

(c) No Person shall be liable for any claim for indemnification under subsections (a) or (b) above unless written notice specifying in reasonable detail the nature of the claim for indemnification is delivered by the Person seeking indemnification to the Person from whom indemnification is sought prior to the expiration of the Survival Period, in which case the representation, warranty, covenant or agreement which is the subject of such claim shall survive, to the extent of such claim only, until such claim is resolved, whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given, if, but only if, (i) in the case of a claim made by reason of a Third Party Claim, the written notice is accompanied by a copy of the written notice of the third party claimant and (ii) in the case of any claim made other than by reason of a Third Party Claim, some Losses shall have been incurred in good faith at or prior to the date of such notice.

(d) Promptly after the assertion by any third party of any claim (a “Third Party Claim”) against any Person entitled to indemnification under this Section 11.02 (the “Indemnatee”) that results or may result in the incurrence by such Indemnatee of any Loss for which such Indemnatee would be entitled to indemnification pursuant to this Agreement, such Indemnatee shall promptly provide notice of such Third Party Claim to the parties from whom such indemnification could be sought (the “Indemnitors”) and, if the Securityholders are the Indemnitors, the Securityholder Representative. The Indemnitors may (and if the Indemnitors are the Securityholders, the Securityholders Representative may, at its option, on behalf of the Securityholders), assume the defense of the Indemnatee against such Third Party Claim, (including the employment of counsel and the payment of reasonable expenses). Any Indemnatee shall have the right to employ separate counsel in any such Third Party Claim and to participate in the defense thereof, but the fees and expenses of such counsel shall not be an expense of the Indemnitor unless (i) the Indemnitor shall have failed, within a reasonable time after having been notified by the Indemnatee of the existence of such Third Party Claim as provided in the preceding sentence, to assume the defense of such Third Party Claim or (ii) the employment of such counsel has been specifically authorized by the Indemnitor. In no event will an Indemnatee consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Indemnitor.

(e) The amount of any Loss subject to indemnification hereunder or of any claim therefor shall be calculated net of (i) any accruals or reserves on the Latest Balance Sheet that specifically relate to the matter(s) for which indemnification is claimed, (ii) any amounts actually recovered by an Indemnatee pursuant to any indemnification by or indemnification agreement with any non-affiliated third party (net of all direct collection expenses), (iii) any insurance proceeds or other cash receipts or sources of reimbursement received as an offset against such Loss (net of all direct collection expenses) received or receivable by the Buyer or the Company, any Subsidiary or any of their Affiliates on account of such Loss (each such source named in clauses (ii) and (iii), a “Collateral Source”), and (iv) any Tax Benefit inuring to the Buyer, the Company, any Subsidiary, or any of their Affiliates on account of such Loss. If the Buyer, the Company, any Subsidiary or any of their Affiliates receives a Tax Benefit after an indemnification payment is made, the Buyer shall promptly pay to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages) the amount of such Tax Benefit at such time or times as and to the extent that such Tax Benefit is realized. For purposes hereof, “Tax Benefit” shall mean any refund of Taxes paid or reduction in the amount of Taxes which otherwise would have been paid, in each case computed at the effective tax rates. The Buyer, the Company

and the Subsidiaries shall seek full recovery of any Loss from all Collateral Sources covering such Loss to the same extent as they would if such Loss were not subject to indemnification hereunder. The Buyer, the Company and the Subsidiaries shall not terminate or cancel any insurance policies in effect for periods prior to the Closing. In the event that a recovery from a Collateral Source is made by the Buyer, the Company, any Subsidiary or any of their Affiliates with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery (net of all direct collection expenses) shall be made promptly to the Securityholder Representative (on behalf of the Securityholders in accordance with their respective Securityholder Allocation Percentages). The Indemnitors shall be subrogated to all rights of the Indemnitees in respect of any Losses indemnified by the Indemnitors.

(f) Each Person entitled to indemnification hereunder shall take all reasonable steps to mitigate all losses, costs, expenses and damages after becoming aware of any event which could reasonably be expected to give rise to any losses, costs, expenses and damages that are indemnifiable or recoverable hereunder or in connection herewith.

(g) All indemnification payments made hereunder shall be treated by all parties as adjustments to the Purchase Price.

(h) Notwithstanding anything to the contrary contained in this Section 11.02, there shall be no recovery for any Loss or alleged Loss by the Buyer under this Section 11.02, and the Loss shall not be included in meeting the stated thresholds hereunder, to the extent such item has been included in the calculation of the Net Working Capital Amount or the Indebtedness Amount as determined pursuant to Section 2.04 hereof.

(i) There shall be no recovery for any Loss or alleged Loss by the Buyer for the conduct of any environmental investigatory, corrective or remedial action: (1) with respect to any conditions of contamination identified through any environmental sampling or analysis, or any report to any Governmental Authority, in either case which is not required by Environmental Requirements, or (2) except to the extent of such action necessary to attain compliance in a cost effective manner with Environmental Requirements assuming continued commercial or industrial use of the subject property and employing risk based standards and institutional controls where available.

Section 11.03. Limitation of Recourse.

(a) Except for Losses resulting from (i) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company (which, in any case, will be subject to the limitations of Section 11.02(a) and Section 11.03(b)), or (ii) actual fraud committed by a Securityholder in such Securityholder's capacity as a securityholder of the Company, the indemnification provided by Section 11.02(a) shall be the sole and exclusive remedy for any Losses of the Buyer, the Company or any Subsidiary with respect to any misrepresentation or inaccuracy in, or breach of, any representations or warranties or any breach or failure in performance of any covenants or agreements made by the Company, any Subsidiary, the Securityholder Representative or any Securityholder in this Agreement or in any exhibit or Schedules hereto or any certificate delivered hereunder. Each party acknowledges and agrees that, from and after the Closing, except: (i) for claims resulting from (A) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company (which, in any case, will be subject to the limitations of Section 11.02(a) and Section 11.03(b)) or (B) actual fraud committed by a Securityholder in such Securityholder's capacity as a securityholder of the Company; (ii) for claims of, or causes of action for which the sole remedy sought is equitable relief; or (iii) for specific performance of obligations to be performed after the Closing Date, the sole and exclusive remedy of the parties hereto for breach of this Agreement shall be indemnification in accordance with this Article 11.

(b) Each Securityholder's liability for each Loss shall be limited to such Securityholder's Securityholder Allocation Percentage multiplied by the amount of such Loss. In no event shall the aggregate amount of Losses payable by any Securityholder in respect of claims for indemnification exceed such Securityholder's Securityholder Allocation Percentage multiplied by the Cap; provided that, each Securityholder's liability for Losses in respect of claims relating to or arising out of (i)(A) a breach of the Fundamental Representations, (B) a breach of the Tax and ERISA Representations, and (C) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by the Company shall not exceed such Securityholder's Securityholder Allocation Percentage multiplied by the Purchase Price, and (ii) actual fraud or an intentional and knowing breach of subsections (b) – (k) of Section 6.01 by such Securityholder shall not exceed the amount of such Loss.

(c) No Securityholder shall have any liability for a breach of any other Securityholder's representations, warranties, covenants or agreements in this Agreement, or the actual fraud committed by any other Securityholder in such other Securityholder's capacity as a securityholder of the Company, and, in each case, the Buyer shall have no right to seek indemnification from any other Securityholder for any portion of such Loss.

(d) No claim shall be brought or maintained by the Buyer, the Company or any Subsidiary or their respective successors or permitted assigns against any officer, director, employee (present or former) or Affiliate of any party hereto which is not otherwise expressly identified as a party hereto, and no recourse shall be brought or granted against any of them in such capacities, by virtue of or based upon any alleged misrepresentation or inaccuracy in or breach of any of the representations, warranties or covenants of any party hereto set forth or contained in this Agreement or any exhibit or Schedule hereto or any certificate delivered hereunder.

(e) The Buyer shall not have any right to assert any claim against the Securityholders with respect to any Loss, cause of action or other claim to the extent such Loss is a Loss, cause of action or claim with respect to which the Buyer or any of its Affiliates has taken action (or caused action to be taken) with the primary intent of accelerating the time period in which such matter is asserted or payable in order to cause a claim to be made prior to the applicable expiration date set forth in Section 11.01.

Section 11.04. Securityholder Representative.

(a) Each Securityholder hereby appoints ACAS as the "Securityholder Representative" to act as the agent of the Securityholders with the full power (i) to resolve all questions, disputes, conflicts and controversies concerning Losses as provided in this Article 11, (ii) to execute and enter into, on behalf of the Securityholders, and to take all actions thereunder for and on their behalf, including but not limited the authorization of payments from the Reserve Account (including any increase thereof pursuant to Section 2.04(b)(i)) in connection with Losses as provided herein, (iii) to negotiate and/or settle all claims under this Agreement, (iv) to receive from the Buyer monies payable to the Securityholders in accordance with the provisions of this Agreement, (v) to otherwise take such actions (or refrain from taking actions) and execute such documents (including any modifications, waivers or amendments thereto) on the Securityholders' behalf in connection with this Agreement as the Securityholder Representative, in its sole discretion, deems proper, (vi) to pay, release and/or distribute any or all of the Reserve Account or otherwise to pay Losses hereunder, each in its sole discretion, (vii) to adjust the Securityholder Allocation Percentage of the Reserve Account otherwise payable to any particular Securityholder as a result of the payment of Losses resulting from breaches of such Securityholder's representations, warranties, covenants or agreements hereunder) and (viii) to perform all of the functions of the Securityholder Representative under this Agreement. The Buyer is entitled to rely on the acts and agreements of the Securityholder Representative as the acts and agreements of the Securityholders. The Securityholder Representative shall be entitled to retain counsel and to incur such reasonable expenses (including court costs and reasonable

attorney's fees and expenses) as the Securityholder Representative deems to be reasonably necessary or appropriate in connection with its performance of its obligations under this Agreement, and all such fees and expenses incurred by the Securityholder Representative shall be borne pro rata by the Securityholders based upon their respective initial Securityholder Allocation Percentages.

(b) The Securityholders hereby agree severally to indemnify the Securityholder Representative (in its capacity as such), on a pro rata basis based upon their respective Securityholder Allocation Percentages, against, and to hold the Securityholder Representative (in its capacity as such) harmless from (and the Securityholder Representative shall have the right to deduct from the Reserve Account or, after the exhaustion thereof, to seek payment directly from the Securityholders for the amount of), any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of whatever kind which may at any time be imposed upon, incurred by or asserted against the Securityholder Representative in such capacity in any way relating to or arising out of its action or failure to take action pursuant to this Agreement or in connection herewith in such capacity; provided, that none of the Securityholders shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of the Securityholder Representative. The Securityholder Representative may from time to time submit invoices to the Securityholders covering such expenses and/or liabilities and, upon the request of any Securityholder, shall provide such Securityholder with an accounting of all expenses paid. In addition to any other rights or remedies (including Section 11.02(d)), the Securityholder Representative may, upon prior or contemporaneous written notice, offset any amounts determined by it to be owed to the Securityholder Representative against the Reserve Account and against any amounts to be paid to the Securityholders hereunder. The agreements in this Section 11.04 shall survive termination of this Agreement.

(c) The Buyer shall be fully protected in dealing with the Securityholder Representative under this Agreement and may rely upon the authority of the Securityholder Representative to act on behalf of the Securityholders. Any payment by the Buyer to the Securityholder Representative to the extent authorized under this Agreement shall be considered a payment by the Buyer to the Securityholders. The appointment of the Securityholder Representative is coupled with an interest and shall be irrevocable by any Securityholder in any manner or for any reason. This power of attorney shall not be affected by the death, illness, dissolution, disability, incapacity or other inability to act of the principal pursuant to any applicable Law.

(d) The Securityholder Representative may resign from its capacity as Securityholder Representative at any time by written notice delivered to the Buyer and the Securityholders. If there is a vacancy at any time in the position of Securityholder Representative for any reason, such vacancy shall be filled by a Securityholders vote in the form of a writing executed by the Securityholders entitled to a majority of the number of votes referred to in the next sentence. In such event, each Securityholder shall have a number of votes equal to such Securityholder's Securityholder Allocation Percentage multiplied by 100 and the authorization of a majority of such number of votes shall be binding on all of the Securityholders and shall constitute the authorization of the Securityholders.

(e) The Securityholder Representative shall not be liable to the Buyer or the Securityholders in its capacity as the Securityholder Representative for any liability of a Securityholder or for any error of judgment, or any act done or step taken or omitted by it believed by it to be in good faith or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection with this Agreement except in the case of gross negligence or willful misconduct by it. The Securityholder Representative may seek the advice of reputable legal counsel in the event of any dispute or question as to the construction of any of the provisions of this Agreement or its duties hereunder, and it shall incur no liability in its capacity as Securityholder Representative to the Buyer or the Securityholders and shall be fully protected with respect to any action taken, omitted or suffered by it in good faith in accordance with the opinion of such counsel.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to the Company (after the Closing) or to the Buyer, then to:

Nordson Corporation
28601 Clemens Road
Westlake, Ohio 44145
Attn: Robert Veillette, Vice President, General Counsel and Secretary
Fax: 440-892-9253

with a copy to:

Ulmer & Berne LLP
1660 West 2nd St., Suite 1100
Cleveland, OH 44113-1448
Attn: Peter A. Rome, Esq.
Fax: 216-583-7005

or, if to the Company (before the Closing), ACAS, ACEI, ACEII or the Securityholder Representative, then to:

American Capital, Ltd.
Two Bethesda Metro Center, 14th floor
Bethesda, Maryland 20814

Attn: Compliance Officer
Fax: (301) 659-6714

with copies to (which copies shall not constitute notice):

American Capital, Ltd.
2200 Ross Avenue, Suite 5000E
Dallas, Texas 75201
Attn: Kyle Bradford
Fax: (214) 273-6635

and

Patton Boggs LLP
2000 McKinney Avenue, Suite 1700
Dallas, Texas 75201
Attn: Akash D. Sethi
Fax: (214) 758-1550

and, for notices to the Company (before the Closing), with a copy to (which shall not constitute notice):

VP Acquisition Holdings, Inc.
c/o Value Plastics, Inc.
3325 South Timberline Road
Fort Collins, CO 80525
Attn: Chief Financial Officer
Fax: (970) 267-2063

or, if to any other Securityholder, at the address set forth below such Securityholder's name on the signature pages hereto or the Joinder Agreement, as applicable.

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received on a Business Day in the place of receipt prior to 5:00 p.m. in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 12.02. Amendments and Waivers.

(a) Except as otherwise provided herein, any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by the Buyer and the Securityholder Representative, or in the case of a waiver, by the party against whom the waiver (in the case of any Securityholder, the Securityholder Representative) is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 12.03. Construction; Severability. 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 headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. In the event a subject matter is addressed in more than one representation and warranty in Article 3, the Buyer shall be entitled to rely only on the most specific representation and warranty addressing such subject matter. 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, then 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. Unless otherwise indicated, references in this Agreement to \$ or dollars are to U.S. dollars.

Section 12.04. Expenses. Except as otherwise provided herein, and subject to Section 11.04, each party shall pay all of its own fees, costs and expenses (including, without limitation, fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby; provided, that the Buyer shall pay any and all expenses relating to surveys, title insurance, and any other filings and consents required in connection with the transactions contemplated by this Agreement; and provided, further, that all fees payable by the Buyer, the Company, any Subsidiary or the Securityholders in connection with the Antitrust Approvals shall be paid by the Buyer.

Section 12.05. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except (i) that Buyer may assign this Agreement to an Affiliate (an "Assignee") provided that Buyer remains liable for the obligations, representations, warranties, covenants and agreements of Assignee hereunder, and (ii) that following the Closing, the Securityholder Representative may assign, delegate or otherwise transfer any of its rights to one or more of its Affiliates. Notwithstanding the foregoing, upon notice to the Securityholder Representative, the Buyer may assign any or all of its rights and obligations under this Agreement to any lender to the Buyer as security for indebtedness to any such lender with respect to a financing arrangement in connection with the transactions contemplated under this Agreement.

Section 12.06. 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.

Section 12.07. Arbitration.

(a) Except for the matters set forth in Section 2.04(a) and the rights of the parties to equitable relief pursuant to Section 12.10, any dispute, controversy, or claim under, arising out of, or relating in any way to this Agreement and/or the negotiation, inducement, validity, interpretation, or breach thereof shall be resolved solely and exclusively by binding arbitration. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time a demand for arbitration is made, and the provisions of this Section. In the event of a conflict between the provisions of this Section and the Commercial Arbitration Rules, the provisions of this Section shall govern.

(b) Any dispute, controversy, or claim shall be deemed submitted to arbitration under this Section upon the filing with the Washington, D.C. office of the American Arbitration Association and delivery to the parties hereto of a written demand for arbitration, which demand shall describe in reasonable detail the facts and legal grounds forming the basis for the claim and any request for relief. The arbitration shall be conducted before a panel of three (3) arbitrators (the "Panel") who are mutually agreeable to the parties. If the parties cannot mutually agree upon the selection of an arbitrator, the arbitrator shall be selected in accordance with the rules of the then-effective Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be held in New York, New York, or at another location if agreed to by all parties.

(c) The arbitration hearing shall commence within one hundred and twenty (120) calendar days of the selection of the arbitrator and shall proceed and be completed expeditiously thereafter.

(d) Unless otherwise ordered by the Panel upon application by a party and good cause shown by such party, discovery for each party shall be limited to fifteen (15) interrogatories, twenty-five (25) requests for production of documents, and three (3) depositions. All issues concerning discovery (including the scope of discovery) upon which the parties cannot agree shall be submitted to the arbitrator for determination.

(e) Each party shall identify, no less than twenty (20) business days before the date of the commencement of the arbitration hearing, all persons that may testify at the arbitration hearing, all exhibits to be introduced into evidence at the arbitration hearing, and all documents considered, used, or relied upon by any witness in support of or in connection with that witness' testimony at the arbitration hearing.

(f) In rendering an award, the arbitrator shall determine the rights and obligations of the parties according to the laws of the State of Delaware, except as otherwise expressly provided in this Section.

(g) The arbitrator's decision and award shall be made in writing and shall be issued in a final, confirmable form no more than forty-five (45) calendar days after the commencement of the arbitration hearing. The arbitrator shall not have the power to award damages that are specifically excluded under this Agreement, and each party hereby irrevocably waives any claim to such damages. The decision and award of the arbitrator shall be final and binding on the parties and shall not be subject to appeal. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(h) Notwithstanding the provisions of Sections 11.02(a) and (b), and subject to Section 11.04, each party shall bear its own costs and fees in connection with any arbitration conducted pursuant to this Section 12.07 and any proceedings in connection therewith.

(i) Any party unsuccessfully refusing to comply with an order of the arbitrator shall be liable for costs and expenses, including reasonable attorneys' fees, incurred by the other party in enforcing the order.

Section 12.08. Forum. Except for the dispute resolution procedures otherwise set forth in Section 2.04(a) and the rights of the parties to seek equitable relief pursuant to Section 12.10, each party agrees that any suit, action or proceeding brought by such party against the other in connection with or arising from this Agreement shall be subject to the arbitration provisions set forth in Section 12.07. Any equitable remedies sought in connection with this Agreement ("Judicial Action") shall be brought against any of the parties only in any United States federal or state court located in the State of Delaware and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such Judicial Action and waives any objection to venue laid therein. Process in any such Judicial Action proceeding may be served on any party anywhere in the world, whether within or without the State of Delaware. Without limiting the generality of the foregoing, each party hereto agrees that service of process upon such party at the address referred to in Section 12.01, together with written notice of such service to such party, shall be deemed effective service of process upon such party.

Section 12.09. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.09.

Section 12.10. Specific Performance. Each of the parties hereto acknowledges that the rights of each party to consummate the transactions contemplated hereby are unique and recognize and affirm that in the event of a breach of this Agreement by any party, money damages may be inadequate and the non-breaching party may have no adequate remedy at law. Accordingly, the parties agree that such non-breaching party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce their rights and the other party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

Section 12.11. Prevailing Party. If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by any party hereto to enforce its rights under this Agreement against any other party, all fees, costs and expenses, including, without limitation, reasonable attorneys fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party; provided, that if a party to such litigation, action, arbitration or proceeding prevails in part, and loses in part, then the court, arbitrator or other adjudicator presiding over such litigation, action, arbitration or proceeding shall award a reimbursement of the fees, costs and expenses incurred by such party on an equitable basis. For the avoidance of doubt, the foregoing sentence shall not apply to any fees, costs or expenses in connection with Section 2.04(a) or as contemplated by Section 12.07(h).

Section 12.12. Counterparts; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. Except as otherwise specifically set forth herein (including specifically, but not limited to, the Persons not party hereto entitled to the benefits of Sections 7.04, 8.06, 11.01, 11.02 and 11.03), no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

Section 12.13. Entire Agreement. This Agreement and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any other prior understandings, agreements, representations or warranties by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 12.14. Termination of Agreements. Each Securityholder (other than ACAS for the sole purpose of the enforcement by ACAS of the provisions thereof prior to the Closing), to the extent a party thereto, agrees that the Stockholders Agreement and that certain Agreement dated October 14, 2005 between the Company and its Subsidiaries, on the one hand, and ACAS, on the other hand (together, the "Terminating Agreements") shall be of no further force or effect from and after the Closing, and hereby waives any and all (i) notice requirements and (ii) rights or restrictions with respect to the transfer of the shares of Common Stock of the Company set forth in the Stockholders Agreement. Each Securityholder (other than ACAS for the sole purpose of the enforcement by ACAS of the provisions thereof prior to the Closing), to the extent a party thereto, hereby waives any and all rights under the Terminating Agreements, and, except for the continuing obligations provided for herein, releases all other parties to the Terminating Agreements from all obligations, commitments, liabilities or claims arising thereunder.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed either individually or by their respective authorized officers as of the day and year first above written.

BUYER :

NORDSON CORPORATION

By: _____
Name: _____
Title: _____

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

COMPANY :

VP ACQUISITION HOLDINGS, INC.

By: _____
Name: _____
Title: _____

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

STOCKHOLDERS :

AMERICAN CAPITAL, LTD.

By: _____
Name: _____
Title: _____

AMERICAN CAPITAL EQUITY I, LLC

By: American Capital Equity Management,
LLC, its Manager

By: _____
Name: _____
Title: _____

AMERICAN CAPITAL EQUITY II, LP

By: American Capital Equity Management II,
LLC, its General Partner

By: _____
Name: _____
Title: _____

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

STOCKHOLDERS (cont.):

Jim Pisula

Address: _____

Jeff Jensen

Address: _____

Bruce Williams

Address: _____

John Gibson

Address: _____

Charles Philipp

Address: _____

[Additional Signature Pages Follow]

[Signature Page to Stock Purchase Agreement]

OPTIONHOLDERS :

Bruce Williams

Address: _____

John Gibson

Address: _____

Charles Philipp

Address: _____

Terry Gibbons

Address: _____

[Additional Signature Page Follows]

[Signature Page to Stock Purchase Agreement]

SECURITYHOLDER REPRESENTATIVE :

AMERICAN CAPITAL, LTD., solely in its
capacity as Securityholder Representative

By: _____
Name: _____
Title: _____

[Signature Page to Stock Purchase Agreement]

Exhibit A

Initial Securityholder Allocation

Names	Initial Securityholder Allocation (%) ¹	Estimated Purchase Price (\$) ²	Reserve Account (\$) ³
American Capital, Ltd.	50.2937%		\$ 502,936.82
American Capital Equity I, LLC	25.8791%		\$ 258,791.20
American Capital Equity II, LP	10.0943%		\$ 100,943.30
Jeff Jensen	0.8136%		\$ 8,136.49
Jim Pisula	1.0171%		\$ 10,170.61
Terry Gibbons	1.8002%		\$ 18,001.98
John Gibson	2.5172%		\$ 25,172.26
Charles Philipp	2.0901%		\$ 20,900.61
Bruce Williams	5.4947%		\$ 54,946.73
TOTAL	100.0%	\$	\$ 1,000,000.00

1. Subject to adjustment as set forth in the definition of “Security Allocation Percentage” and Section 11.04.
2. Subject to adjustment pursuant to Section 2.04.
3. Amounts subject to increase pursuant to Section 2.05.

Exhibit B

Transaction Expenses⁴

4 To be provided at least 2 Business Days prior to the Closing Date.

Exhibit C

Securityholders Party to Joinder Agreements

Jeff Jensen

Joinder Agreement

Schedule 1.01

Persons With Knowledge

Bruce Williams
Terry Gibbons
John Gibson
Chuck Philipp

Schedule 2.01(f)

Net Working Capital

None.

Schedule 2.03(b)(v)

Indebtedness to be Repaid¹

Indebtedness to ACAS and its affiliates.

¹ To be provided at least 2 Business Days prior to the Closing Date.

Schedule 9.01(c)

Required Consents

None.

Governmental Approvals

The Anti-Trust Approvals.

General Information

EDGAR File Number	000-07977
Filing Date	Sept 09, 2011 08:33:42
Filer (CIK)	NORDSON CORP~0000072331
EDGAR Form Family	Form 10-Q Quarterly Reports
Period Date	Jul 31, 2011
Industry(SIC)	General Industrial Machinery & Equipment, NEC [3569]
Form Type	Form 10-Q

NORDSON CORPORATION**Subsidiaries of the Registrant**

The following table sets forth the subsidiaries of the Registrant (each of which is included in the Registrant's consolidated financial statements), and the jurisdiction under the laws of which each subsidiary was organized:

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
UNITED STATES:	
Nordson ASYMTEK, Inc.	California
Nordson MARCH, Inc	California
Nordson DAGE, Inc.	California
Nordson YESTECH, Inc.	California
Matrix-FocalSpot, Inc.	California
Value Plastics, Inc.	Colorado
Realty Land Conservancy 3	Colorado
VP Acquisition Holding, Inc.	Delaware
Xaloy Holdings, Inc.	Delaware
Nordson Xaloy Incorporated	Delaware
Xaloy Extrusion LLC dba Nordson Xaloy Incorporated	Delaware
Nordson Extrusion Dies Industries, LLC	Delaware
Flametech Corporation	Delaware
New Castle Screws, Inc.	Delaware
Xaloy Superior Holdings, Inc.	Delaware
Avalon Laboratories Holding Corp.	Delaware
Avalon Laboratories, LLC	Delaware
J and M Laboratories, Inc.	Georgia
Micromedics, Inc	Minnesota
Nordson U.S. Trading Company	Ohio
Nordson England L.L.C.	Ohio
Nordson Medical Corporation	Ohio
Spirex Corporation dba Nordson Xaloy Incorporated	Ohio
Nordson Pacific, Inc.	Ohio
Nordson Advanced Technology LLC	Ohio
Nordson Atlantic LLC	Ohio
New Castle Industries, Inc. dba Nordson Xaloy Incorporated	Pennsylvania
Atlantic Grinding & Welding, Inc.	Pennsylvania
F.R. Gross Co., Inc.	Pennsylvania
Nordson EFD LLC	Rhode Island
EFD International, Inc.	Rhode Island
New Castle Rolls, Inc.	Virginia
EDI Holdings, Inc.	Wisconsin

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
INTERNATIONAL:	
Nordson Australia Pty. Limited	Australia
Nordson Pacific, Inc. Australian Representative Office	Australia
Nordson Osterreich GmbH	Austria
Nordson Benelux S.A./N.V.	Belgium
Nordson EDI Europe NV	Belgium
Nordson do Brasil Industria e Comercio Ltda.	Brazil
Nordson Canada Limited	Canada
Nordson (China) Co., Ltd.	China
Dage Test Systems (Suzhou) Co. Ltd.	China
Dage Trading (Suzhou) Co. Ltd.	China
Nordson PPS (Shanghai) Co. Ltd. fka Nordson Extrusion Dies Industries (Shanghai) Co. Ltd.	China
Nordson China Business Trust	China
Matrix (Suzhou) Trading Co., Ltd.	China
Nordson Andina Limitada	Colombia
Nordson CS, spol.s.r.o.	Czech Republic
Nordson Danmark A/S	Denmark
Nordson Finland Oy	Finland
Nordson France S.A.S.	France
Dosage 2000 S.A.R.L	France
Nordson Deutschland GmbH	Germany
Nordson Engineering GmbH	Germany
Dage Deutschland GmbH	Germany
Nordson Holdings S.a.r.l. & Co. KG	Germany
Nordson Xaloy Europe GmbH	Germany
EDI GmbH	Germany
Nordson PPS GmbH fka Nordson Kreyenborg GmbH	Germany
Nordson BKG GmbH	Germany
Nordson Germania Ltd. & Co. KG	Germany
Liquidyn GmbH	Germany
Matrix Technologies GmbH	Germany
Matrix Service GmbH	Germany
WAFO Schnecken und Zylinder GmbH	Germany
Nordson Asia Pacific, Ltd.	Hong Kong
Value Plastics (Asia Pacific)	Hong Kong
Ligonia Limited	Hong Kong
Macaria Limited	Hong Kong
Nordson Advanced Technology (Hong Kong) Ltd.	Hong Kong

Name**Jurisdiction of Incorporation****INTERNATIONAL:**

Nordson India Private Limited	India
Nordson S.E. Asia (Pte.) Limited, Indonesia Representative Office	Indonesia
Nordson Ireland Capital Company	Ireland
Nordson Italia S.p.A.	Italy
Nordson Xaloy Italia S.r.l.	Italy
Nordson K.K.	Japan
Nordson Advanced Technology (Japan) K.K. fka Dage Japan Co., Ltd.	Japan
Nordson Xaloy K.K.	Japan
Matrix Technologies Japan KK	Japan
Nordson European Holdings Luxembourg S.a.r.l.	Luxembourg
Nordson S.a.r.l.	Luxembourg
Nordson Luxembourg S.a.r.l.	Luxembourg
Nordson (Malaysia) Sdn. Bhd.	Malaysia
Nordson de Mexico, S.A. de C.V.	Mexico
Nordson Benelux B.V.	The Netherlands
Nordson B.V.	The Netherlands
Dima Group B.V.	The Netherlands
C-Tech Systems B.V.	The Netherlands
Nordson New Zealand	New Zealand
Nordson Norge A/S	Norway
Nordson Polska Sp.z.o.o.	Poland
Nordson Portugal Equipamento Industrial, Lda.	Portugal
Nordson Russia Limited Liability Company	Russia
Nordson S.E. Asia (Pte.) Ltd.	Singapore
Nordson Advanced Technology (Singapore) Pte. Ltd. fka Dage (SEASIA) Pte. Ltd	Singapore
Nordson Advanced Technology International Pte. Ltd.	Singapore
Matrix Inspection Systems, Pte. Ltd.	Singapore
Nordson SA	South Africa
Nordson Korea	South Korea
Nordson Iberica, S.A.	Spain
Nordson AB	Sweden
Nordson (Schweiz) A.G.	Switzerland
Nordson Advanced Technology LLC (Taiwan Branch)	Taiwan
Nordson Xaloy Asia (Thailand) Ltd.	Thailand
Nordson (U.K.) Limited	United Kingdom
Dage Holdings Limited	United Kingdom
Dage Pension Trustees Limited	United Kingdom

Name**INTERNATIONAL:**

Dage Precision Industries Limited

YDX Limited 2010 fka Nordson London Limited

Primount LLP

Majority Kingdom Investment Limited

Minority Kingdom Investment Limited

Nordson International de Venezuela, CA

Representative Office of Nordson S.E. Asia (Pte.) Limited in Ho Chi Minh City

Jurisdiction of Incorporation

United Kingdom

United Kingdom

United Kingdom

United Kingdom

United Kingdom

Venezuela

Vietnam

NORDSON CORPORATION

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-167406) pertaining to the Nordson Employees' Savings Trust Plan and Nordson Hourly-Rated Employees' Savings Trust Plan;
2. Registration Statement (Form S-8 No. 33-18309) pertaining to the Nordson Employees' Savings Trust Plan;
3. Registration Statement (Form S-8 No. 33-33481) pertaining to the Nordson Hourly-Rated Employees' Savings Trust Plan;
4. Registration Statement (Form S-8 No. 333-119399) pertaining to the Nordson Corporation 2004 Long-Term Performance Plan; and
5. Registration Statement (Form S-8 No. 333-188980) pertaining to the Nordson Corporation 2012 Stock Incentive and Award Plan

of our reports dated December 15, 2016, with respect to the consolidated financial statements and schedule of Nordson Corporation and the effectiveness of internal control over financial reporting of Nordson Corporation included in this Annual Report (Form 10-K) of Nordson Corporation for the year ended October 31, 2016.

/s/ Ernst & Young LLP

Ernst & Young LLP

Cleveland, Ohio

December 15, 2016

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael F. Hilton, certify that:

1. I have reviewed this Annual Report on Form 10-K of Nordson 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 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 registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that 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.

Date: December 15, 2016

/s/ Michael F. Hilton

Michael F. Hilton

President and Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory A. Thaxton, certify that:

1. I have reviewed this Annual Report on Form 10-K of Nordson 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 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 registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that 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.

Date: December 15, 2016

/s/ Gregory A. Thaxton

Gregory A. Thaxton

Senior Vice President, Chief Financial Officer

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Nordson Corporation (the "Company") on Form 10-K for the year ended October 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. Hilton, president and chief executive officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 15, 2016

/s/ Michael F. Hilton

Michael F. Hilton

President and Chief Executive Officer

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Nordson Corporation (the "Company") on Form 10-K for the year ended October 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory A. Thaxton, senior vice president, chief financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 15, 2016

/s/ Gregory A. Thaxton

Gregory A. Thaxton

Senior Vice President, Chief Financial Officer

For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned Registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into Registrant's Registration Statements on Form S-8 Nos; 33-18309 (Employees Savings Trust Plan); and 33-33481 (Hourly-Rated Employees Savings Trust Plan):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

