Notice of 2017
Annual Meeting

Proxy Statement

Annual Financial Information
and Review of Operations

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 9, 2017
11:00 a.m. Eastern Daylight Time
JW Marriott Essex House New York
Tivoli Room
160 Central Park South
New York, NY 10019

Dear Fellow Stockholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2017 Annual Meeting of Stockholders of AMETEK, Inc. At the Annual Meeting, you will be asked to:

1. Elect four Directors for a term of three years;
2. Cast an advisory vote to approve named executive officer compensation;
3. Cast an advisory vote on the frequency of future advisory votes on executive compensation;
4. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2017; and
5. Transact any other business properly brought before the Annual Meeting.

Only stockholders of record at the close of business on March 24, 2017 will be entitled to vote at the Annual Meeting. Your vote is important. You can vote in one of four ways: (1) via the Internet, (2) by telephone using a toll-free number, (3) by marking, signing and dating your proxy card, and returning it promptly in the enclosed envelope, or (4) by casting your vote in person at the Annual Meeting. Please refer to your proxy card for specific proxy voting instructions.

We have included the annual financial information relating to our business and operations in Appendix A to the Proxy Statement. We also have enclosed a Summary Annual Report.

We hope that you take advantage of the convenience and cost savings of voting by computer or by telephone. A sizable electronic response would significantly reduce return-postage fees.

Whether you expect to attend the meeting or not, we urge you to vote your shares via the Internet, by telephone or by mailing your proxy as soon as possible. Submitting your proxy now will not prevent you from voting your stock at the Annual Meeting if you want to, as your proxy is revocable at your option. We appreciate your interest in AMETEK.

Sincerely,

Frank S. Hermance
Executive Chairman

David A. Zapico
Chief Executive Officer

Berwyn, Pennsylvania
Dated: March 31, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 9, 2017
Our Notice of 2017 Annual Meeting of Stockholders, Proxy Statement and Annual Report are available at: http://www.ametek.com/2017proxy

---

Principal executive offices

1100 Cassatt Road
Berwyn, Pennsylvania 19312-1177

PROXY STATEMENT

We are mailing this Proxy Statement and proxy card to our stockholders of record as of March 24, 2017 on or about March 31, 2017. The Board of Directors is soliciting proxies in connection with the election of Directors and other actions to be taken at the Annual Meeting of Stockholders and at any adjournment or postponement of that Meeting. The Board of Directors encourages you to read the Proxy Statement and to vote on the matters to be considered at the Annual Meeting.

TABLE OF CONTENTS

	Page
Voting Procedures	1
Corporate Governance	2
Stockholder Proposals and Director Nominations for the 2018 Proxy Statement	9
Report of the Audit Committee	10
Election of Directors (Proposal 1 on Proxy Card)	11
Advisory Approval of the Company's Executive Compensation (Proposal 2 on Proxy Card)	11
Advisory Vote on the Frequency of the Advisory Vote on Executive Compensation (Proposal 3 on Proxy Card)	12
Ratification of Appointment of Independent Registered Public Accounting Firm (Proposal 4 on Proxy Card)	13
The Board of Directors	14
Executive Officers	16
Executive Compensation:	
Compensation Discussion and Analysis	17
Report of the Compensation Committee	24
Compensation Tables	25
Potential Payments Upon Termination or Change of Control	35
Stock Ownership of Executive Officers and Directors	38
Beneficial Ownership of Principal Stockholders	39
Compliance with Section 16(a) of the Securities Exchange Act of 1934	39
Other Business	40
Multiple Stockholders Sharing the Same Address	40
Electronic Distribution of Proxy Statements and Annual Reports	40
Appendix:	
Index to Annual Financial Information and Review of Operations	A–1

VOTING PROCEDURES

Your vote is very important. It is important that your views be represented whether or not you attend the Annual Meeting. Stockholders who hold AMETEK shares through a broker, bank or other holder of record receive proxy materials and a Voting Instruction Form – either electronically or by mail – before each Annual Meeting. For your vote to be counted, you need to communicate your voting decisions to your broker, bank or other holder of record before the date of the Annual Meeting.

Who can vote? Stockholders of record as of the close of business on March 24, 2017 are entitled to vote. On that date, 230,014,300 shares of our Common Stock were issued and outstanding and eligible to vote. Each share is entitled to one vote on each matter presented at the Annual Meeting.

How do I vote? You can vote your shares at the Annual Meeting if you are present in person or represented by proxy. You can designate the individuals named on the enclosed proxy card as your proxies by mailing a properly executed proxy card, via the Internet or by telephone. You may revoke your proxy at any time before the Annual Meeting by delivering written notice to the Corporate Secretary, by submitting a proxy card bearing a later date, or by appearing in person and casting a ballot at the Annual Meeting.

To submit your proxy by mail, indicate your voting choices, sign and date your proxy card and return it in the postage-paid envelope provided. You may vote via the Internet or by telephone by following the instructions on your proxy card. Your Internet or telephone vote authorizes the persons named on the proxy card to vote your shares in the same manner as if you marked, signed and returned the proxy card to us.

If you hold your shares through a broker, bank or other holder of record, that institution will send you separate instructions describing the procedure for voting your shares.

What shares are represented by the proxy card? The proxy card represents all the shares registered in your name. If you participate in the AMETEK, Inc. Investors' Choice Dividend Reinvestment & Direct Stock Purchase and Sale Plan, the card also represents any full shares held in your account. If you are an employee who owns AMETEK shares through an AMETEK employee savings plan and also hold shares in your own name, you will receive a single proxy card for the plan shares, which are attributable to the units that you hold in the plan, and the shares registered in your name. Your proxy card or proxy submitted through the Internet or by telephone will serve as voting instructions to the plan trustee.

How are shares voted? If you return a properly executed proxy card or submit voting instructions via the Internet or by telephone before voting at the Annual Meeting is closed, the individuals named as proxies on the enclosed proxy card will vote in accordance with the directions you provide. If you return a signed and dated proxy card but do not indicate how the shares are to be voted, those shares will be voted as recommended by the Board of Directors. A valid proxy card or a vote via the Internet or by telephone also authorizes the individuals named as proxies to vote your shares in their discretion on any other matters which, although not described in the Proxy Statement, are properly presented for action at the Annual Meeting.

If your shares are held by a broker, bank or other holder of record, please refer to the instructions it provides for voting your shares. If you want to vote those shares in person at the Annual Meeting, you must bring a signed proxy from the broker, bank or other holder of record giving you the right to vote the shares.

If you are an employee who owns AMETEK shares through an AMETEK employee savings plan and you do not return a proxy card or otherwise give voting instructions for the plan shares, the trustee will vote those shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. Your proxy voting instructions must be received by May 4, 2017 to enable the savings plan trustee to tabulate the vote of the plan shares prior to the Annual Meeting.

How many votes are required? A majority of the shares of our outstanding Common Stock entitled to vote at the Meeting must be represented in person or by proxy in order to have a quorum present at the Annual Meeting. Abstentions and "broker non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A "broker non-vote" occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for the particular proposal and has not received instructions from the beneficial owner. If a quorum is not present, the Annual Meeting will be rescheduled for a later date.

Directors will be elected by the vote of a majority of the votes cast at the meeting. This means that a nominee will be elected if the number of votes cast "for" that nominee exceeds the number of votes "against" that nominee. Any shares not voted (whether by abstention, broker non-votes or otherwise) will not be counted as votes cast and will have no effect on the vote. The advisory approval of the Company's executive compensation and the ratification of the appointment of Ernst & Young LLP require the affirmative vote of the holders of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter. Abstentions and broker non-votes are not counted as votes for or against these proposals. For the vote on the frequency of an advisory vote on executive compensation, if none of the frequency options receive votes from a majority of the shares represented in person or by proxy and entitled to vote on the proposal (with abstentions being included in the denominator of this calculation), the frequency option receiving the greatest number of votes cast in this advisory vote will be considered the frequency recommended by stockholders. In this situation, abstentions will not affect the determination as to which frequency option is recommended by the stockholders. The advisory votes on executive compensation and the frequency of an advisory vote on executive compensation are not binding upon the Company. However, the Board and Compensation Committee will take into account the outcome of these votes when considering future executive compensation arrangements and the frequency of the vote on executive compensation.

Who will tabulate the vote? Our transfer agent, American Stock Transfer & Trust Company, LLC, will tally the vote, which will be certified by independent inspectors of election.

Is my vote confidential? It is our policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual stockholders, except where disclosure is mandated by law and in other limited circumstances.

Who is the proxy solicitor? We have retained Georgeson LLC to assist in the distribution of proxy materials and solicitation of votes. We will pay Georgeson LLC a fee of $10,000, plus reimbursement of reasonable out-of-pocket expenses.

CORPORATE GOVERNANCE

In accordance with the Delaware General Corporation Law and our Certificate of Incorporation and By-laws, our business and affairs are managed under the direction of the Board of Directors. We provide information to the Directors about our business through, among other things, operating, financial and other reports, as well as other documents presented at meetings of the Board of Directors and Committees of the Board.

Our Board of Directors currently consists of ten members. They are Thomas A. Amato, Ruby R. Chandy, Anthony J. Conti, Frank S. Hermance, Steven W. Kohlhagen, James R. Malone, Gretchen W. McClain, Elizabeth R. Varet, Dennis K. Williams, and David A. Zapico. The biographies of the continuing Directors appear on pages 14 and 15. The Board is divided into three classes with staggered terms of three years each, so that the term of one class expires at each Annual Meeting of Stockholders. On May 3, 2016, in accordance with the Company's Certificate of Incorporation and By-Laws, the Board increased the number of Class I Directors from two to three, thereby increasing the size of the Board from eight to nine Directors. Mr. Zapico was elected to the Board effective May 5, 2016, to serve as a Class I Director until the 2019 Annual Meeting. Mr. Zapico was recommended for nomination by Mr. Hermance. Then, on March 6, 2017, the Board increased the number of Class II Directors from three to four, thereby increasing the size of the Board from nine to ten Directors. Mr. Amato was elected to the Board effective March 6, 2017, to serve as a Class II Director until the 2017 Annual Meeting. Mr. Amato was recommended for nomination by Mr. Zapico after a thorough recruitment search process using an outside director search agency.

Corporate Governance Guidelines and Codes of Ethics. The Board of Directors has adopted Corporate Governance Guidelines that address the practices of the Board and specify criteria to assist the Board in determining Director independence. These criteria supplement the listing standards of the New York Stock Exchange and the regulations of the Securities and Exchange Commission. Our Code of Ethics and Business Conduct sets forth rules of conduct that apply to all of our Directors, officers and employees. We also have adopted a separate Code of Ethical Conduct for our Chief Executive Officer and senior financial officers. The Guidelines and Codes are available at the Investors section of www.ametek.com as well as in printed form, free of charge to any stockholder who requests them, by writing or telephoning the Investor Relations Department, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177 (Telephone Number: 1-800-473-1286). The Board of Directors and our management do not intend to grant any waivers of the provisions of either Code. In the unlikely event a waiver for a Director or an executive officer occurs,

the action will be disclosed promptly at our website address provided above. If the Guidelines or the Codes are amended, the revised versions also will be posted on our website.

Meetings of the Board. Our Board of Directors has five regularly scheduled meetings each year. Special meetings are held as necessary. In addition, management and the Directors frequently communicate informally on a variety of topics, including suggestions for Board or Committee agenda items, recent developments and other matters of interest to the Directors.

The independent Directors meet in executive session at least once a year outside of the presence of any management Directors and other members of our management. The presiding Director at the executive sessions rotates annually among the chairpersons of the Corporate Governance/Nominating Committee, the Compensation Committee and the Audit Committee. The presiding Director at the executive sessions for 2017 is Mr. Malone, the chairperson of the Corporate Governance/Nominating Committee. During executive sessions, the Directors may consider such matters as they deem appropriate. Following each executive session, the results of the deliberations and any recommendations are communicated to the full Board of Directors.

Directors are expected to attend all meetings of the Board and each Committee on which they serve and are expected to attend the Annual Meeting of Stockholders. Our Board met a total of ten times in 2016: five times in person and five times by telephone. Each of the Directors attended at least 75% of the meetings of the Board and the Committees to which the Director was assigned. All the Directors attended the 2016 Annual Meeting of Stockholders.

Independence. The Board of Directors has affirmatively determined that each of the current non-management Directors, Thomas A. Amato, Ruby R. Chandy, Anthony J. Conti, Steven W. Kohlhagen, James R. Malone, Gretchen W. McClain, Elizabeth R. Varet and Dennis K. Williams, has no material relationship with us (either directly or as a partner, stockholder or officer of an organization that has a relationship with us) and, therefore, is an independent Director within the meaning of the New York Stock Exchange rules. The Board has further determined that each member of the Audit, Compensation and Corporate Governance/Nominating Committees is independent within the meaning of the New York Stock Exchange rules. The members of the Audit Committee also satisfy Securities and Exchange Commission regulatory independence requirements for audit committee members.

The Board has established the following standards to assist it in determining Director independence: A Director will not be deemed independent if: (i) within the previous three years or currently, (a) the Director has been employed by us; (b) someone in the Director's immediate family has been employed by us as an executive officer; or (c) the Director or someone in her/his immediate family has been employed as an executive officer of another entity that concurrently has or had as a member of its compensation committee of the board of directors any of our present executive officers; (ii) (a) the Director is a current partner or employee of a firm that is the Company's internal or external auditor; (b) someone in the Director's immediate family is a current partner of such a firm; (c) someone in the Director's immediate family is a current employee of such a firm and personally works on the Company's audit; or (d) the Director or someone in the Director's immediate family is a former partner or employee of such a firm and personally worked on the Company's audit within the last three years; (iii) the Director received, or someone in the Director's immediate family received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from us, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and, in the case of an immediate family member, other than compensation for service as our employee (other than an executive officer). The following commercial or charitable relationships will not be considered material relationships: (i) if the Director is a current employee or holder of more than ten percent of the equity of, or someone in her/his immediate family is a current executive officer or holder of more than ten percent of the equity of, another company that has made payments to, or received payments from us for property or services in an amount which, in any of the last three fiscal years of the other company, does not exceed $1 million or two percent of the other company's consolidated gross revenues, whichever is greater, or (ii) if the Director is a current executive officer of a charitable organization, and we made charitable contributions to the charitable organization in any of the charitable organization's last three fiscal years that do not exceed $1 million or two percent of the charitable organization's consolidated gross revenues, whichever is greater. For the purposes of these categorical standards, the terms "immediate family member" and "executive officer" have the meanings set forth in the New York Stock Exchange's corporate governance rules.

All independent Directors satisfied these categorical standards.

Communication with Non-Management Directors and Audit Committee. Stockholders and other parties who wish to communicate with the non-management Directors may do so by calling 1-877-263-8357 (in the United States and Canada) or 1-610-889-5271. If you prefer to communicate in writing, address your correspondence to the Corporate Secretary, Attention: Non-Management Directors, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177.

You may address complaints regarding accounting, internal accounting controls or auditing matters to the Audit Committee online at www.ametekhotline.com or by calling 1-855-5AMETEK (1-855-526-3835). The website provides the option to choose your language, as well as a list of international toll-free numbers by country.

Committees of the Board. Our Board Committees include Audit, Compensation, and Corporate Governance/ Nominating. The Executive Committee of the Board was dissolved as of May 4, 2016 and no meetings of the Executive Committee were held in 2016. The charters of the Audit, Compensation and Corporate Governance/Nominating Committees are available at the Investors section of www.ametek.com as well as in printed form, free of charge to any stockholder who requests them, by writing or telephoning the Investor Relations Department, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177 (Telephone Number: 1-800-473-1286). Each of the Audit, Compensation and Corporate Governance/Nominating Committees conducts an annual assessment to assist it in evaluating whether, among other things, it has sufficient information, resources and time to fulfill its obligations and whether it is performing its obligations effectively. Each Committee may retain advisors to assist it in carrying out its responsibilities.

The Audit Committee has the sole authority to retain, compensate, terminate, oversee and evaluate our independent auditors. In addition, the Audit Committee is responsible for:

- review and approval in advance of all audit and lawfully permitted non-audit services performed by the independent auditors;
- review and discussion with management and the independent auditors regarding the annual audited financial statements and quarterly financial statements included in our Securities and Exchange Commission filings and quarterly sales and earnings announcements;
- oversight of our compliance with legal and regulatory requirements;
- review of the performance of our internal audit function;
- meeting separately with the independent auditors and our internal auditors as often as deemed necessary or appropriate by the Committee; and
- review of major issues regarding accounting principles, financial statement presentation and the adequacy of internal controls.

The Committee met seven times during 2016. The members of the Committee are Anthony J. Conti – Chairperson, Steven W. Kohlhagen, James R. Malone and Gretchen W. McClain. The Board of Directors has determined that Mr. Conti is an "audit committee financial expert" within the meaning of the Securities and Exchange Commission's regulations.

The Compensation Committee is responsible for, among other things:

- establishment and periodic review of our compensation philosophy and the adequacy of the compensation plans for our officers and other employees;
- establishment of compensation arrangements and incentive goals for officers at the Corporate Vice President level and above and administration of compensation plans;
- review of the performance of officers at the Corporate Vice President level and above and award of incentive compensation, exercising discretion and adjusting compensation arrangements as appropriate;
- review and monitoring of management development and succession plans; and
- periodic review of the compensation of non-employee Directors.

The Committee met six times during 2016. The members of the Committee are Dennis K. Williams – Chairperson, Ruby R. Chandy, James R. Malone, and Elizabeth R. Varet. In carrying out its duties, the Compensation Committee made compensation decisions for 36 officers as of December 31, 2016, including all executive officers. The Committee, in setting compensation for the Executive Chairman and the Chief Executive Officer, will review and

evaluate the Executive Chairman's and the Chief Executive Officer's performance and leadership, taking each of into account the views of other members of the Board. The Compensation Committee charter provides that, with the participation of the Chief Executive Officer, the Committee is to evaluate the performance of other officers and determine compensation for these officers. In this regard, Compensation Committee meetings are regularly attended by the Chief Executive Officer. The Executive Chairman and the Chief Executive Officer do not participate in the determination of their own compensation. The Compensation Committee has authority under the charter to retain and set compensation for compensation consultants and other advisors that the Committee may engage. The Compensation Committee charter does not provide for delegation of the Committee's duties and responsibilities other than to one or more members of the Committee when appropriate.

Management engaged Pay Governance LLC to provide executive and Director compensation consulting services. Pay Governance provided no other services for the Company. The Compensation Committee has assessed the independence of Pay Governance pursuant to Securities and Exchange Commission rules and concluded that Pay Governance's work for the Committee does not raise any conflict of interest issues.

We ask Pay Governance to provide comparative data regarding compensation levels for seasoned managers who have job functions and responsibilities that are similar to those of our executives. Specifically, we ask Pay Governance to compare our executives' compensation to the 50th percentile of compensation for similarly positioned executives in a general industry group consisting of approximately 500 companies. Based on this data, our human resources department develops summaries for the Compensation Committee, indicating competitive compensation levels for our executives that would correspond to the 50th percentile, thereby assisting the Compensation Committee in its evaluation of our executives' compensation. See "Compensation Discussion and Analysis – 2016 Compensation – Determination of Competitive Compensation" for further information.

The Corporate Governance/Nominating Committee is responsible for, among other things:

- selection of nominees for election as Directors, subject to ratification by the Board;
- recommendation of a Director to serve as Chairperson of the Board;
- recommendation to the Board of the responsibilities of Board Committees and each Committee's membership;
- oversight of the annual evaluation of the Board and the Audit and Compensation Committees; and
- review and assessment of the adequacy of our Corporate Governance Guidelines.

The Committee met eight times during 2016. The members of the Committee are James R. Malone – Chairperson, Gretchen W. McClain and Dennis K. Williams.

Board Leadership Structure. On May 5, 2016, the Company announced that as part of its planned succession of senior executive leadership, Mr. Hermance transitioned to the role of Executive Chairman of the Board of Directors and Mr. Zapico was elected Chief Executive Officer and a member of the Board. We believe that this structure permits us to leverage Mr. Hermance's knowledge and experience while allowing Mr. Zapico to focus on the operations of the business during the transition period.

Our Board and Committee composition ensures independence and protects against too much power being placed with the Executive Chairman and the Chief Executive Officer. Currently, all of our Directors (other than Messrs. Hermance and Zapico) and each member of the Audit, Corporate Governance/Nominating and Compensation Committees meet the independence requirements of the New York Stock Exchange and our Corporate Governance Guidelines' categorical standards for determining Director independence. Pursuant to our Corporate Governance Guidelines, each independent Director has the ability to raise questions directly with management and request that topics be placed on the Board agenda for discussion. Currently, independent Directors directly oversee such critical matters as the integrity of the Company's financial statements, the compensation of executive management, the selection and evaluation of Directors and the development and implementation of the Company's corporate governance policies and structures. Further, the Compensation Committee conducts an annual performance review of each of the Executive Chairman and the Chief Executive Officer and, based upon this review, approves the Executive Chairman's and the Chief Executive Officer's annual compensation, including salary, bonus, incentive and equity compensation.

We do not have a designated lead independent Director. It is our policy that independent Directors meet in executive session at least once a year outside of the presence of any management Directors or any other members of our management. The presiding Director at the executive sessions rotates among the chairpersons of the Corporate

Governance/Nominating Committee, the Compensation Committee and the Audit Committee. This policy provides for leadership at all meetings or executive sessions without making it necessary to designate a lead Director who would be required to expend substantial extra time in order to perform these same duties.

Risk Oversight. In accordance with New York Stock Exchange rules and our Audit Committee's charter, our Audit Committee has primary responsibility for overseeing risk management for the Company. Nevertheless, our entire Board of Directors, and each other Committee of the Board, is actively involved in overseeing risk management. Our Board of Directors, and each of its Committees, regularly consider various potential risks at their meetings during discussion of the Company's operations and consideration of matters for approval. In addition, the Company has an active risk management program. A committee composed of senior executives, including the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Comptroller and the Group Presidents, reviews our internal risks, including those relating to our operations, strategy, financial condition, compliance and employees, and our external risks, including those relating to our markets, geographic locations, cyber security, regulatory environment and economic outlook. The committee analyzes various potential risks for severity, likelihood and manageability, and develops action plans to address those risks. The committee's findings are presented to the Audit Committee of the Board on a quarterly basis and to the full Board of Directors annually.

Consideration of Director Candidates. The Corporate Governance/Nominating Committee seeks candidates for Director positions who help create a collective membership on the Board with varied backgrounds, experience, skills, knowledge and perspective. In addition, Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions that they can make to the Company. The Committee also seeks a Board that reflects diversity, including but not limited to race, gender, ethnicity, age and experience. This is implemented by the Committee when it annually considers diversity in the composition of the Board prior to recommending candidates for nomination as Directors. The Committee solicits input from Directors regarding their views on the sufficiency of Board diversity. This occurs through the annual self-assessment process. The Committee assesses the effectiveness of Board diversity by considering the various skills, experiences, knowledge, backgrounds and perspectives of the members of the Board of Directors. The Committee then considers whether the Board possesses, in its judgment, a sufficient diversity of those attributes.

Stockholders can recommend qualified candidates for Director by writing to the Corporate Secretary, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177. Stockholder submissions must include the following information: (1) the name of the candidate and the information about the individual that would be required to be included in a proxy statement under the rules of the Securities and Exchange Commission; (2) information about the relationship between the candidate and the recommending stockholder; (3) the consent of the candidate to serve as a Director; and (4) proof of the number of shares of our Common Stock that the recommending stockholder owns and the length of time that the shares have been owned. To enable consideration of a candidate in connection with the 2018 Annual Meeting, a stockholder must submit materials relating to the recommended candidate no later than November 30, 2017. In considering any candidate proposed by a stockholder, the Corporate Governance/Nominating Committee will reach a conclusion based on the criteria described above in the same manner as for other candidates. The Corporate Governance/Nominating Committee also may seek additional information regarding the candidate. After full consideration by the Corporate Governance/Nominating Committee, the stockholder proponent will be notified of the decision of the Committee.

In addition, we recently adopted "proxy access," which, under certain circumstances, allows a stockholder or group of up to twenty stockholders who have owned at least 3% of the Company's Common Stock for at least three years to submit director nominees (up to the greater of two Directors or 20% of the Board) for inclusion in the Company's proxy materials if the stockholder(s) and the nominee(s) satisfy the requirements specified in the Company's By-Laws. Stockholders who wish to nominate directors for inclusion in the Company's proxy materials or directly at an annual meeting of stockholders in accordance with the procedures in our By-Laws should follow the instructions under the "Stockholder Proposals and Director Nominations for the 2018 Annual Meeting" section of this proxy statement.

Director Compensation. Standard compensation arrangements for Directors in 2016 are described below.

- Fees – Non-employee Directors received an annual base cash retainer of $90,000. The Chairmen of the Compensation and Corporate Governance/Nominating Committees received an additional retainer premium of $10,000, and the Chairman of the Audit Committee received an additional retainer premium of $20,000. There were no additional fees for attendance at the Board or Committee meetings.
- Restricted Stock – On May 4, 2016, under our 2011 Omnibus Incentive Compensation Plan, each non-employee Director received a restricted stock award of 1,260 shares of our Common Stock. These restricted shares vest on the earliest to occur of:
  - the closing price of our Common Stock on any five consecutive trading days equaling or exceeding $93.92,
  - the death or disability of the Director,
  - the Director's termination of service as a member of AMETEK's Board of Directors in connection with a change of control, or
  - the second anniversary of the date of grant, namely May 4, 2018, provided the Director has served continuously through that date.
- Restricted Stock Vestings – On May 4, 2016, in accordance with the 2011 Omnibus Incentive Compensation Plan and the approval of the Compensation Committee, the restrictions on 1,100 shares of restricted stock previously granted to Mr. Klein on May 8, 2014 were lifted upon his retirement and separation of service from the Company on May 4, 2016. This action allowed Mr. Klein to realize the value of his unvested long-term incentive award that he would otherwise forfeit as a result of his retirement and rewarded him for his long and valued service to the Company. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 4, 2016 ($46.96), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

  Also on May 9, 2016, the 2-year cliff vesting of the restricted stock granted on May 8, 2014 to Messrs. Conti, Kohlhagen, Malone and Williams, Ms. Chandy and Ms. Varet occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 9, 2016 ($46.31), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

  Also, on September 9, 2016, the 2-year cliff vesting of the restricted stock granted on September 9, 2014 to Ms. McClain occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on September 9, 2016 ($47.78), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.
- Options – On May 4, 2016, under our 2011 Omnibus Incentive Compensation Plan, each non-employee Director received an option to purchase 5,440 shares of our Common Stock, at an exercise price equal to the closing price of AMETEK's Common Stock, as reported on the New York Stock Exchange consolidated tape on that date. Stock options become exercisable as to the underlying shares in four equal annual installments beginning one year after the date of grant.

The following table provides information regarding Director compensation in 2016, which reflects the standard compensation described above and certain other payments. The table does not include compensation for reimbursement of travel expenses related to attending Board, Committee and AMETEK business meetings, and approved educational seminars. In addition, the table does not address compensation for Messrs. Hermance and Zapico, which is addressed under "Executive Compensation" beginning on page 17. Messrs. Hermance and Zapico do not receive additional compensation for serving as Directors.

DIRECTOR COMPENSATION – 2016

Name	*Fees Earned or Paid in Cash (1)*	*Stock Awards (2)*	*Option Awards (3)*	*Non-Equity Incentive Plan Compensation*	*Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)*	*All Other Compensation (5)*	*Total*
Ruby R. Chandy	$ 90,000	$59,170	$49,700	-	$ -	$ 779	$199,649
Anthony J. Conti	110,000	59,170	49,700	-	-	779	219,649
Charles D. Klein (retired on May 4, 2016)	34,341	-	-	-	82,300	60,000	176,641
Steven W. Kohlhagen	90,000	59,170	49,700	-	-	779	199,649
James R. Malone	100,000	59,170	49,700	-	27,900	779	237,549
Gretchen W. McClain	90,000	59,170	49,700	-	-	1,097	199,967
Elizabeth R. Varet	90,000	59,170	49,700	-	35,700	779	235,349
Dennis K. Williams	96,566	59,170	49,700	-	-	779	206,215

(1) The amounts shown are the annual base cash retainer and retainer premium fees and include amounts that have been deferred under the deferred compensation plan for Directors.

(2) The amounts shown for stock awards relate to restricted shares granted under our 2011 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation - Stock Compensation*, which we refer to below as “ASC 718,” but without giving effect to estimated forfeitures related to service-based vesting conditions. At December 31, 2016, Messrs. Conti, Kohlhagen, Malone, and Williams, Mses. Chandy, McClain and Varet each held 2,450 restricted shares.

(3) The amounts shown for option awards relate to stock options granted under our 2011 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures. The assumptions used in determining the amounts in this column are set forth in Note 10 to our Consolidated Financial Statements on page 55 of Appendix A to this proxy statement. At December 31, 2016, Mr. Williams held options to purchase 37,457 shares of our Common Stock, Mr. Conti held options to purchase 34,631 shares of our Common Stock, Mr. Kohlhagen held options to purchase 29,875 shares of our Common Stock, Ms. Varet held options to purchase 28,875 shares of our Common Stock, Mr. Klein held options to purchase 24,435 shares of our Common Stock, Ms. Chandy held options to purchase 19,530 shares of our Common Stock, Mr. Malone held options to purchase 16,033 shares of our Common Stock, and Ms. McClain held options to purchase 13,160 shares of our Common Stock.

(4) The amounts shown include the aggregate change in actuarial present value of the accumulated benefit under defined benefit plans as follows: Mr. Klein, $82,300; Mr. Malone, $27,900; and Ms. Varet, $35,700. Since Mr. Klein retired on May 4, 2016, the present value of accrued benefits is based on his final retirement benefit and includes the amounts he received in 2016.

(5) The amount shown for Mr. Klein includes a lump sum cash payment, in the amount of $60,000, in recognition of his long and valued service to the Board.

Directors who first became members of the Board of Directors prior to January 1, 1997 participate in a retirement plan for Directors. Under this plan, each non-employee Director who has provided at least three years of service to us as a Director receives an annual retirement benefit equal to 100% of that Director’s highest annual rate of cash compensation during the Director’s service with the Board. Ms. Varet has accrued an annual retirement benefit of $90,000. Mr. Malone has accrued an annual retirement benefit of $100,000.

Directors who first became members of the Board of Directors prior to July 22, 2004 participate in our Death Benefit Program for Directors. Mr. Malone and Ms. Varet participate in this program. Under this program, each non-employee Director has an individual agreement that pays the Director (or the Director's beneficiary in the event of the Director’s death) an annual amount equal to 100% of that Director’s highest annual rate of cash compensation during the Director’s service with the Board. The payments are made for 10 years beginning at the earlier of (a) the Director’s being retired and having attained age 70 or (b) the Director’s death. The program is funded by individual life insurance policies that we purchased on the lives of the Directors. In addition, non-employee Directors who first

became members of the Board of Directors prior to July 27, 2005 have a group term life insurance benefit of $50,000. We retain the right to terminate any of the individual agreements under certain circumstances.

Directors, on or after June 1, 2011, are able to participate in a deferred compensation plan for Directors. Under this plan, a Director may defer payment of his or her fees. In advance of the year in which the fees will be paid, a Director may elect to defer all or part of his or her fees into a notional investment in our Common Stock, in an interest-bearing account, or in both. A Director generally may elect to have the value of his or her account distributed following retirement, either in a lump sum or in up to five annual installments, or in the form of an in-service distribution, payable either in a lump sum or in up to five annual installments commencing on a date specified by the Director in his or her distribution election. Payments may commence sooner upon the Director's earlier separation from service, upon the death of the Director, in the event of an unforeseeable financial emergency or upon a change of control. Payments from the notional Common Stock fund are made in shares of our Common Stock, while payments from the interest-bearing account are paid in cash.

Mandatory Retirement. The retirement policy for our Board of Directors prohibits a Director from standing for re-election following his or her 75th birthday.

Certain Relationships and Related Transactions. Mr. Hermance's son is employed by us in a non-executive officer capacity as a Corporate Vice President and received total compensation, as such amount is calculated for the named executive officers in the Summary Compensation Table on page 25, of approximately $700,000 in 2016.

Under our written related party transactions policy, transactions that would require disclosure under SEC regulations must be approved in advance by the Audit Committee. Applicable SEC regulations generally require disclosure of all transactions since the beginning of a corporation's last fiscal year, or any currently proposed transaction, exceeding $120,000 in which the corporation or any of its subsidiaries is participating and in which any of the following "related persons" had, or will have, a direct or indirect material interest: (1) any of the corporation's directors, director nominees, or executive officers, (2) any beneficial owner of more than 5% of the corporation's common stock and (3) any member of the immediate family of any of the foregoing persons. The term "immediate family" includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other than a tenant or employee) sharing the same household as the person.

Prior to entering into a transaction covered by the policy, the person proposing to enter into the transaction must provide a notice to our Vice President - Audit Services, who must promptly forward the notice to the Chairman of the Audit Committee. Following such inquiry as the Audit Committee deems appropriate, the transaction is permissible if the Audit Committee finds that, notwithstanding the involvement of a related person, there is an appropriate business reason to approve the transaction.

The transaction described above was ratified by the Audit Committee under the policy.

STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE 2018 ANNUAL MEETING

Advance Notice Procedures for Stockholder Proposals and Director Nominations Not Intended for Inclusion in the Proxy Statement for the 2018 Annual Meeting

In accordance with our By-Laws, stockholders must give us notice relating to nominations for Director or proposed business to be considered at our 2018 Annual Meeting of Stockholders, other than in connection with a proxy access nomination, no earlier than January 8, 2018 and no later than February 7, 2018. These requirements do not affect the deadline for submitting stockholder proposals or director nominations for inclusion in the proxy statement, or for recommending candidates for consideration by the Corporate Governance/ Nominating Committee, nor do they apply to questions a stockholder may wish to ask at the Annual Meeting.

Director Nominations for Inclusion in the Proxy Statement for the 2018 Annual Meeting

The Board recently adopted proxy access, which allows a stockholder or group of up to twenty stockholders who have owned at least 3% of the Company's Common Stock for at least three years to submit director nominees (up to the greater of two Directors or 20% of the Board) for inclusion in the Company's proxy materials if the stockholder(s) provide timely written notice of such nomination(s) and the stockholder(s) and the nominee(s) satisfy the requirements specified in the Company's By-Laws. To be timely for inclusion in the Company's proxy materials for the 2018 Annual Meeting of Stockholders, notice must be received by the Corporate Secretary at the principal executive offices of the Company no earlier than the close of business on October 31, 2017, and no later than the close of business on November 30, 2017. The notice must contain the information required by the Company's By-Laws, and the stockholder(s) and nominee(s) must comply with the information and other requirements in our By-Laws relating to the inclusion of stockholder nominees in the Company's proxy materials.

Stockholders may request a copy of the By-Law provisions discussed above from the Corporate Secretary, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177.

Stockholder Proposals for the 2018 Proxy Statement

To be considered for inclusion in the proxy statement for the 2018 Annual Meeting of Stockholders, stockholder proposals must be received at our executive offices no later than November 30, 2017.

REPORT OF THE AUDIT COMMITTEE

The responsibilities of the Audit Committee are set forth in its charter, which is accessible at the Investors section of www.ametek.com**.** Among other things, the charter charges the Committee with the responsibility for reviewing AMETEK's audited financial statements and the financial reporting process. In fulfilling its oversight responsibilities, the Committee reviewed with management and Ernst & Young LLP, AMETEK's independent registered public accounting firm, the audited financial statements contained in AMETEK's 2016 Annual Report on Form 10-K and included in Appendix A to this Proxy Statement. The Committee discussed with Ernst & Young LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended (AICPA, *Professional Standards*, Vol. 1. AU Section 380) and as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the Committee received the written disclosures and letter from Ernst & Young LLP required by Public Company Accounting Oversight Board Rule 3526, *Communication with Audit Committees Concerning Independence*, and has discussed with Ernst & Young LLP its independence.

The Committee discussed with AMETEK's internal auditors and Ernst & Young LLP the overall scope and plans for their respective audits. The Committee met with the internal auditors and Ernst & Young LLP, with and without management present, to discuss the results of their examinations, their evaluations of AMETEK's disclosure control process and internal control over financial reporting, and the overall quality of AMETEK's financial reporting. The Committee held seven meetings during 2016, which included telephonic meetings prior to quarterly earnings announcements.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board approved, the inclusion of the audited financial statements in AMETEK's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, for filing with the Securities and Exchange Commission.

Respectfully submitted,

The Audit Committee:
Anthony J. Conti, Chairperson
Steven W. Kohlhagen
James R. Malone
Gretchen W. McClain

Dated: March 31, 2017

ELECTION OF DIRECTORS
(Proposal 1 on Proxy Card)

The nominees for election at this year's Annual Meeting are Thomas A. Amato, Anthony J. Conti, Frank S. Hermance and Gretchen W. McClain. Messrs. Amato, Conti and Hermance and Ms. McClain have been nominated to serve as Class II Directors and, if elected, will serve until the Annual Meeting in 2020. There are no other nominees competing for their seats on the Board. This means we have an uncontested election.

If a quorum is present, Directors in uncontested elections are elected by a majority of the votes cast, in person or by proxy. This means that the four nominees will be elected if they receive more "for" votes than "against" votes. Votes marked "for" a nominee will be counted in favor of that nominee. Votes marked "abstain" will have no effect on the vote since a majority of the votes cast at the Annual Meeting is required for the election of each nominee. Since we do not have cumulative voting, you may not cast all of your votes "for" a single Director nominee. In accordance with the Company's Corporate Governance Guidelines, any nominee for Director who does not receive a majority of votes cast shall immediately tender his or her resignation for consideration by the Corporate Governance/Nominating Committee of the Board of Directors. The Committee will promptly consider the resignation tendered by the Director and will recommend to the Board whether to accept the tendered resignation or reject it. In considering whether to accept or reject the tendered resignation, the Committee will weigh all factors it deems relevant, including the reasons for the "against" votes by stockholders, the length of service and qualifications of the Director, and the Director's contributions to the Company. No Director whose tendered resignation is under consideration will participate in the deliberation process as a member of the Corporate Governance/Nominating Committee or the process of the Board described below. The Board will act on the Corporate Governance/Nominating Committee's recommendation within 120 days following certification of the stockholders' vote and will promptly disclose (by press release, filing of a Current Report on Form 8-K or any other public means of disclosure deemed appropriate) its decision regarding whether to accept the Director's resignation offer. In considering the Corporate Governance/Nominating Committee's recommendation, the Board will weigh the factors considered by the Committee and any additional information deemed relevant by the Board. If any Directors' resignations are accepted by the Board, the Corporate Governance/Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate, unless the Board determines to reduce the number of Directors. The Directors' biographies are set forth on pages 14 and 15.

Your Board of Directors Recommends a Vote FOR Each of the Nominees.

ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION
(Proposal 2 on Proxy Card)

In accordance with the results of the last advisory vote on the appropriate frequency of our advisory vote on executive compensation at the Company's 2011 Annual Meeting, our Board determined to implement an annual non-binding stockholder vote on our executive compensation (commonly referred to as "say-on-pay"). Our Board has had a long-standing commitment to good corporate governance and recognizes the interest that investors have in executive compensation. We also are committed to achieving a high level of total return to our stockholders.

We encourage you to review the Compensation Discussion and Analysis beginning on page 17 of this proxy statement, as well as the 2016 Summary Compensation table and related compensation tables and narrative, appearing on pages 25 through 37, which provide detailed information on the Company's compensation policies and practices and the compensation of our named executive officers. We believe that our compensation program is designed to attract, motivate and retain the talent required to achieve the short- and long-term performance goals necessary to create stockholder value. Our balanced approach to executive compensation through a combination of base pay, annual incentives and long-term incentives, with a mix of cash and non-cash awards, aligns with creating and sustaining stockholder value. The result of our compensation program is reflected in the total return to our stockholders.

The Board strongly endorses the Company's executive compensation program and recommends that the stockholders vote in favor of the following resolution:

"RESOLVED, that the stockholders approve the compensation of the Company's executives named in the Summary Compensation Table, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis and the accompanying compensation tables and related material disclosed in this Proxy Statement)."

The affirmative vote of the holders of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter is required to approve this proposal. Abstentions and broker non-votes will each be counted as present for purposes of determining a quorum but will not have any effect on the outcome of the proposal.

Although the vote is non-binding, our Board and Compensation Committee will take into account the outcome of the vote when making future decisions about the Company's executive compensation policies and procedures.

Your Board of Directors Recommends a Vote FOR the Approval of the Company's Executive Compensation.

ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON EXECUTIVE COMPENSATION (Proposal 3 on Proxy Card)

The Dodd-Frank Wall Street Reform and Consumer Protection Act added Section 14A to the Securities Exchange Act of 1934, which requires that we provide stockholders with the opportunity to vote, on a non-binding, advisory basis, for their preference as to how frequently to vote on future advisory votes on the compensation of our named executive officers as disclosed in accordance with the compensation disclosure rules of the Securities and Exchange Commission.

Stockholders may indicate whether they would prefer that we conduct future advisory votes on executive compensation once every one, two, or three years. Stockholders also may abstain from casting a vote on this proposal.

The Board of Directors has determined that an annual advisory vote on executive compensation will permit our stockholders to provide input on the Company's executive compensation philosophy, policies and practices as disclosed in the proxy statement each year, which is consistent with our efforts to engage in an ongoing dialogue with our stockholders on executive compensation and corporate governance matters.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting when you vote in response to the resolution set forth below.

"RESOLVED, that the option of once every one year, two years, or three years that receives the highest number of votes cast for this resolution will be determined to be the stockholders' preferred frequency with which the Company is to hold a stockholder vote to approve the compensation of the named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules (which disclosure shall include the Compensation Discussion and Analysis, the Summary Compensation Table, and the other related tables and disclosure)."

Because this vote is advisory and not binding on the Board of Directors or the Company in any way, the Board may decide that it is in the best interests of our stockholders and us to hold an advisory vote on executive compensation more or less frequently than the option selected by our stockholders.

Your Board of Directors Recommends a Vote to Conduct an Advisory Vote on Executive Compensation Once Every Year.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Proposal 4 on Proxy Card)

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the Company's independent registered public accounting firm. To execute this responsibility, the Audit Committee engages in a comprehensive annual evaluation of the independent registered public accounting firm's qualifications, performance and independence. Further, the Audit Committee evaluates whether the independent registered public accounting firm should be rotated, and considers the advisability and potential impact of selecting a different independent registered public accounting firm.

The Audit Committee has selected, and the Board of Directors has ratified the selection of, Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2017. The Audit Committee is responsible for the audit fee negotiations associated with the Company's retention of Ernst & Young LLP. Further, in conjunction with the mandated rotation of the audit firm's lead engagement partner, the Chairman and other members of the Audit Committee are directly involved in the selection of Ernst & Young LLP's new lead engagement partner. Ernst & Young LLP and its predecessor have served continuously as our independent auditors since our incorporation in 1930.

The Audit Committee and the Board of Directors believe that the continued retention of Ernst & Young LLP as our independent registered public accounting firm is in the best interest of the Company and our stockholders, and we are asking our stockholders to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2017. Although action by stockholders on this matter is not required, the Audit Committee believes that it is appropriate to seek stockholder ratification of this appointment, and the Audit Committee may reconsider the appointment if the stockholders do not ratify it.

Fees billed to us by Ernst & Young LLP for services rendered in 2016 and 2015 totaled $8,279,000 and $7,332,000 respectively, and consisted of the following:

	2016	2015
Audit fees	$6,611,000	$6,087,000
Audit-related fees	258,000	51,000
Tax fees	1,408,000	1,192,000
All other fees	2,000	2,000
Total	$8,279,000	$7,332,000

"Audit fees" includes amounts for statutory audits and attestation services related to our internal control over financial reporting for compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

The amounts shown for "Audit-related fees" primarily include fees for audits of employee benefit plans and due diligence in connection with acquisitions.

The amounts shown for "Tax fees" relate to federal and state tax advice, acquisition tax planning, assistance with international tax compliance and international tax consulting.

The amounts shown for "All other fees" relate to online accounting research subscriptions.

The affirmative vote of the holders of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter is required to ratify the appointment of Ernst & Young LLP.

Representatives of Ernst & Young LLP will be present at the Annual Meeting. They will have an opportunity to make a statement if they desire and will be available to respond to appropriate questions.

Your Board of Directors Recommends a Vote FOR Ratification.

THE BOARD OF DIRECTORS

As discussed under "Consideration of Director Candidates", the Corporate Governance/Nominating Committee analyzes a number of factors when considering Directors for selection to the Board. Each of our Directors has been selected based on their demonstrated leadership and significant experience in areas significant to our Company; ability to offer advice and guidance based upon that experience and expertise; sound business judgment; and character and integrity that support the core values of the Company. The biographical information set forth below includes a description of each Director's background that supported the Board's consideration of that Director for nomination. Unless we indicate otherwise, each Director has maintained the principal occupation and directorships described below for more than five years.

Class II: Nominees for election at this Annual Meeting for terms expiring in 2020:

THOMAS A. AMATO Director since 2017 Age 53	Mr. Amato is Chief Executive Officer and President of TriMas Corporation. Previously, he was Chief Executive Officer and President of Metaldyne, LLC from October 2009 to December 2015. From August 2014 to December 2015, Mr. Amato also served as Co-President and Chief Integration Officer of Metaldyne Performance Group Inc. Mr. Amato brings to the Board more than 25 years of broad industrial and international experience, having served in several leadership positions at global, multibillion-dollar businesses. He is currently a Director of TriMas Corporation. Mr. Amato was a Director of Asahi Tec Corporation from June 2008 to May 2012.
ANTHONY J. CONTI Director since 2010 Age 68	Mr. Conti is retired from his position as a Partner at PricewaterhouseCoopers. Mr. Conti brings to the Board expertise in financial accounting, finance, strategy, risk management and human resources management with his more than 35 years' experience at a public accounting firm. He is currently a Director of BioTelemetry, Inc.
FRANK S. HERMANCE Director since 1999 Age 68	Mr. Hermance is the Executive Chairman of AMETEK. Previously, he was Chairman and Chief Executive Officer of AMETEK from January 2001 to May 2016. Mr. Hermance brings to the Board extensive knowledge of our Company and the markets in which we operate through his more than 30 years' experience in our industry. He is currently a Director of UGI Corporation. Mr. Hermance was a Director of IDEX Corporation from January 2004 to April 2012.
GRETCHEN W. MCCLAIN Director since 2014 Age 54	Ms. McClain was the founding President and Chief Executive Officer of Xylem Inc. from October 2011 to September 2013. Ms. McClain brings to the Board her extensive business, developmental, strategic and technical background from more than 25 years of global experience across multiple industries, including as CEO of a publicly traded industrial company and government agency leadership. She is currently a Director of Booz Allen Hamilton Holding Corporation and Boart Longyear Limited. Ms. McClain was a Director of Xylem Inc. from October 2011 to September 2013. She was a Director of Con-way, Inc. from June 2015 to October 2015, when it was acquired by XPO Logistics, Inc.

Class III: Directors whose terms continue until 2018:

JAMES R. MALONE Director since 1994 Age 74	Mr. Malone is founder and Managing Partner of Qorval LLC. Mr. Malone brings to the Board considerable experience and insight into issues facing large public companies gained as CEO of four Fortune 500 companies, and as a director of a number of other public companies. He has extensive acquisition experience and knowledge specific to our markets with more than 30 years' experience in our industry. He was a Director of Regions Financial Corporation from August 1993 to May 2015.
ELIZABETH R. VARET Director since 1987 Age 73	Ms. Varet is a Managing Director of American Securities Management L.P. and chairman of the corporate general partner of several affiliated entities. Ms. Varet brings to the Board expertise in finance and investment through her extensive management and investment experience at private equity and other investment firms.
DENNIS K. WILLIAMS Director since 2006 Age 71	Mr. Williams is retired from his position as President, Chief Executive Officer and Chairman of the Board of IDEX Corporation. Mr. Williams brings to the Board considerable experience and insight into issues facing large public companies gained as CEO of IDEX Corporation. He has extensive acquisition experience and knowledge specific to our markets with more than 30 years' experience in our industry. Mr. Williams is currently a Director of Owens-Illinois, Inc. and Actuant Corporation.

Class I: Directors whose terms continue until 2019:

RUBY R. CHANDY Director since 2013 Age 55	Ms. Chandy was the President of the Industrial Division of Pall Corporation from April 2012 to November 2015. Previously, she was Managing Director, Vice President of Dow Plastics Additives, a unit of The Dow Chemical Company, from 2011 to April 2012. Ms. Chandy brings to the Board her executive management experience, marketing and strategy skills, relevant experience in life science and industrial companies, and extensive engineering and management education. Ms. Chandy was a Director of IDEX Corporation from April 2006 until April 2013.
STEVEN W. KOHLHAGEN Director since 2006 Age 69	Mr. Kohlhagen is a retired financial executive. Mr. Kohlhagen brings to the Board expertise in financial accounting, finance and risk management through his extensive experience in, and knowledge of, the financial, securities and foreign exchange markets. He is currently a Director of the Federal Home Loan Mortgage Corporation and GulfMark Offshore, Inc. Mr. Kohlhagen was a Director of Abtech Holdings, Inc. from August 2012 to March 2014.
DAVID A. ZAPICO Director since 2016 Age 52	Mr. Zapico is the Chief Executive Officer of AMETEK. Previously he was Executive Vice President and Chief Operating Officer from January 2013 to May 2016. From October 2003 to January 2013, Mr. Zapico served as President–Electronic Instruments. Mr. Zapico brings to the Board extensive knowledge of our Company and the markets in which we operate through his more than 25 years' experience in our industry.

EXECUTIVE OFFICERS

Officers are appointed by the Board of Directors to serve for the ensuing year and until their successors have been elected and qualified. Information about our executive officers as of March 24, 2017 is shown below:

Name	Age	Present Position with AMETEK
Frank S. Hermance	68	Executive Chairman
David A. Zapico	52	Chief Executive Officer
William J. Burke	55	Executive Vice President–Chief Financial Officer & Treasurer
Ronald J. Oscher	49	Chief Administrative Officer
Tony J. Ciampitti	44	President–Electronic Instruments
John W. Hardin	52	President–Electronic Instruments
Thomas C. Marecic	55	President–Electronic Instruments
Timothy N. Jones	60	President–Electromechanical Group
Thomas M. Montgomery	54	Senior Vice President–Comptroller & Principal Accounting Officer

Frank S. Hermance's employment history with us and other directorships held during the past five years are described under the section "The Board of Directors" on page 14. Mr. Hermance has 26 years of service with us.

David A. Zapico's employment history with us and other directorships held during the past five years are described under the section "The Board of Directors" on page 15. Mr. Zapico has 27 years of service with us.

William J. Burke was elected Executive Vice President–Chief Financial Officer & Treasurer effective May 15, 2016. Previously he served as Senior Vice President–Comptroller & Treasurer from July 2012 to May 2016. From November 2011 to June 2012, Mr. Burke served as Vice President–Treasurer. Mr. Burke has 29 years of service with us.

Ronald J. Oscher was elected Chief Administrative Officer effective May 5, 2016. Previously he served as President–Electronic Instruments from November 2014 to December 2016. From March 2013 to November 2014, Mr. Oscher served as Senior Vice President–Electronic Instruments. From May 2010 to March 2013, Mr. Oscher served as Vice President and General Manager–Materials Analysis Division. Mr. Oscher has 6 years of service with us.

Tony J. Ciampitti was elected President–Electronic Instruments effective January 1, 2017. Previously he served as Vice President and General Manager–Power Systems and Instruments Division from July 2008 to January 2017. Mr. Ciampitti has 20 years of service with us.

John W. Hardin was elected President–Electronic Instruments effective July 23, 2008. Mr. Hardin has 18 years of service with us.

Thomas C. Marecic was elected President–Electronic Instruments effective November 5, 2014. Previously he served as Senior Vice President–Electronic Instruments from March 2013 to November 2014. From February 2006 to March 2013, Mr. Marecic served as Vice President and General Manager–Process & Analytical Instruments Division. Mr. Marecic has 22 years of service with us.

Timothy N. Jones was elected President–Electromechanical Group effective February 1, 2006. Mr. Jones has 37 years of service with us.

Thomas M. Montgomery was elected Senior Vice President–Comptroller & Principal Accounting Officer effective May 15, 2016. Previously he served as Vice President–Planning & Analysis from July 2012 to May 2016. From August 2005 to July 2012, Mr. Montgomery served as Director, Planning & Analysis. Mr. Montgomery has 33 years of service with us.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this Compensation Discussion and Analysis, we address the compensation paid or awarded to our executive officers listed in the Summary Compensation Table that immediately follows this discussion. We refer to these executive officers as our "named executive officers."

Each year, the Compensation Committee, in consultation with an independent compensation consultant as needed, carefully reviews our compensation policies and procedures to determine if they are in the best interests of our stockholders and employees. The Compensation Committee conducted this review in the fall of 2016. In light of the strong level of stockholder approval of our executive compensation that we received at our 2016 Annual Meeting of Stockholders (approximately 97% of the advisory vote), the Compensation Committee determined that it is in the best interests of our stockholders as well as our employees to maintain our compensation policies and procedures which have been in effect for a number of years and which are described in this Compensation Discussion and Analysis.

2016 Compensation

Compensation Objectives

The compensation paid or awarded to our named executive officers for 2016 was designed to meet the following objectives:

- Provide compensation that is competitive with market levels of compensation provided to other companies' executive officers who provide comparable services, taking into account the size of our Company or operating group, as applicable. We refer to this objective as "competitive compensation."
- Create a compensation structure under which a meaningful portion of total compensation is based on achievement of performance goals. We refer to this objective as "performance incentives."
- Encourage the aggregation and maintenance of meaningful equity ownership, and alignment of executive and stockholder interests. We refer to this objective as "stakeholder incentives."
- Provide an incentive for long-term continued employment with us. We refer to this objective as "retention incentives."

We fashioned various components of our 2016 compensation payments and awards to meet these objectives as follows:

Type of Compensation	Objectives Addressed
Salary	Competitive Compensation
Short-Term Incentive Awards, Restricted Stock Awards and Stock Option Grants	Competitive Compensation, Performance Incentives, Stakeholder Incentives and Retention Incentives

Determination of Competitive Compensation

In assessing the competitiveness of our compensation levels, we review current-year compensation data provided to us by an independent compensation consultant, Pay Governance LLC. The Company targets the 50th percentile of the general industry market (a collection of approximately 500 companies) as its primary reference point. Additional data at the 25th percentile and 75th percentile are also reviewed. We use the general industry market rather than a smaller industry peer group because we draw talent from the broader industry. Our approach provides us reference information, allowing us to compete effectively in the marketplace for top talent, while providing us the flexibility to respond to our changing business conditions and the performance of each individual.

We used the following process to determine a reference point for the compensation for each named executive officer in 2016:

- We provided to the compensation consultant a description of the responsibilities for each named executive officer.

- The compensation consultant employed its standard methodology to provide market compensation levels for comparable executives. Comparable executives are seasoned executives having similar responsibilities. The competitive compensation information was based on general industry data derived principally from Willis Towers Watson's Executive Compensation Database. The data was size-adjusted to reflect the estimated revenues of our Company and its relevant operating groups as appropriate. The compensation consultant advised us that it used general industry data rather than data relating only to electronics and electronic component companies because general industry data provides a much larger sampling of companies, and does not differ meaningfully from the data produced by an electronics and electronic component subset.

In considering the data provided by the compensation consultant, we believe that compensation is competitive if it is within a range of 20 percent above or 20 percent below the compensation reference points at the 50th percentile for comparable executives. We believe that variations within this range typically occur due to differences in experience, responsibilities and performance.

Salaries

The salary amounts set forth in the Summary Compensation Table for 2016 reflect salary decisions made by the Compensation Committee of our Board of Directors in 2015. All named executive officers' salaries were within the competitive compensation guideline of 20 percent above or below salaries for comparable executives at the 50th percentile.

Short-Term Incentive Program

The principal objective of our short-term incentive program is to provide a performance-based incentive. We set target short-term incentive opportunities in order to provide target total cash compensation that is within 20 percent above or below the total cash compensation guideline at the 50th percentile for comparable executives. However, larger variations from market, both positive and negative, may result based on actual performance.

For 2016, we set target bonus amounts, which are typically stated as a percentage of base salary, for the named executive officers as follows: Mr. Zapico, as Chief Operating Officer - 80%; Mr. Zapico, as Chief Executive Officer - 100%; Mr. Hermance - 110%; Mr. Burke, as Senior Vice President - Comptroller & Treasurer - 55%; Mr. Burke, as Executive Vice President - Chief Financial Officer & Treasurer - 75%; Mr. Mandos - 75%; Mr. Jones - 65%; and Mr. Hardin - 65%.

Under our short-term incentive program, we selected performance measures that, in some instances, differed among the named executive officers. These differences reflect the differing responsibilities of the executives. We also established targets for each performance measure.

The target goal for each non-discretionary measure in 2016 was derived from our 2016 budget. Consistent with past practice, the Compensation Committee can make adjustments on a case-by-case basis, such as for group operating income, as described below.

- Diluted earnings per share (EPS) – We believe that the paramount objective of a principal executive officer is to increase stockholder return significantly, and that for a large, well-established industrial corporation, EPS is typically a key metric affecting share price. Therefore, we believe EPS is an excellent measure of our executive officers' performance. For 2016, we adjusted diluted earnings per share to exclude realignment costs and impairment charges.

- Organic revenue growth – Revenue growth is key to the long-term vitality of a business and we believe this is an indicator of our executive officers' performance. This measure is applied either on a Companywide basis, or, for our group presidents, with regard to their respective operating groups. We define our organic revenue growth measure as actual revenue compared to prior-year revenue without giving effect to (i) increases in revenues from businesses that we acquired during the year and (ii) foreign currency effects.

- Operating income – This measure applies to our group presidents with regard to their respective operating groups, and reflects adjustments deemed appropriate by the Compensation Committee. We believe this measure is a reliable indicator of corporate and operating group performance. Adjustments to operating unit income in 2016 consisted of the inclusion of estimated tax benefits pertaining to the disposal of excess and obsolete inventory, the inclusion of specified financing costs related to acquisitions, and the exclusion of realignment costs and impairment charges. We increased operating unit income by the estimated tax benefit realized through the disposal of excess and obsolete inventory. This adjustment encourages our operating executives to dispose of

excess and obsolete inventory so stockholders benefit from the lower taxes. We reduced operating unit income by the estimated amount of interest cost we incur on funds borrowed to finance an acquisition where the results of operations of the acquired business are included in the unit's operating results. We believe that reducing the operating unit income derived from an acquired business by these interest costs better reflects the contribution of the acquisition to the operating unit's performance. By excluding realignment costs and impairment charges, we encourage our operating executives to take appropriate long-term actions for the business.

- Operating working capital – This measure represents inventory plus accounts receivable less accounts payable as a percentage of sales. We use this measure to encourage our executives to manage our working capital in a manner that increases cash available for investment. Operating working capital is reported at the Corporate and Group level. A lower working capital percentage is an indicator of the executives' success in increasing our cash resources.
- Discretionary – A portion of each executive's award, ranging from 10% to 20%, is based on discretionary factors that are deemed appropriate by the Compensation Committee. In the case of the chief operating officer and group presidents, these factors take into account acquisition activity of the Company and their respective operating groups.

The weighting of performance measures for each named executive officer is set forth in the table below. The target award is payable upon achievement of 100 percent of a designated goal. Payment amounts increase from 0 percent to 200 percent of the target award in proportion to the increase from 80 percent (threshold) to 110 percent (maximum) of the goal attainment with regard to each measure except for organic revenue growth and working capital. Payment amounts increase from 0 percent to 200 percent of the target award in proportion to the increase from 3 percentage points below target (threshold) to 3 percentage points above target (maximum) of the organic revenue growth goal and in proportion to the decrease from 110 percent (threshold) to 90 percent (maximum) of the working capital goal. The discretionary portions of the award opportunities are not subject to any specified formula.

Name	Performance Measure	Threshold	Designated Goal (Target)	Maximum	Actual Results	Performance Measure as a Percentage of Total Target Award Opportunity	Actual Award	Actual Award as Percentage of Target Award Opportunity for the Performance Measure
David A. Zapico	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	70%	$275,647	42%
	Organic Revenue Growth	-4.30%	-1.30%	1.70%	-6.47%	10%	$0	0%
	Discretionary	0%	100%	200%	168%	20%	$311,804	168%
Frank S. Hermance	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	80%	$484,000	42%
	Discretionary	0%	100%	200%	200%	20%	$572,000	200%
William J. Burke	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	67%	$89,987	42%
	Organic Revenue Growth	-4.30%	-1.30%	1.70%	-6.47%	10%	$0	0%
	Corporate Working Capital	20.6%	18.7%	16.8%	20.0%	8%	$7,238	30%
	Discretionary	0%	100%	200%	163%	15%	$79,776	163%
Robert R. Mandos (Retired May 15, 2016)	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	70%	$46,207	42%
	Organic Revenue Growth	-4.30%	-1.30%	1.70%	-6.47%	10%	$0	0%
	Corporate Working Capital	20.6%	18.7%	16.8%	20.0%	10%	$4,681	30%
	Discretionary	0%	100%	200%	100%	10%	$15,604	100%
Timothy N. Jones	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	30%	$38,911	42%
	Organic Revenue Growth	-1.70%	1.30%	4.30%	-7.31%	10%	$0	0%
	Group Operating Income	$211,862,817	$264,828,521	$291,311,373	$219,208,711	30%	$12,756	14%
	Group Working Capital	19.5%	17.7%	15.9%	19.1%	10%	$6,374	21%
	Discretionary	0%	100%	200%	132%	20%	$81,199	132%
John W. Hardin	Diluted Earnings Per Share	$2.08	$2.60	$2.86	$2.30	30%	$38,775	42%
	Organic Revenue Growth	-4.0%	-1.0%	2.0%	-5.46%	10%	$0	0%
	Group Operating Income	$264,769,242	$330,961,553	$364,057,708	$301,381,631	30%	$50,692	55%
	Group Working Capital	24.8%	22.5%	20.2%	23.7%	10%	$14,215	47%
	Discretionary	0%	100%	200%	138%	20%	$84,776	138%

As a result of our actual outcomes with respect to the performance measures and the Committee's determinations with respect to the discretionary component, the award payments and the percentage of the aggregate target award represented by the award payments are as follows: Mr. Zapico, $587,451 (63%); Mr. Hermance, $1,056,000 (74%); Mr. Burke, $177,001 (56%); Mr. Mandos, $66,492 (43%); Mr. Jones, $139,240 (45%); and Mr. Hardin, $188,458 (62%). In accordance with SEC regulations, the award payments are reflected in two separate columns of the Summary Compensation Table. The discretionary awards for the named executive officers appear in the "Bonus" column. The other awards are reflected in the "Non-Equity Incentive Plan Compensation" column.

The actual total cash compensation for the named executive officers, as a percentage of the dollar amount of target total cash compensation at the 50th percentile reference point for comparable executives ranged from 70% to 106%. The level of total cash compensation delivered to the named executive officers was primarily driven by the short-term incentive payouts achieved based on performance.

In providing a discretionary award to Mr. Hermance, the Compensation Committee considered our strong results given a weak global economy and effects of a continued strong U.S. dollar in the following areas:

- Earnings – We achieved diluted earnings per share of $2.30 in 2016.
- Operational Excellence – We achieved operating margins of 21.9% in 2016.
- Strategic Acquisitions – We deployed approximately $390 million for five acquisitions in 2016 and added approximately $140 million in annualized revenue.
- New Products – We introduced a number of new products that contributed to our revenue and profitability. Sales from new products introduced over the last three years was $930 million or 24% in 2016.
- Cash Flow – We achieved record cash flow provided by operating activities that totaled $757 million for 2016, an $84 million or 13% increase from 2015. Free cash flow (cash flow provided by operating activities less capital expenditures) was $694 million in 2016, compared with $603 million in 2015.

In the case of Messrs. Zapico, Burke and Mandos, the Compensation Committee considered the same factors as those considered for Mr. Hermance. The discretionary awards for Messrs. Zapico, Jones and Hardin reflected the Committee's assessment of acquisition activities for their respective areas of responsibility as these executives were instrumental in the purchase and integration of the acquired businesses.

Equity-Based Compensation

Our equity-based compensation in 2016 consisted of awards of stock options and restricted stock. We use the most recent year 50th percentile of the general industry group as a reference point for assessing and establishing our equity awards. Our equity-based awards were within the competitive compensation guideline of 20 percent above or below equity-based awards for comparable executives at the 50th percentile.

We granted 50 percent of the long-term incentive award value in the form of stock options and 50 percent in the form of restricted stock. To determine the option award size, we applied a Black-Scholes methodology and to determine the restricted stock award size, we divided the intended award value by the fair market value of a share of the Company's common stock. As a result, we awarded options and restricted stock to the named executive officers as set forth in the Grants of Plan-Based Awards table on page 27 under the column headings, "All Other Option Awards: Number of Securities Underlying Options" and "All Other Stock Awards: Number of Shares of Stock or Units" respectively.

The dollar amounts shown in the Summary Compensation Table under "Option Awards" and "Stock Awards" generally reflect the grant date fair values computed in accordance with ASC 718. See the footnotes to the Summary Compensation Table for further information.

Our options generally vest in equal annual increments on the first four anniversaries of the date of grant. We believe that these vesting terms provide to our executives a meaningful incentive for continued employment. For additional information regarding stock option terms, see the narrative accompanying the Grants of Plan-Based Awards table.

We believe that the vesting provisions of our equity awards also serve as an incentive for continued employment. However, to encourage performance that ultimately enhances stockholder value, we provide for immediate vesting of a restricted stock award if the closing price of our Common Stock during any five consecutive trading days reaches 200 percent of the price of our Common Stock on the date of grant. In the event that the performance criterion is met prior to the first anniversary of the date of grant, then the vesting is delayed until the first anniversary of the date of grant.

Stock-Based Award Grant Practices

Our practices for the grant of stock-based awards encompass the following principles:

- The majority of stock-based awards are approved annually by the Compensation Committee on a pre-scheduled date, which occurs in close proximity to the date of our Annual Meeting of Stockholders.

- The annual stock-based awards will not be made when the Compensation Committee is aware that executive officers or non-employee Directors are in possession of material, non-public information, or during quarterly or other specified "blackout" periods.
- While stock-based awards other than annual awards may be granted to address, among other things, the recruiting or hiring of new employees and promotions, such awards will not be made to executive officers if the Committee is aware that the executive officers are in possession of material, non-public information, or during quarterly or other specified "blackout" periods.
- The Compensation Committee has established that stock options are granted only on the date the Compensation Committee approves the grant and with an exercise price equal to the fair market value on the date of grant, except in cases where international sub-plans require compliance with specific grant date criteria. In these cases, the Compensation Committee may grant stock options at a specified future date with the exercise prices equal to the fair market value on the date of grant.
- Backdating of stock options is prohibited.
- Stockholder approval is required to reprice stock options and stock appreciation rights or for cash buy-outs of underwater stock options and stock appreciation rights except in connection with a corporate transaction involving the Company including, without limitation, any stock dividend, distribution (whether in the form of cash, Company stock, other securities or other property), stock split, extraordinary cash dividend, recapitalization, change of control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Company stock or other securities, or similar transaction(s).

Stock Ownership Guidelines

We believe that by encouraging our executives to maintain a meaningful equity interest in our Company, we will align the interests of our executives with those of our stockholders. Messrs. Hermance and Zapico are required to hold a multiple of five times their base salaries in our stock. The multiple for Messrs. Burke, Jones and Hardin is three times base salary. Under our guidelines, an executive is expected to reach his or her stock ownership requirement within five years of being promoted to his or her position. As of December 31, 2016, each of our named executive officers met his stock ownership guideline.

Compensation Risk

The Company reviews the risks associated with employee compensation policies and practices as an element of the annual incentive compensation process. As part of this process, we establish a pay mix of fixed pay, short-term incentives and long-term incentives designed to motivate behaviors and decisions that promote disciplined progress towards longer-term, sustainable goals. The multi-year vesting of our equity-based compensation award program, along with our stock ownership guidelines, serves as a control mechanism to our longer-term risk horizon. The structural components of the short-term incentive compensation, including the quantitative nature of our goals, the setting of capped payout targets with actual payouts based on a capped achievement scale, and the individual performance evaluation process, are designed to prevent excessive risk-taking that would potentially harm our value or reward poor executive judgment. We reviewed our compensation policies and practices and concluded that they are not reasonably likely to have a material adverse effect on the Company.

Anti-Hedging and Anti-Pledging Policies

The Board of Directors and our executive officers are prohibited from hedging their ownership of the Company's stock, including trading in publicly-traded options, puts, calls, or other derivative instruments related to the Company's stock. They are also prohibited from pledging Company stock. This prohibition relates to any type of pledge arrangement, including margin accounts covering Company stock.

Clawback Policy

The Company reserves the right to recover, or claw back, from a current or former executive officer any wrongfully earned performance-based compensation, including stock-based awards, upon the determination by the Compensation Committee of the following:

- There has been restatement of Company financials, due to the material noncompliance with any financial reporting requirement (other than a restatement caused by a change in applicable accounting rules or interpretations), and such

executive officer engaged in fraud or intentional illegal conduct which materially contributed to the need for such restatement,

- The cash incentive or equity compensation to be recouped was calculated on, or its realized value affected by, the financial results that were subsequently restated,
- The cash incentive or equity compensation would have been less valuable than what was actually awarded or paid based upon the application of the correct financial results, and
- The pay affected by the calculation was earned or awarded within three years of the determination of the necessary restatement.

Any recoupment under this policy may be in addition to any other remedies that may be available to the Company under applicable law, including disciplinary actions up to and including termination of employment.

The Compensation Committee has exclusive authority to modify, interpret and enforce this provision in compliance with all regulations.

Tax Gross-Up Provisions

The Company will not enter into any new agreements with an executive officer that include excise tax gross-up provisions with respect to payments contingent upon a change of control of the Company. There is one legacy agreement which is not affected by this policy.

Ongoing and Post-employment Agreements

We have several plans and agreements addressing compensation for our named executive officers that accrue value as the executive continues to work for us, provide special benefits upon certain types of termination events and provide retirement benefits. These plans and agreements were adopted and, in some cases, amended at various times over the past 25 years, and were designed to be a part of a competitive compensation package. Not all plans apply to each named executive officer, and the participants are indicated in the discussion below.

- The Employees' Retirement Plan – This plan is a tax-qualified defined benefit plan available to all U.S.-based salaried employees who commenced employment with us prior to January 1, 1997. The plan pays annual benefits based on final average plan compensation and years of credited service. The amount of compensation that can be taken into account is subject to limits imposed by the Internal Revenue Code ($265,000 in 2016), and the maximum annual benefits payable under the plan also are subject to Internal Revenue Code limits ($210,000 in 2016). Messrs. Zapico, Hermance, Burke, Mandos, and Jones participate in The Employees' Retirement Plan. See the Pension Benefits table and accompanying narrative for additional information.
- The Retirement and Savings Plan – This is a tax-qualified defined contribution plan under which our participating employees may contribute a percentage of specified compensation on a pretax basis. In the case of highly compensated employees, including the named executive officers, contributions of up to ten percent of eligible compensation can be made, subject to a limit mandated by the Internal Revenue Code, which was $18,000 for 2016, or, if the participant was at least 50 years old, $24,000. We provide a matching contribution equal to one-third of the first six percent of compensation contributed, subject to a maximum of $1,200. A participant may invest the participant's contributions and matching contributions in one or more of a number of investment alternatives, including our Common Stock, and the value of a participant's account will be determined by the investment performance of the participant's account. No more than 25 percent of a participant's contributions can be invested in our Common Stock. All of the named executive officers participate in The Retirement and Savings Plan. Our matching contributions are included in the "All Other Compensation" column of the Summary Compensation Table.
- Retirement Feature of The Retirement and Savings Plan – The Retirement Feature is available to participants in The Retirement and Savings Plan who meet specified criteria, including ineligibility to participate in any of our defined benefit plans. Mr. Hardin participates in the Retirement Feature. We make retirement contributions based on the total of a participant's age plus years of service. For Mr. Hardin, we contributed an amount equal to five percent of his compensation subject to Social Security taxes and seven percent of his additional compensation. We also make an employer incentive retirement contribution equal to one percent of a participant's eligible compensation if the participant is contributing at least six percent of his or her compensation under The Retirement

and Savings Plan. See the notes to the "All Other Compensation" column of the Summary Compensation Table for further information regarding our contributions to the Retirement Feature for the account of Mr. Hardin.

- Supplemental Executive Retirement Plan ("SERP") – This plan is a non-qualified deferred compensation plan that provides benefits for executives to the extent that their compensation cannot be taken into account under our tax-qualified plans because the compensation exceeds limits imposed by the Internal Revenue Code. We refer to the compensation that exceeds these limits as "excess compensation." For 2016, compensation in excess of $265,000 constitutes excess compensation. Under the SERP, each year we credit to the account of a participant an amount equal to 13% of the executive's excess compensation, which is then deemed to be invested in our Common Stock. Payout of an executive's account, which is subject to tax liability, occurs upon termination of the executive's employment and is made in shares of our Common Stock. Therefore, the ultimate value of the shares paid out under the SERP will depend on the performance of our Common Stock during the period an executive participates in the SERP. All of the named executive officers participate in the SERP. See the Non-qualified Deferred Compensation table and accompanying narrative for additional information.

- Deferred Compensation Plan – This plan provides an opportunity for executives to defer payment of their short-term incentive award to the extent that such award, together with other relevant compensation, constitutes excess compensation. In advance of the year in which the short-term incentive award will be paid, an executive may elect to defer all or part of his or her eligible incentive award into a notional investment in our Common Stock, in an interest-bearing account or in both. A participant generally may elect to have the value of his or her account distributed following retirement, either in a lump sum or in up to five annual installments, or in the form of an in-service distribution, payable either in a lump sum or in up to four annual installments commencing on a date specified by the participant in his or her distribution election. Payments may commence sooner upon the participant's earlier separation from service, upon the death of the participant, in the event of an unforeseeable financial emergency or upon a change of control. Payments from the notional Common Stock fund are made in shares of our Common Stock, while payments from the interest-bearing account are paid in cash. Messrs. Burke, Hermance and Mandos participate in the Deferred Compensation Plan. See the Non-qualified Deferred Compensation table and accompanying narrative for additional information.

- Supplemental Senior Executive Death Benefit Program – Under this program, Mr. Hermance has entered into an agreement that requires us to pay death benefits to his designated beneficiaries and to pay benefits to him under certain circumstances during his lifetime. If a covered executive dies before retirement or before age 65 while on disability retirement, the executive's beneficiary will receive monthly payments of up to $8,333 from the date of the executive's death until the date he or she would have attained age 80. If a covered executive retires, or reaches age 65 while on disability retirement, the Program provides for a maximum benefit of $100,000 per year for a period of 10 years. We have purchased an insurance policy on the life of Mr. Hermance to fund our obligations under the Program. See the Pension Benefits table and accompanying narrative for additional information.

- 2004 Executive Death Benefit Plan – This plan provides for retirement benefits or, if the executive dies before retirement, a death benefit. Generally, if the executive dies before retirement, the executive's beneficiary will receive a monthly payment of $8,333 until the participant would have reached age 80. If the executive retires (either at age 65 or after attaining age 55 with at least five years of service) the executive will be entitled to receive a distribution based on the value of his account in the plan, which is determined by gains or losses on, and death benefits received under, a pool of insurance policies that we own covering the lives of participants. Messrs. Zapico, Burke, Jones, and Hardin participate in this plan. See the Non-qualified Deferred Compensation table and accompanying narrative for further information.

- Change of Control Agreements – We have change of control agreements with each of our executive officers, which are described under "Potential Payments Upon Termination or Change of Control." We entered into these change of control agreements so that our executives can focus their attention and energies on our business during periods of uncertainty that may occur due to a potential change of control. In addition, we want our executives to support a corporate transaction involving a change of control that is in the best interests of our stockholders, even though the transaction may have an effect on the executive's continued employment with us. We believe these arrangements provide an important incentive for our executives to remain with us. Our agreement with each executive other than Mr. Hermance provides for payments and other benefits to the executive if we terminate the executive's employment without cause or if the executive terminates employment for "good reason" within two years following a change of control. Mr. Hermance's change of control agreement differs from those of the other named executive officers with respect to the amount of the payment and the scope of the benefits upon the change

of control events and does not have the two-year limit applicable to the other executives following the change of control. Given the critical nature of his role as Chief Executive, his tenure with us, and our interest in retaining his services, we believe that it is appropriate to provide Mr. Hermance with this protection so that he is free to focus all of his attention on the growth and future of the Company, even in a period following a change of control. We believe that the incentive provided by these additional benefits is well worth any potential cost. For these same reasons, we also have agreed to provide payments and other benefits to Mr. Hermance if, outside of the context of a change of control, we terminate his employment without cause or he terminates his employment for good reason. In addition, Mr. Hermance's agreement differs from the other agreements with respect to payments that exceed the limitations under Section 280G of the Internal Revenue Code. The other executives' agreements limit the payments made upon a change of control to the maximum amount that may be paid without an excise tax and loss of corporate tax deduction under Sections 4999 and 280G of the Internal Revenue Code. Mr. Hermance's agreement does not contain this limitation as discussed under "Tax Considerations" below.

Tax Considerations

Under Section 162(m) of the Internal Revenue Code, a publicly held corporation may not deduct more than $1 million in a taxable year for certain forms of compensation made to the chief executive officer and any of the three most highly compensated executive officers, other than the chief financial officer. Our policy is generally to preserve the federal income tax deductibility of compensation paid to our executives, and certain of our equity awards have been structured to preserve deductibility under Section 162(m). Nevertheless, we retain the flexibility to authorize compensation that may not be deductible if we believe it is in the best interests of our Company. In 2016, the vesting of restricted stock resulted in compensation paid to our named executive officers that is non-deductible under Section 162(m).

Under Mr. Hermance's change of control agreement, our payments to Mr. Hermance may exceed the limitations under Section 280G of the Internal Revenue Code, and therefore a portion of the payments may not be deductible. In addition, we will make an additional payment to Mr. Hermance if payments to him resulting from a change of control are subject to the excise tax imposed by Section 4999 of the Internal Revenue Code. We did not wish to have the provisions of Mr. Hermance's agreement serve as a disincentive to his pursuit of a change of control that otherwise might be in the best interests of our Company and its stockholders. Accordingly, we determined to provide a payment to reimburse Mr. Hermance for any excise taxes payable in connection with the change-of-control payment, as well as any taxes that accrue as a result of our reimbursement. We believe that, in light of Mr. Hermance's outstanding record in enhancing value for our stockholders, this determination is appropriate.

Role of Executive Officers in Determining Executive Compensation For Named Executive Officers

In connection with 2016 compensation, Mr. Hermance, aided by our human resources department, provided statistical data and recommendations to the Compensation Committee to assist it in determining compensation levels. Mr. Hermance did not make recommendations as to his own compensation. While the Compensation Committee utilized this information, and valued Mr. Hermance's observations with regard to other executive officers, the ultimate decisions regarding executive compensation were made by the Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis required by Securities and Exchange Commission regulations. Based on its review and discussions, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted,
The Compensation Committee:
Dennis K. Williams, Chairperson
Ruby R. Chandy
James R. Malone
Elizabeth R. Varet

Dated: March 31, 2017

COMPENSATION TABLES

SUMMARY COMPENSATION TABLE – 2016

The following table provides information regarding the compensation of our Chief Executive Officer, Chief Financial Officer and other three most highly compensated executive officers.

Name and Principal Position	*Year*	*Salary*	*Bonus*	*Stock Awards (1)*	*Option Awards (2)*	*Non-Equity Incentive Plan Compensation (3)*	*Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)*	*All Other Compensation (5)*	*Total*
David A. Zapico Chief Executive Officer (Elected May 5, 2016)	2016	$909,891	$311,804	$1,476,892	$1,245,890	$275,647	$131,947	$207,212	$4,559,283
	2015	700,000	216,160	696,236	631,945	354,308	—	150,130	2,748,779
	2014	645,000	152,736	697,597	546,320	508,402	151,659	170,007	2,871,721
Frank S. Hermance Executive Chairman (formerly Chairman and Chief Executive Officer until May 5, 2016)	2016	1,300,000	572,000	994,613	838,877	484,000	225,116	341,146	4,755,752
	2015	1,240,575	545,853	1,982,078	1,800,130	986,734	3,862	397,166	6,956,398
	2014	1,181,500	519,860	1,841,486	1,442,119	1,310,951	379,873	433,451	7,109,240
William J. Burke Executive Vice President–Chief Financial Officer (Elected May 15, 2016)	2016	440,860	79,776	543,327	458,449	97,225	154,282	68,239	1,842,158
Robert R. Mandos Executive Vice President–Chief Financial Officer (Retired May 15, 2016)	2016	231,385	15,604	—	—	50,888	171,010	15,021	483,908
	2015	545,000	81,750	548,835	498,131	258,613	—	107,558	2,039,887
	2014	505,000	56,813	522,268	408,946	411,048	219,432	119,053	2,242,560
Timothy N. Jones President–Electromechanical Group	2016	471,650	81,199	352,200	297,197	58,041	193,358	58,748	1,512,393
	2015	453,500	53,060	308,916	280,151	168,187	—	65,307	1,329,121
	2014	436,000	28,340	337,376	264,002	301,946	231,269	83,710	1,682,643
John W. Hardin President–Electronic Instruments	2016	470,000	84,776	333,416	280,935	103,682	14,312	107,028	1,394,149
	2015	447,800	57,632	291,667	264,907	194,279	—	109,690	1,365,975
	2014	430,560	27,986	306,560	239,946	264,752	13,546	92,682	1,376,032

(1) The amounts shown for stock awards relate to restricted shares granted under our 2007 and 2011 Omnibus Incentive Compensation Plans. These amounts are equal to the aggregate grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. For information regarding the number of shares subject to 2016 awards, other features of the awards and the grant date fair value of the awards, see the Grants of Plan-Based Awards table on page 27.

(2) The amounts shown for option awards relate to shares granted under our 2007 and 2011 Omnibus Incentive Compensation Plans. These amounts are equal to the aggregate grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. The assumptions used in determining the amounts in this column are set forth in Note 10 to our Consolidated Financial Statements on page 55 of Appendix A to this proxy statement. For information regarding the number of shares subject to 2016 awards, other features of those awards, and the grant date fair value of the awards, see the Grants of Plan-Based Awards table on page 27.

(3) Represents payments under our short-term incentive program based on achievement of Companywide or operating group performance measures. See "Compensation Discussion and Analysis – 2016 Compensation – Short-Term Incentive Program."

(Footnotes continue on following page.)

(4) Includes, for 2016, the aggregate change in actuarial present value of the accumulated benefit under defined benefit plans as follows: Mr. Zapico, $117,200; Mr. Hermance, $128,400; Mr. Burke, $135,500; Mr. Mandos, $138,000; and Mr. Jones, $167,400. Also includes earnings (losses) on non-qualified deferred compensation plans, to the extent required to be disclosed under SEC regulations, as follows: Mr. Zapico, $14,747; Mr. Hermance, $96,716; Mr. Burke, $18,782; Mr. Mandos, $33,010; Mr. Jones, $25,958; and Mr. Hardin, $14,312. The Company did not change its benefit programs for the named executive officers in 2016; the change in benefit value is attributed to underlying assumptions such as the discount rate used to calculate the actuarial present value.

(5) Included in All Other Compensation for 2016 are the following items that exceeded $10,000:

- our contributions under our defined contribution plans, including our Supplemental Executive Retirement Plan, as follows: Mr. Zapico, $161,405; Mr. Hermance, $273,030; Mr. Burke, $47,072; Mr. Jones, $46,166; and Mr. Hardin, $79,428.

- dividends on restricted stock and the interest on the dividend balance, which totaled as follows: Mr. Zapico, $24,114 and Mr. Hermance, $26,539, and which are subject to forfeiture if the related restricted stock does not vest.

- perquisites which totaled $21,136 for Mr. Zapico; $39,445 for Mr. Hermance; $13,110 for Mr. Burke; and $18,331 for Mr. Hardin. Perquisites included automobile allowances for the listed named executive officers and country club dues for Mr. Hermance.

GRANTS OF PLAN-BASED AWARDS – 2016

The following table provides details regarding plan-based awards granted to the named executive officers in 2016.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock or Units (2)	All Other Option Awards: Number of Securities Underlying Options (3)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (4)
		Threshold	Target	Maximum				
David A. Zapico	2/16/16	—	$ 219,200	$ 438,400	—	—	$ —	N/A
	5/04/16	—	—	—	31,450	136,370	46.96	$2,722,782
	8/03/16	—	526,000	1,052,000	—	—	—	N/A
Frank S. Hermance	2/16/16	—	1,144,000	2,288,000	—	—	—	N/A
	5/04/16	—	—	—	21,180	91,820	46.96	1,833,490
William J. Burke	3/18/16	—	76,400	152,800	—	—	—	N/A
	5/04/16	—	192,400	384,800	—	—	—	N/A
	5/04/16	—	—	—	11,570	50,180	46.96	1,001,777
Robert R. Mandos (Retired May 15, 2016)	2/16/16	—	140,440	280,880	—	—	—	N/A
Timothy N. Jones	2/16/16	—	245,260	490,520	—	—	—	N/A
	5/04/16	—	—	—	7,500	32,530	46.96	649,397
John W. Hardin	2/16/16	—	244,400	488,800	—	—	—	N/A
	5/04/16	—	—	—	7,100	30,750	46.96	614,351

(1) These targets were established under our short-term incentive program. See "Compensation Discussion and Analysis – 2016 Compensation – Short-Term Incentive Program" for information regarding the criteria applied in determining the amounts payable under the awards. There were no threshold amounts payable under the short-term incentive program. The actual amounts paid with respect to these awards are included in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table on page 25. Targets reflect the October 1, 2016 salary for each individual, as required by the program.

(2) The stock awards constitute restricted shares granted under our 2011 Omnibus Incentive Compensation Plan. These shares become vested on the earliest to occur of (a) the closing price of our Common Stock on any five consecutive days equaling or exceeding $93.92 per share, (b) the death or permanent disability of the grantee, (c) the termination of the grantee's employment with us in connection with a change of control, or (d) the fourth anniversary of the date of grant, namely May 4, 2020, provided the grantee has been employed by us continuously through that date. In the event of the grantee's attainment of at least 55 years of age and at least 10 years of service with the Company prior to the fourth anniversary of the date of grant, then a ratable vesting schedule will apply whereby 25% of the restricted stock shall become nonforfeitable annually on the next anniversary of the date of grant if the grantee is still employed by the Company on such anniversary. Cash dividends are earned on the restricted shares but are not paid until the restricted shares vest. Until the restricted stock vests, the dividends accrue interest at the 5-year Treasury note rate plus 0.5%, compounded quarterly.

(3) The option awards constitute stock options granted under our 2011 Omnibus Incentive Compensation Plan. Stock options become exercisable as to 25% of the underlying shares on each of the first four anniversaries of the date of grant. Options generally become fully exercisable in the event of the grantee's death or permanent disability, normal retirement or termination of employment in connection with a change of control.

(4) The grant date fair value is computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. The assumptions used in determining the grant date fair value of option awards in this column are set forth in Note 10 to our Consolidated Financial Statements on page 55 of Appendix A to this proxy statement.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END – 2016

The following table provides details regarding outstanding equity awards for the named executive officers at December 31, 2016.

	Option Awards (1)					*Stock Awards (2)*	
Name	*Option Grant Date*	*Number of Securities Underlying Unexercised Options Exercisable*	*Number of Securities Underlying Unexercised Options Unexercisable*	*Option Exercise Price*	*Option Expiration Date*	*Number of Shares or Units of Stock That Have Not Vested*	*Market Value of Shares or Units of Stock That Have Not Vested (3)*
David A. Zapico	4/29/2010	30,000	—	$19.5867	4/28/2017	73,190	$3,557,034
	5/03/2011	25,965	—	29.8267	5/02/2018		
	5/01/2012	31,200	—	34.0467	4/30/2019		
	5/08/2013	44,070	14,690	41.7400	5/07/2020		
	5/08/2014	22,370	22,370	53.1300	5/07/2021		
	5/06/2015	14,510	43,530	52.2700	5/05/2022		
	5/04/2016	—	136,370	46.9600	5/03/2023		
Frank S. Hermance	4/29/2010	335,790	—	19.5867	4/28/2017	77,180	3,750,948
	5/03/2011	150,840	—	29.8267	5/02/2018		
	5/01/2012	190,230	—	34.0467	4/30/2019		
	5/08/2013	117,981	39,329	41.7400	5/07/2020		
	5/08/2014	59,050	59,050	53.1300	5/07/2021		
	5/06/2015	41,332	123,998	52.2700	5/05/2022		
	5/04/2016	—	91,820	46.9600	5/03/2023		
William J. Burke	5/03/2011	11,475	—	29.8267	5/02/2018	23,254	1,130,144
	5/01/2012	15,600	—	34.0467	4/30/2019		
	5/08/2013	12,240	4,082	41.7400	5/07/2020		
	5/08/2014	6,254	6,256	53.1300	5/07/2021		
	5/06/2015	4,104	12,314	52.2700	5/05/2022		
	5/04/2016	—	50,180	46.9600	5/03/2023		
Timothy N. Jones	5/01/2012	29,955	—	34.0467	4/30/2019	16,814	817,160
	5/08/2013	19,665	6,555	41.7400	5/07/2020		
	5/08/2014	10,810	10,810	53.1300	5/07/2021		
	5/06/2015	6,432	19,298	52.2700	5/05/2022		
	5/04/2016	—	32,530	46.9600	5/03/2023		
John W. Hardin	5/03/2011	25,965	—	29.8267	5/02/2018	25,270	1,228,122
	5/01/2012	29,955	—	34.0467	4/30/2019		
	5/08/2013	19,665	6,555	41.7400	5/07/2020		
	5/08/2014	9,824	9,826	53.1300	5/07/2021		
	5/06/2015	6,082	18,248	52.2700	5/05/2022		
	5/04/2016	—	30,750	46.9600	5/03/2023		

(1) All option grants become exercisable as to 25% of the underlying shares on each of the first four anniversaries of the dates of grant.

(2) The following table sets forth grant and vesting information for the outstanding restricted stock awards for all named executive officers:

Name	*Grant Date*	*Number of Shares or Units of Stock That Have Not Vested*	*Vesting Date*	*Price-Related Event for Accelerated Vesting**
David A. Zapico	5/08/2013	15,290	5/08/2017	$ 83.48
	5/08/2014	13,130	5/08/2018	106.26
	5/06/2015	13,320	5/06/2019	104.54
	5/04/2016	31,450	5/04/2020	93.92
Frank S. Hermance	5/08/2013	10,230	5/08/2017	83.48
	5/08/2014	17,330	5/08/2018	106.26
	5/06/2015	28,440	5/06/2019	104.54
	5/04/2016	21,180	5/04/2020	93.92
William J. Burke	5/08/2013	4,246	5/08/2017	83.48
	5/08/2014	3,672	5/08/2018	106.26
	5/06/2015	3,766	5/06/2019	104.54
	5/04/2016	11,570	5/04/2020	93.92
Timothy N. Jones	5/08/2013	1,705	5/08/2017	83.48
	5/08/2014	3,176	5/08/2018	106.26
	5/06/2015	4,433	5/06/2019	104.54
	5/04/2016	7,500	5/04/2020	93.92
John W. Hardin	5/08/2013	6,820	5/08/2017	83.48
	5/08/2014	5,770	5/08/2018	106.26
	5/06/2015	5,580	5/06/2019	104.54
	5/04/2016	7,100	5/04/2020	93.92

* The price-related event for accelerated vesting of the restricted stock awards will occur if the closing price per share of our Common Stock for five consecutive trading days is equal to at least two times the closing price per share on the date of grant.

(3) The dollar values are based on the closing price of our Common Stock on December 30, 2016 ($48.60). Cash dividends will be earned but will not be paid until the restricted shares vest. The dividends will be payable at the same rate as dividends to holders of our outstanding Common Stock. Until the restricted stock vests, the dividends accrue interest at the 5-year Treasury note rate plus 0.5%, compounded quarterly.

OPTION EXERCISES AND STOCK VESTED – 2016

The following table provides information regarding option exercises and vesting of restricted stock awards for the named executive officers in 2016.

	Option Awards		*Stock Awards*	
Name	*Number of Shares Acquired on Exercise*	*Value Realized on Exercise (1)*	*Number of Shares Acquired on Vesting*	*Value Realized on Vesting (2)*
David A. Zapico	—	$ —	8,790	$ 436,896
Frank S. Hermance	38,462	1,210,045	41,761	2,003,373
Robert R. Mandos	79,254	818,191	10,171	484,791
William J. Burke	—	—	4,392	218,299
Timothy N. Jones	—	—	6,878	329,700
John W. Hardin	35,725	1,074,191	8,430	419,003

(1) The value realized on exercise is equal to the difference between the market price of the shares acquired upon exercise and the option exercise price for the acquired shares.

(2) On May 2, 2016, the fourth-year cliff vesting of the restricted stock granted on May 1, 2012 to all of the named executive officers occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 2, 2016 ($48.46), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

(Footnotes continue on following page.)

Also, on May 6, 2016, the first-year pro rata vesting of the restricted stock granted on May 6, 2015 to Messrs. Hermance, Mandos and Jones, who attained at least 55 years of age and at least 10 years of service with the Company, occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 6, 2016 ($46.74), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

Also, on May 9, 2016, the third-year pro rata vesting of the restricted stock granted on May 8, 2013 to Messrs. Hermance, Mandos and Jones, who attained at least 55 years of age and at least 10 years of service with the Company, occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 9, 2016 ($46.31), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

Also, on May 9, 2016, the second-year pro rata vesting of the restricted stock granted on May 8, 2014 to Messrs. Hermance, Mandos, and Jones, who attained at least 55 years of age and at least 10 years of service with the Company, occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 9, 2016 ($46.31), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

PENSION BENEFITS – 2016

We have the following defined benefit plans in which some or all of our named executive officers participate:

- *The Employees' Retirement Plan* – This plan is a qualified defined benefit pension plan that provides retirement benefits to our U.S.-based salaried employees who commenced employment with us prior to January 1, 1997. The plan pays benefits based upon eligible final average plan compensation and years of credited service. Compensation in excess of a specified amount prescribed by the Department of the Treasury ($265,000 for 2016) is not taken into account under the Retirement Plan. Mr. Hardin, who joined us after January 1, 1997, is not eligible to participate in The Employees' Retirement Plan, but instead is eligible to participate in the Retirement Feature of the AMETEK Retirement and Savings Plan, a defined contribution plan.

  Annual benefits earned under The Employees' Retirement Plan are computed using the following formula:

  $$(A + B) \times C \times 1.02$$

  where:

  - A = 32.0% of eligible compensation not in excess of Social Security covered compensation plus 40.0% of eligible compensation in excess of Social Security covered compensation, times credited service at the normal retirement date (maximum of 15 years) divided by 15;
  - B = 0.5% of eligible plan compensation times credited service at the normal retirement date in excess of 15 years (maximum of ten years); and
  - C = current credited service divided by credited service at the normal retirement date.

  Participants may retire as early as age 55 with 10 years of service. Unreduced benefits are available when a participant attains age 65 with 5 years of service. Otherwise, benefits are reduced 6.67% for each year by which pension commencement precedes the attainment of age 65. Pension benefits earned are distributed in the form of a lifetime annuity. Messrs. Burke and Jones are eligible for early retirement under the plan.

- *Supplemental Senior Executive Death Benefit Program* – Under this program, we have entered into an agreement with Mr. Hermance that requires us to pay death benefits to his designated beneficiaries and to pay lifetime benefits to him under specified circumstances. If a covered executive dies before retirement or before age 65 while on disability retirement, the executive's beneficiary will receive monthly payments of up to $8,333 from the date of the executive's death until the date he would have attained age 80. If a covered executive retires, or reaches age 65 while on disability retirement, the program provides for an annual benefit of up to a maximum of $100,000 per year, or an aggregate of $1,000,000. The benefit is payable monthly over a period of ten years to the executive or the executive's beneficiary. The payments will commence for retirees at age 70 or death, whichever is earlier. However, if the executive retires after age 70, the payments commence on retirement. To fund benefits under the Program, we have purchased individual life insurance policies on the lives of certain of the covered executives. We retain the right to terminate all of the Program agreements under designated circumstances.

The following table provides details regarding the present value of accumulated benefits under the plans described above for the named executive officers in 2016.

Name	*Plan Name*	*Number of Years Credited Service at December 31, 2016*	*Present Value of Accumulated Benefit (1)*	*Payments During 2016*
David A. Zapico	The Employees' Retirement Plan	27	$ 590,800	–
Frank S. Hermance	The Employees' Retirement Plan Supplemental Senior Executive Death Benefit Plan	26 N/A	1,511,000 751,400	– –
William J. Burke	The Employees' Retirement Plan	30	740,000	–
Robert R. Mandos	The Employees' Retirement Plan	35	926,100	–
Timothy N. Jones	The Employees' Retirement Plan	37	1,075,600	–
John W. Hardin	N/A	N/A	N/A	–

(1) The amounts shown in the Pension Benefit Table above are actuarial present values of the benefits accumulated through December 31, 2016. We used the following assumptions in quantifying the present value of the accumulated benefit: discount rate – 4.25%; limitation on eligible annual compensation under the Internal Revenue Code – $265,000; limitation on eligible annual benefits under the Internal Revenue Code – $210,000; retirement age – later of 65 or current age; termination and disability rates – none; form of payment – single life annuity; RP-2014 mortality table, as adjusted.

NON-QUALIFIED DEFERRED COMPENSATION – 2016

We have the following non-qualified deferred compensation plans in which our named executive officers participate:

- Supplemental Executive Retirement Plan ("SERP") – This plan provides benefits for executives to the extent that their compensation cannot be taken into account under our tax-qualified plans because the compensation exceeds limits imposed by the Department of the Treasury ($265,000 in 2016). Under the SERP, each year we credit to the account of a participant an amount equal to 13% of the executive's compensation that exceeds the Department of the Treasury limits, which is then deemed to be invested in our Common Stock. Payout of an executive's account occurs upon termination of the executive's employment and is made in shares of our Common Stock. Therefore, the ultimate value of the shares paid out under the SERP will depend on the performance of our Common Stock during the period an executive participates in the SERP.

- Deferred Compensation Plan – This plan provides an opportunity for executives to defer payment of their short-term incentive award to the extent that such award, together with other relevant compensation, exceeds limits imposed by the Department of the Treasury ($265,000 in 2016). In advance of the year in which the short-term incentive award will be paid, an executive may elect to defer all or part of his or her eligible incentive award. The monies are invested in one of two notional accounts, a Common Stock fund and an interest-bearing fund. A participant generally may elect to have the value of his or her account distributed following retirement, or while in service, as specified by the participant in his or her deferral election. Payments may commence earlier upon the participant's earlier separation from service, upon the death of the participant, in the event of an unforeseeable financial emergency or upon a change of control, as defined in the plan. Payments from the notional Common Stock fund are made in shares of our Common Stock, while payments from the interest-bearing account are paid in cash.

- 2004 Executive Death Benefit Plan – Under this plan, we provide a retirement benefit to Messrs. Zapico, Burke, Mandos, Jones and Hardin. The retirement benefit under this plan is designed to provide the lump sum necessary to deliver 20% of the executive's final projected annual salary paid annually for 10 years, on a present value basis at age 70. However, the actual benefit will vary based on the gains and losses from the underlying investments in a pool of insurance policies that we own covering the lives of the participants, and on death benefits received from these same policies. The maximum salary on which the benefit can be based is $500,000. If the covered executive dies while actively employed or while disabled and before age 65, the executive's beneficiaries will receive monthly payments from the date of the executive's death until the executive would have attained age 80.

The following table provides details regarding non-qualified deferred compensation for the named executive officers in 2016.

Name	*Executive Contributions in Last Fiscal Year*	*Registrant Contributions in Last Fiscal Year (1)*	*Aggregate Earnings in Last Fiscal Year (2)*	*Aggregate Withdrawals/ Distributions*	*Aggregate Balance at Last Fiscal Year-End (3)*
David A. Zapico	$ —	$160,205	$ (201,003)	$ —	$ 2,505,962
Frank S. Hermance	—	271,830	(1,228,006)	—	35,378,235
William J. Burke	178,404	45,872	(14,248)	—	1,018,696
Robert R. Mandos	—	4,274	(43,606)	(1,107,368)	1,308,429
Timothy N. Jones	—	44,966	(100,096)	—	1,561,680
John W. Hardin	—	59,398	(68,178)	—	1,016,600

(Footnotes continue on following page.)

(1) Includes for each named executive officer the following amounts that are also reported in the Summary Compensation Table on page 25: Mr. Zapico, $160,205; Mr. Hermance, $271,830; Mr. Burke, $45,872; Mr. Mandos, $4,274; Mr. Jones, $44,966; and Mr. Hardin, $59,398.

(2) Includes for each named executive officer the following amounts that are also reported in the Summary Compensation Table on page 25: Mr. Zapico, $14,747; Mr. Hermance, $96,716; Mr. Burke, $18,782; Mr. Mandos, $33,010; Mr. Jones, $25,958; and Mr. Hardin, $14,312.

(3) Includes for each named executive officer the following amounts that were reported as compensation in the Summary Compensation Table in previous years: Mr. Zapico, $986,014; Mr. Hermance, $15,022,807; Mr. Mandos, $1,036,639; Mr. Jones, $674,944; and Mr. Hardin, $486,579.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

In this section, we describe payments that may be made to our named executive officers upon several events of termination, including termination in connection with a change of control. The information in this section does not include information relating to the following:

- distributions under The Employees' Retirement Plan and distributions, other than death benefits, under the Supplemental Senior Executive Death Benefit Plan – see "Pension Benefits – 2016" for information regarding these plans,
- distributions under the Supplemental Executive Retirement Plan and the Deferred Compensation Plan and distributions, other than death benefits, under the 2004 Executive Death Benefit Plan – see "Nonqualified Deferred Compensation – 2016" for information regarding these plans,
- other payments and benefits provided on a nondiscriminatory basis to salaried employees generally upon termination of employment, including tax-qualified defined contribution plans, and
- short-term incentive payments that would not be increased due to the termination event.

The following items are reflected in the summary table on page 37. The payment amounts reflect the payments that would have been due to the named executive officers had the termination or change of control event occurred on December 31, 2016.

Change of Control Agreements. Under our change of control agreements with our named executive officers other than Mr. Hermance, in the event that a named executive officer's employment is terminated by us without cause or by the named executive officer for "good reason" within two years beginning on the effective date of a change of control, the executive officer will receive: (1) 2.99 times the sum of (a) the executive officer's base salary in effect on the last day of the fiscal year immediately preceding the effective date of the change of control and (b) the greater of the target bonus for the fiscal year in which the change of control occurred or the average of the bonus received for the two previous fiscal years; all cash payments will be paid when permitted under Section 409A of the Code, namely, on the first day of the seventh month following the termination date; and (2) continuation of health benefits until the earliest to occur of Medicare eligibility, coverage under another group health plan without a pre-existing condition limitation, the expiration of ten years, or the executive officer's death. Payments to executive officers other than Mr. Hermance under the change of control agreements will be reduced, if necessary, to prevent them from being subject to the limitation on deductions under Section 280G of the Internal Revenue Code. The Compensation Committee selected the 2.99 times multiple of salary and bonus to reflect competitive market levels for such agreements and, except in the case of Mr. Hermance, the amount payable is subject to limitations designed to minimize the payment of any excise taxes by us.

Generally, a change of control is deemed to occur under the change of control agreements if: (1) any person or more than one person acting as a group acquires ownership of stock which constitutes more than 50 percent of the total fair market value or total voting power of our stock; (2) any person or more than one person acting as a group acquires (during the 12-month period ending on the date of the most recent acquisition) ownership of stock possessing 30 percent or more of the total fair market value or total voting power of our stock; (3) a majority of Board members are replaced during any 12-month period by directors whose election is not endorsed by a majority of the members of the Board; or (4) any person or more than one person acting as a group acquires assets from us having a total fair market value of not less than 40 percent of the total fair market value of all of our assets immediately prior to the acquisition.

A termination for "good reason" generally means a termination initiated by the executive officer in the event of: (1) our noncompliance with the change of control agreement; (2) any involuntary reduction in the executive officer's authority, duties or responsibilities that were in effect immediately prior to the change of control; (3) any involuntary reduction in the executive officer's total compensation that was in effect immediately prior to the change of control; or (4) any transfer of the executive officer without the executive officer's consent of more than 50 miles from the executive officer's principal place of business immediately prior to the change of control other than on a temporary basis (less than 6 months).

A termination for cause would result from misappropriation of funds, habitual insobriety or substance abuse, conviction of a crime involving moral turpitude, or gross negligence in the performance of duties that has a material adverse effect on our business, operations, assets, properties or financial condition.

Under our change of control agreement with Mr. Hermance, in the event that his employment is terminated by us without cause or by Mr. Hermance for good reason in anticipation of, or following, a change of control, he will receive: (1) a lump sum payment equal to 2.99 times the sum of (a) Mr. Hermance's base salary for the year prior to the year in which his termination occurs and (b) his targeted bonus for the year in which he is terminated or, if the amount of the targeted bonus is not known, the average of his bonuses for the two years preceding the year in which his termination occurs; all cash payments will be paid when permitted under Section 409A of the Code, namely, on the first day of the seventh month following the termination date; (2) continuation of health benefits, disability insurance and death benefits until the earliest of (a) the end of the tenth year following the year of the separation from service; (b) Medicare eligibility (with regard to health benefits); (c) commencement of new employment where Mr. Hermance can participate in similar plans or programs without a pre-existing condition limitation; or (d) death; and (3) use of an automobile and reimbursement of reasonable operating expenses, and continued reimbursement of country club dues, in each case until the second anniversary of his termination or, if earlier, his death.

In addition, upon a change of control, or upon Mr. Hermance's termination without cause or resignation for good reason in anticipation of a change of control, (1) all of his restricted stock awards and stock options immediately vest; (2) all stock options, other than incentive stock options, will be exercisable for one year following his termination, or, if earlier, the stated expiration date of the stock option; and (3) if Mr. Hermance becomes subject to excise taxes under Section 4999 of the Internal Revenue Code because our change of control payments to him are subject to the limitations on deductions under Section 280G of the Internal Revenue Code, he will be reimbursed for those excise taxes and any additional taxes payable by him as a result of the reimbursement.

Generally, a change of control is deemed to occur under Mr. Hermance's change of control agreement upon: (1) the acquisition by any person or group of 20 percent or more of our total voting stock; (2) the acquisition by us, any executive benefit plan, or any entity we establish under the plan, acting separately or in combination with each other or with other persons, of 50 percent or more of our voting stock, if after such acquisition our Common Stock is no longer publicly traded; (3) the death, resignation or removal of our Directors within a two-year period, as a result of which the Directors serving at the beginning of the period and Directors elected with the advance approval of two-thirds of the Directors serving at the beginning of the period constitute less than a majority of the Board; (4) the approval by the stockholders of (a) a merger in which the stockholders no longer own or control at least 50 percent of the value of our outstanding equity or the combined voting power of our then outstanding voting securities, or (b) a sale or other disposition of all or substantially all of the Company's assets. A termination is deemed to be in anticipation of a change of control if it occurs during the 90 days preceding the change of control and the substantial possibility of a change of control was known to Mr. Hermance and a majority of the Directors.

"Good reason" and "cause" are defined in Mr. Hermance's agreement in substantially the same manner as in the other executive officers' change of control agreements.

Payments and other benefits under the change of control agreements would have been in the following amounts if the event requiring payment occurred on December 31, 2016: Lump sum payments – Mr. Zapico, $5,775,185; Mr. Hermance, $8,162,700; Mr. Burke, $2,355,310; Mr. Jones, $2,326,885; Mr. Hardin, $2,318,745. Death benefits – Mr. Hermance, $2,000. Health benefits – Mr. Zapico, $122,400; Mr. Burke, $14,800; Mr. Jones, $140,900; Mr. Hardin, $308,300. Perquisites – Mr. Hermance, $84,064 (including use of an automobile and operating expenses in the amount of $65,450; and country club fees). The benefits Mr. Hermance receives upon acceleration of his equity grants in connection with a change of control are quantified below under "Acceleration of Vesting Provisions Pertaining to Stock Options and Restricted Stock."

In addition, Mr. Hermance's change of control agreement generally provides that in the event his employment is terminated by us without cause or by Mr. Hermance for good reason, in either case prior to and other than in anticipation of or following a change of control, he would receive the same benefits as he would receive in connection with a change of control, as described above, except: (1) the portion of the lump sum payment based on a multiple of cash compensation will be equal to two times, rather than 2.99 times, cash compensation and (2) the continuation of disability benefits and death benefits cannot exceed a maximum of two years from the termination of his employment, rather than ten years.

Payments and other benefits to Mr. Hermance under this provision include the following: lump sum payments, $5,460,000; stock option grant vesting acceleration, $104,913; restricted stock award vesting acceleration, $3,804,534; death benefits, $2,000; perquisites, $84,064 (including use of an automobile and operating expenses in the amount of $65,450; and country club fees).

Acceleration of Vesting Provisions Pertaining to Stock Options and Restricted Stock. Under our stock incentive plans, outstanding stock options generally will vest immediately upon the occurrence of any of the following events: (1) the holder's retirement after age 65, following two years of service with us; (2) the death of the holder; (3) the disability of the holder; or (4) the holder's termination of employment following a change of control. Benefits relating to accelerated vesting of stock options in connection with termination following a change of control (or, in the case of Mr. Hermance, in anticipation of, or upon a change of control), or upon normal retirement or death or disability are as follows: Mr. Zapico, $324,420; Mr. Hermance, $420,382; Mr. Burke, $110,298; Mr. Jones, $98,316; Mr. Hardin, $95,397. The value of the accelerated vesting benefit equals the number of shares as to which the stock options would vest on an accelerated basis upon the occurrence of the specified termination or change of control event, multiplied by the difference between the closing price per share of our Common Stock on December 31, 2016 and the exercise price per share for the affected options.

Outstanding restricted stock generally will vest immediately upon the occurrence of either of the following events: (1) the holder's death or disability; or (2) the holder's termination of employment following a change of control. Benefits relating to accelerated vesting of restricted stock in connection with termination following a change of control (or, in the case of Mr. Hermance, in anticipation of, or upon a change of control), or upon disability or death are as follows: Mr. Zapico, $3,605,886; Mr. Hermance, $3,804,534; Mr. Burke, $1,144,548; Mr. Jones, $827,254; Mr. Hardin, $1,247,718. The value of the accelerated vesting benefit equals the number of shares of restricted stock that would vest on an accelerated basis on the occurrence of the specified termination or change of control event times the closing price per share of our Common Stock on December 31, 2016, plus accrued dividends and the interest on the dividend balance.

Our incentive plans define "change of control" in substantially the same manner as the change of control agreements relating to our executives other than Mr. Hermance.

Death Benefits. Death benefits are payable to Mr. Hermance under our Supplemental Senior Executive Death Benefit Plan, as described under "Pension Benefits – 2016." Death benefits are payable to Messrs. Zapico, Burke, Jones and Hardin under our 2004 Executive Death Benefit Plan, as described under "Nonqualified Deferred Compensation – 2016."

The amount of death benefits payable to each of the named executive officers in the event of his death would have been as follows on December 31, 2016: Mr. Zapico, $1,634,900; Mr. Hermance, $942,900; Mr. Burke, $1,539,300; Mr. Jones, $1,344,200; Mr. Hardin, $1,653,200.

Summary Table. The following table summarizes the amounts payable to each of the named executive officers based on the items described above with respect to each of the events set forth in the table. As used in the table below, "change of control" refers to payment or other benefit events occurring upon a change of control or in connection with a termination related to a change of control, as applicable.

Name	Normal Retirement	Involuntary Not For Cause Termination	Change of Control	Disability	Death
David A. Zapico	$324,420	$ –	$ 9,827,891	$3,930,306	$5,565,206
Frank S. Hermance	420,382	9,770,980	12,473,680	4,224,916	5,167,816
William J. Burke	110,298	–	3,624,955	1,254,846	2,794,146
Timothy N. Jones	98,316	–	3,393,356	925,571	2,269,771
John W. Hardin	95,397	–	3,970,160	1,343,115	2,996,315

STOCK OWNERSHIP OF
EXECUTIVE OFFICERS AND DIRECTORS

The Compensation Committee of the Board of Directors approved stock ownership guidelines for all executive officers, and reviews stock ownership on an annual basis. See "Compensation Discussion and Analysis – Stock Ownership Guidelines" on page 21 for a discussion of stock ownership guidelines for our named executive officers.

The Board of Directors established stock ownership guidelines for non-employee Directors in order to more closely link their interests with those of stockholders. Under the guidelines, each non-employee Director is expected to own, by the end of a five-year period, shares of our Common Stock having a value equal to at least five times the Director's annual cash retainer.

The following table shows the number of shares of Common Stock that the Directors and all executive officers as a group beneficially owned, and the number of deemed shares held for the account of the executive officers under the SERP as of January 23, 2017.

	Number of Shares and Nature of Ownership (1)					
Name	Outstanding Shares Beneficially Owned	Right to Acquire (2)	Total	Percent of Class	SERP and Deferred Compensation	Total Beneficial, SERP and Deferred Compensation Ownership
Thomas A. Amato (elected March 6, 2017)	—	—	—	*	—	—
William J. Burke	59,170	49,673	108,843	*	9,916	118,759
Ruby R. Chandy	4,900	7,051	11,951	*	—	11,951
Anthony J. Conti	10,368	22,152	32,520	*	—	32,520
John W. Hardin	57,093	91,491	148,584	*	18,762	167,346
Frank S. Hermance	2,387,306	895,223	3,282,529	1.4%	386,429	3,668,958
Timothy N. Jones	54,139	66,862	121,001	*	28,012	149,013
Steven W. Kohlhagen	54,258	17,396	71,654	*	—	71,654
James R. Malone	2,450	3,554	6,004	*	—	6,004
Gretchen W. McClain (3)	3,200	2,570	5,770	*	1,354	7,124
Elizabeth R. Varet (4)	425,385	16,396	441,781	*	—	441,781
Dennis K. Williams	21,497	24,978	46,475	*	—	46,475
David A. Zapico	147,438	168,115	315,553	*	49,142	364,695
Directors and Executive Officers as a Group (17 persons) including individuals named above	3,326,993	1,485,525	4,812,518	2.1%	510,012	5,322,530

*Represents less than 1% of the outstanding shares of our Common Stock.

(1) Under Rule 13d-3 of the Securities Exchange Act of 1934, as amended, beneficial ownership of a security consists of sole or shared voting power (including the power to vote or direct the vote) and/or sole or shared investment power (including the power to dispose or direct the disposition) with respect to the security through any contract, arrangement, understanding, relationship or otherwise.

(2) Shares the Director or executive officer has a right to acquire through stock option exercises within 60 days of January 23, 2017.

(3) Includes 1,354 stock units under the AMETEK, Inc. Directors' Deferred Compensation Plan.

(4) Includes 73,500 shares, of which 67,500 shares are owned by a trust of which Ms. Varet's husband is a beneficiary and 6,000 shares are owned by Ms. Varet's adult children, as to which Ms. Varet disclaims any beneficial ownership. Ms. Varet has shared voting and investment power with respect to 301,545 shares.

BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS

The following table provides information regarding the only entities known to us to be beneficial owners of more than five percent of the outstanding shares of our Common Stock as of March 24, 2017.

Name and Address of Beneficial Owner	Number of Shares	Percent of Class
The Vanguard Group, Inc. (1) 100 Vanguard Boulevard Malvern, PA 19355	21,405,261	9.2%
FMR LLC (2) 245 Summer Street Boston, MA 02210	20,971,216	9.1%
BlackRock, Inc. (3) 55 East 52nd Street New York, NY 10055	13,584,348	5.9%

(1) Based on Schedule 13G filed on February 9, 2017, as of December 31, 2016 The Vanguard Group, Inc. beneficially owned 21,405,261 shares of AMETEK Common Stock, with sole voting power over 369,596 shares, shared voting power over 42,398 shares, sole dispositive power over 21,005,083 shares and shared dispositive power over 400,178 shares.

(2) Based on Schedule 13G filed on February 14, 2017, as of December 31, 2016 FMR LLC beneficially owned 20,971,216 shares of AMETEK Common Stock, with sole voting power over 609,236 shares and sole dispositive power over all of the shares.

(3) Based on Schedule 13G filed on January 19, 2017, as of December 31, 2016 BlackRock, Inc. beneficially owned 13,584,348 shares of AMETEK Common Stock, with sole voting power over 11,591,472 shares, shared voting and dispositive power over 21,301 shares, and sole dispositive power over 13,563,047 shares.

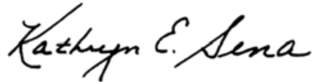
COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our Directors and officers to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our Common Stock. Copies of all such Section 16(a) reports are required to be furnished to us. These filing requirements also apply to holders of more than 10% of our Common Stock, but we do not know of any person that holds more than 10% of our Common Stock. To our knowledge, based solely on a review of the copies of Section 16(a) reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2016, all of our officers and Directors were in compliance with all Section 16(a) filing requirements, other than Mr. Hardin who reported one transaction late on Form 4.

OTHER BUSINESS

We are not aware of any other matters that will be presented at the Annual Meeting. If other matters are properly introduced, the individuals named on the enclosed proxy card will vote the shares it represents in accordance with their judgment.

By Order of the Board of Directors



Kathryn E. Sena
Corporate Secretary

Dated: March 31, 2017

MULTIPLE STOCKHOLDERS SHARING THE SAME ADDRESS

Registered and street-name stockholders who reside at a single address receive only one annual report and proxy statement at that address unless a stockholder provides contrary instructions. This practice is known as "householding" and is designed to reduce duplicate printing and postage costs. However, if a stockholder wishes in the future to receive a separate annual report or proxy statement, he or she may contact our transfer agent, American Stock Transfer & Trust Company, LLC, toll-free at 1-800-937-5449, or in writing at American Stock Transfer & Trust Company, LLC, Stockholder Services, 6201 15th Avenue, Brooklyn, NY 11219. Stockholders can request householding if they receive multiple copies of the annual report and proxy statement by contacting American Stock Transfer & Trust Company, LLC at the address above.

ELECTRONIC DISTRIBUTION OF PROXY STATEMENTS AND ANNUAL REPORTS

To receive future AMETEK, Inc. proxy statements and annual reports electronically, please visit **www.astfinancial.com.** Click on Shareholder Account Access to enroll. After logging in, select Receive Company Mailings via E-mail. Once enrolled, stockholders will no longer receive a printed copy of proxy materials, unless they request one. Each year they will receive an e-mail explaining how to access the Annual Report and Proxy Statement online as well as how to vote their shares online. They may suspend electronic distribution at any time by contacting American Stock Transfer & Trust Company, LLC.

AMETEK, Inc.

ANNUAL FINANCIAL INFORMATION AND REVIEW OF OPERATIONS

Index

	Page
Information Relating to AMETEK Common Stock	A-2
Selected Financial Data	A-3
Management's Discussion and Analysis of Financial Condition and Results of Operations	A-5
Reports of Management	A-28
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	A-29
Report of Independent Registered Public Accounting Firm on Financial Statements	A-30
Consolidated Statement of Income	A-31
Consolidated Statement of Comprehensive Income	A-32
Consolidated Balance Sheet	A-33
Consolidated Statement of Stockholders' Equity	A-34
Consolidated Statement of Cash Flows	A-35
Notes to Consolidated Financial Statements	A-36

INFORMATION RELATING TO AMETEK COMMON STOCK

The principal market on which the Company's common stock is traded is the New York Stock Exchange and it is traded under the symbol "AME."

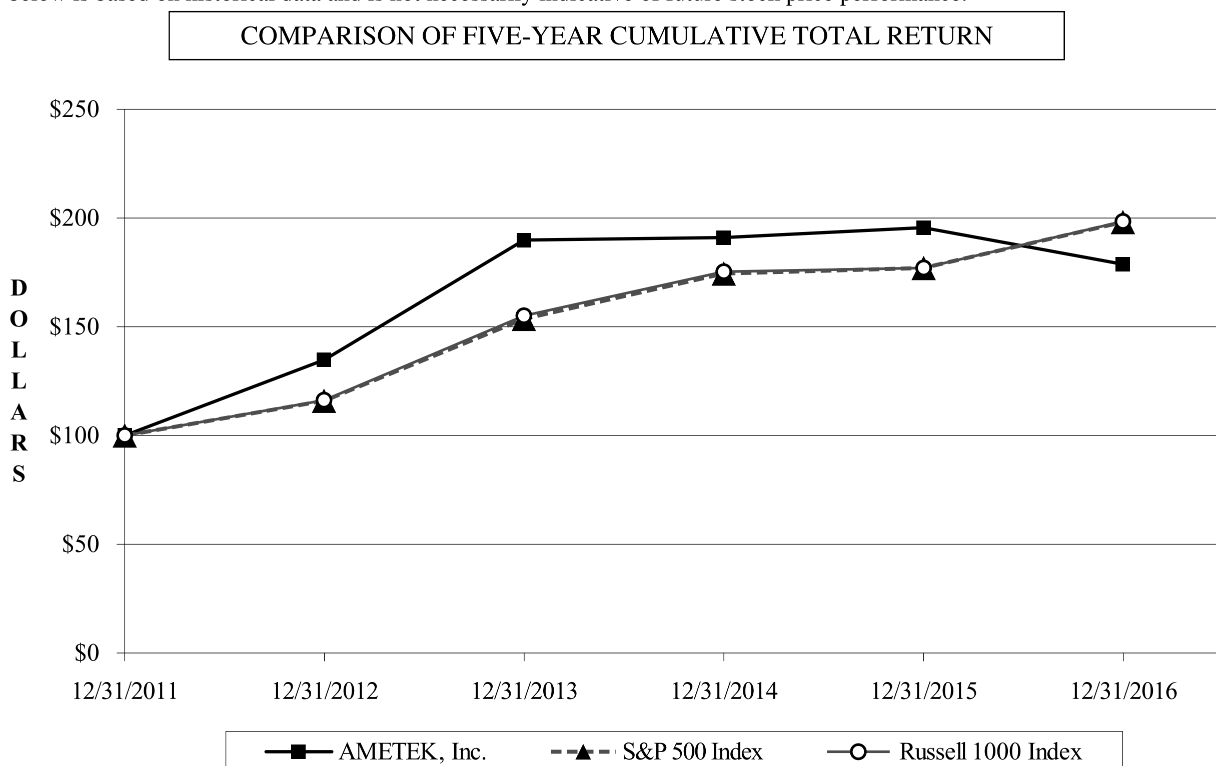
Market Price and Dividends Per Share

The high and low sales prices of the Company's common stock on the New York Stock Exchange composite tape and the quarterly dividends per share paid on the common stock were:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016				
Dividends paid per share	**$ 0.09**	**$ 0.09**	**$ 0.09**	**$ 0.09**
Common stock trading range:				
High	**$52.93**	**$52.61**	**$50.27**	**$51.26**
Low	**$42.82**	**$43.28**	**$43.30**	**$43.98**
2015				
Dividends paid per share	$ 0.09	$ 0.09	$ 0.09	$ 0.09
Common stock trading range:				
High	$54.00	$55.56	$57.67	$57.00
Low	$47.85	$51.23	$50.55	$50.97

Stock Performance Graph

The following graph and accompanying table compare the cumulative total stockholder return for AMETEK over the last five years ended December 31, 2016 with total returns for the same period for the Standard and Poor's ("S&P") 500 Index and Russell 1000 Index. AMETEK's stock price is a component of both indices. The performance graph and table assume a $100 investment made on December 31, 2011 and reinvestment of all dividends. The stock performance shown on the graph below is based on historical data and is not necessarily indicative of future stock price performance.



	December 31,					
	2011	2012	2013	2014	2015	2016
AMETEK, Inc.	$100.00	$134.71	$189.86	$190.91	$195.70	$178.82
S&P 500 Index*	100.00	116.00	153.58	174.60	177.01	198.18
Russell 1000 Index*	100.00	116.42	154.97	175.49	177.10	198.44

* Includes AMETEK, Inc.

AMETEK, INC.
SELECTED FINANCIAL DATA

	2016	2015	2014	2013	2012
		(In millions, except per share amounts)			
Consolidated Operating Results (Year Ended December 31):					
Net sales	**$3,840.1**	$3,974.3	$4,022.0	$3,594.1	$3,334.2
Operating income	**$ 801.9**	$ 907.7	$ 898.6	$ 815.1	$ 745.9
Interest expense	**$ 94.3**	$ 91.8	$ 79.9	$ 73.6	$ 75.5
Net income	**$ 512.2**	$ 590.9	$ 584.5	$ 517.0	$ 459.1
Earnings per share:					
Basic	**$ 2.20**	$ 2.46	$ 2.39	$ 2.12	$ 1.90
Diluted	**$ 2.19**	$ 2.45	$ 2.37	$ 2.10	$ 1.88
Dividends declared and paid per share	**$ 0.36**	$ 0.36	$ 0.33	$ 0.24	$ 0.22
Weighted average common shares outstanding:					
Basic	**232.6**	239.9	244.9	243.9	241.5
Diluted	**233.7**	241.6	247.1	246.1	244.0
Performance Measures and Other Data:					
Operating income — Return on net sales	**20.9%**	22.8%	22.3%	22.7%	22.4%
— Return on average total assets	**11.7%**	13.9%	14.6%	14.7%	15.7%
Net income — Return on average total capital	**9.5%**	11.6%	12.3%	12.1%	12.6%
— Return on average stockholders' equity	**15.7%**	18.2%	18.3%	18.2%	20.0%
EBITDA[1]	**$ 966.0**	$1,046.9	$1,022.6	$ 916.3	$ 842.7
Ratio of EBITDA to interest expense[1]	**10.2x**	11.4x	12.8x	12.4x	11.2x
Depreciation and amortization	**$ 179.7**	$ 149.5	$ 138.6	$ 118.7	$ 105.5
Capital expenditures	**$ 63.3**	$ 69.1	$ 71.3	$ 63.3	$ 57.4
Cash provided by operating activities	**$ 756.8**	$ 672.5	$ 726.0	$ 660.7	$ 612.5
Free cash flow[2]	**$ 693.5**	$ 603.4	$ 654.7	$ 597.4	$ 555.1
Consolidated Financial Position (At December 31):					
Current assets	**$1,928.2**	$1,618.8	$1,577.6	$1,368.3	$1,163.9
Current liabilities	**$ 924.4**	$1,024.0	$ 934.5	$ 872.7	$ 878.5
Property, plant and equipment, net	**$ 473.2**	$ 484.5	$ 448.4	$ 402.8	$ 383.5
Total assets	**$7,100.7**	$6,660.5	$6,415.9	$5,874.4	$5,186.5
Long-term debt, net	**$2,062.6**	$1,553.1	$1,424.4	$1,140.1	$1,131.0
Total debt, net	**$2,341.6**	$1,938.0	$1,709.0	$1,411.5	$1,450.2
Stockholders' equity	**$3,256.5**	$3,254.6	$3,239.6	$3,136.1	$2,535.2
Stockholders' equity per share	**$ 14.20**	$ 13.82	$ 13.42	$ 12.80	$ 10.42
Total debt as a percentage of capitalization	**41.8%**	37.3%	34.5%	31.0%	36.4%
Net debt as a percentage of capitalization[3]	**33.3%**	32.4%	29.1%	26.3%	33.8%

See Notes to Selected Financial Data on the following page.

Notes to Selected Financial Data

(1) EBITDA represents earnings before interest, income taxes, depreciation and amortization. EBITDA is presented because the Company is aware that it is used by rating agencies, securities analysts, investors and other parties in evaluating the Company. It should not be considered, however, as an alternative to operating income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of the Company's overall liquidity as presented in the Company's consolidated financial statements. Furthermore, EBITDA measures shown for the Company may not be comparable to similarly titled measures used by other companies. The following table presents the reconciliation of net income reported in accordance with U.S. generally accepted accounting principles ("GAAP") to EBITDA:

	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
			(In millions)		
Net income	**$512.2**	$ 590.9	$ 584.5	$517.0	$459.1
Add (deduct):					
Interest expense	**94.3**	91.8	79.9	73.6	75.5
Interest income	**(1.1)**	(0.8)	(0.8)	(0.8)	(0.7)
Income taxes	**180.9**	215.5	220.4	207.8	203.3
Depreciation	**74.8**	68.7	63.7	57.2	53.7
Amortization	**104.9**	80.8	74.9	61.5	51.8
Total adjustments	**453.8**	456.0	438.1	399.3	383.6
EBITDA	**$966.0**	$1,046.9	$1,022.6	$916.3	$842.7

(2) Free cash flow represents cash flow from operating activities less capital expenditures. Free cash flow is presented because the Company is aware that it is used by rating agencies, securities analysts, investors and other parties in evaluating the Company. (Also see note 1 above). The following table presents the reconciliation of cash flow from operating activities reported in accordance with U.S. GAAP to free cash flow:

	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
			(In millions)		
Cash provided by operating activities	**$756.8**	$672.5	$726.0	$660.7	$612.5
Deduct: Capital expenditures	**(63.3)**	(69.1)	(71.3)	(63.3)	(57.4)
Free cash flow	**$693.5**	$603.4	$654.7	$597.4	$555.1

(3) Net debt represents total debt, net minus cash and cash equivalents. Net debt is presented because the Company is aware that it is used by rating agencies, securities analysts, investors and other parties in evaluating the Company. (Also see note 1 above). The following table presents the reconciliation of total debt, net reported in accordance with U.S. GAAP to net debt:

	December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
			(In millions)		
Total debt, net	**$2,341.6**	$1,938.0	$1,709.0	$1,411.5	$1,450.2
Less: Cash and cash equivalents	**(717.3)**	(381.0)	(377.6)	(295.2)	(158.0)
Net debt	**1,624.3**	1,557.0	1,331.4	1,116.3	1,292.2
Stockholders' equity	**3,256.5**	3,254.6	3,239.6	3,136.1	2,535.2
Capitalization (net debt plus stockholders' equity)	**$4,880.8**	$4,811.6	$4,571.0	$4,252.4	$3,827.4
Net debt as a percentage of capitalization	**33.3%**	32.4%	29.1%	26.3%	33.8%

AMETEK, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report includes forward-looking statements based on the Company's current assumptions, expectations and projections about future events. When used in this report, the words "believes," "anticipates," "may," "expect," "intend," "estimate," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. For more information concerning risks and other factors that could have a material adverse effect on our business or could cause actual results to differ materially from management's expectations, see "Forward-Looking Information" on page A-27.

The following discussion and analysis of the Company's results of operations and financial condition should be read in conjunction with "Selected Financial Data" and the consolidated financial statements of the Company and the related notes included elsewhere in this Appendix. We begin with an overview of our business and operations.

Business Overview

AMETEK's operations are affected by global, regional and industry economic factors. However, the Company's strategic geographic and industry diversification, and its mix of products and services, have helped to mitigate the potential adverse impact of any unfavorable developments in any one industry or the economy of any single country on its consolidated operating results. In 2016, the Company was impacted by a weak global economy and the effects of a continued strong U.S. dollar. Specifically, the Company experienced lower sales in its process businesses that have exposure to oil and gas markets and in its engineered materials, interconnects and packaging businesses that have exposure to metals markets. Contributions from recent acquisitions, combined with successful Operational Excellence initiatives, helped to partially offset the oil and gas and metals markets weakness. The Company also benefited from its strategic initiatives under AMETEK's four key strategies: Operational Excellence, Strategic Acquisitions, Global & Market Expansion and New Products. Items of note in 2016 were:

- During 2016, the Company recorded pre-tax realignment costs totaling $25.6 million. The realignment costs had the effect of reducing net income for 2016 by $17.0 million ($0.07 per diluted share). See below for further discussion.
- During 2016, the Company recorded a $13.9 million non-cash impairment charge related to certain of the Company's trade names. The impairment charge had the effect of reducing net income for 2016 by $8.6 million ($0.04 per diluted share). See below for further discussion.
- During 2016, the Company spent $391.4 million in cash, net of cash acquired, to acquire five businesses:
  - In January 2016, AMETEK acquired Brookfield Engineering Laboratories ("Brookfield"), a manufacturer of viscometers and rheometers, as well as instrumentation to analyze texture and powder flow;
  - In January 2016, AMETEK acquired ESP/SurgeX, a manufacturer of energy intelligence and power protection, monitoring and diagnostic solutions;
  - In July 2016, AMETEK acquired HS Foils, a developer and manufacturer of key components used in radiation detectors including ultra-thin radiation windows, silicon drift detectors and x-ray filters;
  - In July 2016, AMETEK acquired Nu Instruments, a provider of magnetic sector mass spectrometers used for elemental and isotope analysis; and
  - In October 2016, AMETEK acquired Laserage Technology Corporation ("Laserage"), a provider of laser fabrication services for the medical device market.
- During 2016, the Company established record cash flow provided by operating activities that totaled $756.8 million for 2016, an $84.3 million or 12.5% increase from 2015.

- The Company continued its emphasis on investment in research, development and engineering, spending $200.8 million in 2016 before customer reimbursement of $7.2 million. Sales from products introduced in the past three years were $929.6 million or 24.2% of net sales.

- In March 2016, the Company along with certain of its foreign subsidiaries amended and restated its credit agreement dated as of September 22, 2011 (the "Credit Agreement"). The Credit Agreement amends and restates the Company's existing $700 million revolving credit facility, which was due to expire in December 2018. The Credit Agreement consists of a five-year revolving credit facility in an aggregate principal amount of $850 million with a final maturity date in March 2021. The revolving credit facility total borrowing capacity excludes an accordion feature that permits the Company to request up to an additional $300 million in revolving credit commitments at any time during the life of the Credit Agreement under certain conditions. The revolving credit facility provides the Company with additional financial flexibility to support its growth plans, including its acquisition strategy.

- In October 2016, the Company completed a private placement agreement to sell 500 million Euros and 225 million British pounds in senior notes to a group of institutional investors (the "2016 Private Placement"). There were two funding dates under the 2016 Private Placement. The first funding occurred in October 2016 for 500 million Euros ($546.8 million) and the second funding occurred in November 2016 for 225 million British pounds ($274.1 million). The proceeds from the first funding of the 2016 Private Placement were used to pay down domestic borrowings under the Company's revolving credit facility. The proceeds from the second funding of the 2016 Private Placement were used to pay down, at maturity, a 40 million British pound ($48.7 million) 5.99% senior note in November 2016 and provides the Company with additional financial flexibility to support its growth plans, including its acquisition strategy. See "Liquidity and Capital Resources" section for further discussion.

Results of Operations

The following table sets forth net sales and income by reportable segment and on a consolidated basis:

	Year Ended December 31,		
	2016	**2015**	**2014**
		(In thousands)	
Net sales[(1)]:			
Electronic Instruments	**$2,360,285**	$2,417,192	$2,421,638
Electromechanical	**1,479,802**	1,557,103	1,600,326
Consolidated net sales	**$3,840,087**	$3,974,295	$4,021,964
Operating income and income before income taxes:			
Segment operating income[(2)]:			
Electronic Instruments	**$ 577,717**	$ 639,399	$ 612,992
Electromechanical	**277,873**	318,098	335,046
Total segment operating income	**855,590**	957,497	948,038
Corporate administrative and other expenses	**(53,693)**	(49,781)	(49,452)
Consolidated operating income	**801,897**	907,716	898,586
Interest and other expenses, net	**(108,794)**	(101,336)	(93,754)
Consolidated income before income taxes	**$ 693,103**	$ 806,380	$ 804,832

(1) After elimination of intra- and intersegment sales, which are not significant in amount.

(2) Segment operating income represents net sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense.

Results of Operations for the year ended December 31, 2016 compared with the year ended December 31, 2015

In 2016, the Company was impacted by a weak global economy and the effects of a continued strong U.S. dollar. Specifically, the Company experienced lower sales in its process businesses that have exposure to oil and gas markets and in its engineered materials, interconnects and packaging businesses that have exposure to metals markets.

Contributions from the acquisitions completed in 2016 and the acquisitions of Surface Vision in July 2015 and Global Tubes in May 2015, as well as the Company's Operational Excellence initiatives had a positive impact on 2016 results. The full year impact of the 2016 acquisitions and continued focus on and implementation of Operational Excellence initiatives, including the 2016 realignment actions (described further throughout the results of operations for the fourth quarter and year ended December 31, 2016), are expected to have a positive impact on the Company's 2017 results. In the second half of 2016, the Company noted stabilization in the markets mentioned above compared to 2015; however, the Company still expects the challenging global economic environment to continue to impact its markets and geographies into the first half of 2017.

Net sales for 2016 were $3,840.1 million, a decrease of $134.2 million or 3.4%, compared with net sales of $3,974.3 million in 2015. Electronic Instruments Group ("EIG") net sales were $2,360.3 million in 2016, a decrease of 2.4%, compared with $2,417.2 million in 2015. Electromechanical Group ("EMG") net sales were $1,479.8 million in 2016, a decrease of 5.0%, compared with $1,557.1 million in 2015. The decrease in net sales for 2016 was due to a 7% organic sales decline and an unfavorable 1% effect of foreign currency translation, partially offset by a 4% increase from acquisitions.

Total international sales for 2016 were $2,010.7 million or 52.4% of net sales, a decrease of $44.0 million or 2.1%, compared with international sales of $2,054.7 million or 51.7% of net sales in 2015. The $44.0 million decrease in international sales was primarily driven by a weak global economy, as well as the foreign currency translation headwind noted above. Both reportable segments of the Company maintain strong international sales presences in Europe and Asia. Export shipments from the United States, which are included in total international sales, were $1,036.0 million in 2016, a decrease of $54.7 million or 5.0%, compared with $1,090.7 million in 2015. Export shipments decreased primarily due to a weak global economy, as well as the competitive impacts of a strong U.S. dollar.

Orders for 2016 were $3,848.8 million, a decrease of $75.9 million or 1.9%, compared with $3,924.7 million in 2015. The decrease in orders for 2016 was due to a 5% organic order decline resulting from a weak global economy noted above, partially offset by a 3% increase from acquisitions. As a result, the Company's backlog of unfilled orders at December 31, 2016 was $1,156.5 million, an increase of $8.7 million or 0.8%, compared with $1,147.8 million at December 31, 2015.

The Company recorded 2016 realignment costs totaling $25.6 million in the fourth quarter of 2016 (the "2016 realignment costs"). The 2016 realignment costs primarily related to $19.3 million in severance costs for a reduction in workforce and $6.2 million of asset write-downs in response to the impact of a weak global economy on certain of the Company's businesses, as well as the effects of a continued strong U.S. dollar. The Company recorded 2015 realignment costs totaling $36.6 million, with $15.9 million recorded in the first quarter of 2015 and $20.7 million recorded in the fourth quarter of 2015 (the "2015 realignment costs"). The 2015 realignment costs primarily related to reductions in workforce in response to the impact of a weak global economy on certain of the Company's businesses, as well as the effects of a continued strong U.S. dollar. See Note 18 to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further details.

The 2016 and 2015 realignment costs were reported in the consolidated statement of income as follows (in millions):

	2016		2015		
	Three Months Ended December 31,	**Year Ended December 31,**	**Three Months Ended March 31,**	**Three Months Ended December 31,**	**Year Ended December 31,**
Cost of sales	**$24.0**	**$24.0**	$15.8	$20.0	$35.8
Selling, general and administrative expenses	**1.6**	**1.6**	0.1	0.7	0.8
Total	**$25.6**	**$25.6**	$15.9	$20.7	$36.6

The 2016 and 2015 realignment costs were reported in segment operating income as follows (in millions):

	2016		2015		
	Three Months Ended December 31,	**Year Ended December 31,**	**Three Months Ended March 31,**	**Three Months Ended December 31,**	**Year Ended December 31,**
EIG	**$12.4**	**$12.4**	$ 9.3	$ 9.3	$18.5
EMG	**11.6**	**11.6**	6.5	10.8	17.3
Total	**$24.0**	**$24.0**	$15.8	$20.0	$35.8

The 2016 and 2015 realignment costs negatively impacted segment operating margins as follows (in basis points):

	2016		2015	
	Three Months Ended December 31,	**Year Ended December 31,**	**Three Months Ended December 31,**	**Year Ended December 31,**
EIG	**(200)**	**(50)**	(150)	(70)
EMG	**(330)**	**(80)**	(300)	(110)
Total	**(250)**	**(60)**	(200)	(90)

The expected annualized cash savings from the 2016 realignment costs is expected to be approximately $35 million, with approximately $15 million expected to be realized in 2017.

Segment operating income for 2016 was $855.6 million, a decrease of $101.9 million or 10.6%, compared with segment operating income of $957.5 million in 2015. Segment operating income, as a percentage of net sales, decreased to 22.3% in 2016, compared with 24.1% in 2015. The decrease in segment operating income and segment operating margins for 2016 resulted primarily from the decrease in net sales noted above and a $29.7 million increase in depreciation and amortization expense, which included a $13.9 million non-cash impairment charge related to certain of the Company's trade names ($9.2 million impacted EIG and $4.7 million impacted EMG). The 2016 impairment charge negatively impacted segment operating margins by approximately 40 basis points. Segment operating income and segment operating margins for 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Cost of sales for 2016 was $2,575.2 million or 67.1% of net sales, a decrease of $42.8 million or 1.6%, compared with $2,618.0 million or 65.9% of net sales for 2015. The cost of sales decrease was primarily due to the net sales decrease noted above, partially offset by a $29.7 million increase in depreciation and amortization expense, which included a $13.9 million impairment charge noted above. Cost of sales for 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Selling, general and administrative ("SG&A") expenses for 2016 were $463.0 million, an increase of $14.4 million or 3.2%, compared with $448.6 million in 2015. As a percentage of net sales, SG&A expenses were 12.1% for 2016, compared with 11.3% in 2015. Selling expenses for 2016 were $410.6 million, an increase of $11.1 million or 2.8%, compared with $399.5 million in 2015. The selling expenses increase was due primarily to business acquisitions. Selling expenses, as a percentage of net sales, increased to 10.7% for 2016, compared with 10.1% in 2015.

Corporate administrative expenses for 2016 were $52.4 million, an increase of $3.3 million or 6.7%, compared with $49.1 million in 2015. As a percentage of net sales, corporate administrative expenses were 1.4% for 2016, compared with 1.2% in 2015. For 2016 and 2015, corporate administrative expenses include $1.6 million and $0.8 million, respectively, of realignment costs noted above.

Consolidated operating income was $801.9 million or 20.9% of net sales for 2016, a decrease of $105.8 million or 11.7%, compared with $907.7 million or 22.8% of net sales in 2015.

Interest expense was $94.3 million for 2016, an increase of $2.5 million or 2.7%, compared with $91.8 million in 2015. The increase was primarily due to higher average borrowings to fund acquisitions and share repurchases.

The effective tax rate for 2016 was 26.1%, compared with 26.7% in 2015. The effective tax rates for 2016 and 2015 reflect the impact of foreign earnings, which are taxed at lower rates. The 2016 effective tax rate reflects tax benefits related to international and state tax planning initiatives and the release of uncertain tax position liabilities relating to certain statute expirations. The 2015 effective tax rate reflects the first quarter of 2015 release of uncertain tax position liabilities related to the conclusion of an advance thin capitalization agreement in the European Union, the second quarter of 2015 effective settlement of the U.S. research and development tax credit from the completion of an Internal Revenue Service examination for 2010 and 2011, and the third quarter of 2015 $7.5 million of tax benefits related to the closure of an international subsidiary. See Note 8 to the consolidated financial statements included in this Appendix for further details.

Net income for 2016 was $512.2 million, a decrease of $78.7 million or 13.3%, compared with $590.9 million in 2015. The 2016 realignment costs and the 2016 impairment charge reduced 2016 net income by $17.0 million and $8.6 million, respectively. The 2015 realignment costs reduced 2015 net income by $24.7 million.

Diluted earnings per share for 2016 were $2.19, a decrease of $0.26 or 10.6%, compared with $2.45 per diluted share in 2015. The 2016 realignment costs and the 2016 impairment charge had the effect of reducing 2016 diluted earnings per share by $0.07 and $0.04, respectively. The 2015 realignment costs had the effect of reducing 2015 diluted earnings per share by $0.10.

Segment Results

EIG's net sales totaled $2,360.3 million for 2016, a decrease of $56.9 million or 2.4%, compared with $2,417.2 million in 2015. The net sales decrease was due to a 7% organic sales decline, driven largely by the Company's process businesses that have exposure to oil and gas markets, partially offset by a 5% increase from the 2016 acquisitions of Nu Instruments, Brookfield and ESP/SurgeX and 2015 acquisition of Surface Vision.

EIG's operating income was $577.7 million for 2016, a decrease of $61.7 million or 9.6%, compared with $639.4 million in 2015. EIG's operating margins were 24.5% of net sales for 2016, compared with 26.5% of net sales in 2015. The decrease in EIG segment operating income and segment operating margins for 2016 resulted primarily from the decrease in net sales noted above and a $20.5 million increase in depreciation and amortization expense, which included a $9.2 million impairment charge. The 2016 impairment charge negatively

impacted EIG segment operating margins by approximately 40 basis points. EIG segment operating income and segment operating margins for 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

EMG's net sales totaled $1,479.8 million for 2016, a decrease of $77.3 million or 5.0%, compared with $1,557.1 million in 2015. The net sales decrease was due to a 6% organic sales decline, driven largely by weakness in the Company's engineered materials, interconnects and packaging businesses, and an unfavorable 1% effect of foreign currency translation, partially offset by a 2% increase from the 2016 acquisition of Laserage and 2015 acquisition of Global Tubes.

EMG's operating income was $277.9 million for 2016, a decrease of $40.2 million or 12.6%, compared with $318.1 million in 2015. EMG's operating margins were 18.8% of net sales for 2016, compared with 20.4% of net sales in 2015. The decrease in EMG segment operating income and segment operating margins for 2016 resulted primarily from the decrease in net sales noted above and a $9.2 million increase in depreciation and amortization expense, which included a $4.7 million impairment charge. The 2016 impairment charge negatively impacted EMG segment operating margins by approximately 30 basis points. EMG segment operating income and segment operating margins for 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Results of operations for the fourth quarter of 2016 compared with the fourth quarter of 2015

Net sales for the fourth quarter of 2016 were $973.0 million, a decrease of $15.0 million or 1.5%, compared with net sales of $988.0 million for the fourth quarter of 2015. The decrease in net sales for the fourth quarter of 2016 was due to a 4% organic sales decline and an unfavorable 1% effect of foreign currency translation, partially offset by a 3% increase from acquisitions.

Segment operating income for the fourth quarter of 2016 was $187.8 million, a decrease of $34.0 million or 15.3%, compared with segment operating income of $221.8 million for the fourth quarter of 2015. Segment operating income, as a percentage of net sales, decreased to 19.3% for the fourth quarter of 2016, compared with 22.5% for the fourth quarter of 2015. The decrease in segment operating income and segment operating margins for the fourth quarter of 2016 resulted primarily from the decrease in net sales noted above and a $17.2 million increase in depreciation and amortization expense, which included a $13.9 million non-cash impairment charge related to certain of the Company's trade names ($9.2 million impacted EIG and $4.7 million impacted EMG). The fourth quarter of 2016 impairment charge negatively impacted segment operating margins by approximately 140 basis points. Segment operating income and segment operating margins for the fourth quarter of 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Cost of sales for the fourth quarter of 2016 was $681.1 million or 70.0% of net sales, an increase of $14.8 million or 2.2%, compared with $666.3 million or 67.4% of net sales for the fourth quarter of 2015. The cost of sales increase and the corresponding increase in cost of sales as a percentage of sales were primarily due to the net sales decrease noted above and a $17.2 million increase in depreciation and amortization expense, which included the fourth quarter of 2016 impairment charge of $13.9 million noted above. Cost of sales for the fourth quarter of 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Net income for the fourth quarter of 2016 was $109.1 million, a decrease of $27.7 million or 20.2%, compared with $136.8 million for the fourth quarter of 2015. The fourth quarter of 2016 realignment costs and fourth quarter of 2016 impairment charge reduced the fourth quarter of 2016 net income by $17.0 million and $8.6 million, respectively. The fourth quarter of 2015 realignment costs reduced the fourth quarter of 2015 net income by $13.9 million.

Diluted earnings per share for the fourth quarter of 2016 were $0.47, a decrease of $0.10 or 17.5%, compared with $0.57 per diluted share for the fourth quarter of 2015. The fourth quarter of 2016 realignment

costs and fourth quarter of 2016 impairment charge had the effect of reducing the fourth quarter of 2016 diluted earnings per share by $0.07 and $0.04, respectively. The fourth quarter of 2015 realignment costs had the effect of reducing the fourth quarter of 2015 diluted earnings per share by $0.06.

Segment Results

EIG's net sales totaled $616.0 million for the fourth quarter of 2016, a decrease of $12.4 million or 2.0%, compared with $628.4 million for the fourth quarter of 2015. The net sales decrease was due to a 6% organic sales decline, driven largely by the Company's process businesses with exposure to oil and gas markets, and an unfavorable 1% effect of foreign currency translation, partially offset by a 5% increase from the 2016 acquisitions of Nu Instruments, Brookfield and ESP/SurgeX.

EIG's operating income was $141.1 million for the fourth quarter of 2016, a decrease of $20.6 million or 12.7%, compared with $161.7 million for the fourth quarter of 2015. EIG's operating margins were 22.9% of net sales for the fourth quarter of 2016, compared with 25.7% of net sales for the fourth quarter of 2015. The decrease in EIG segment operating income and segment operating margins for the fourth quarter of 2016 resulted primarily from the decrease in net sales noted above and an $11.0 million increase in depreciation and amortization expense, which included a $9.2 million impairment charge. The fourth quarter of 2016 impairment charge negatively impacted EIG segment operating margins by approximately 150 basis points. EIG segment operating income and segment operating margins for the fourth quarter of 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

EMG's net sales totaled $356.9 million for the fourth quarter of 2016, a decrease of $2.7 million or 0.8%, compared with $359.6 million for the fourth quarter of 2015. The net sales decrease was due to an unfavorable 2% effect of foreign currency translation, partially offset by a 1% increase from the 2016 acquisition of Laserage. Organic sales were flat quarter over quarter.

EMG's operating income was $46.7 million for the fourth quarter of 2016, a decrease of $13.5 million or 22.4%, compared with $60.2 million for the fourth quarter of 2015. EMG's operating margins were 13.1% of net sales for the fourth quarter of 2016, compared with 16.7% of net sales for the fourth quarter of 2015. The decrease in EMG segment operating income and segment operating margins for the fourth quarter of 2016 resulted primarily from the decrease in net sales noted above and a $6.2 million increase in depreciation and amortization expense, which included a $4.7 million impairment charge. The fourth quarter of 2016 impairment charge negatively impacted EMG segment operating margins by approximately 130 basis points. EMG segment operating income and segment operating margins for the fourth quarter of 2016 and 2015 include the impact of the realignment costs detailed in the tables above.

Results of Operations for the year ended December 31, 2015 compared with the year ended December 31, 2014

In 2015, the Company established records for operating income, operating income margins, net income and diluted earnings per share. Contributions from the acquisitions completed in 2015 and the acquisitions of Amptek, Inc. in August 2014 and Zygo Corporation in June 2014, as well as the Company's Operational Excellence initiatives had a positive impact on 2015 results.

Net sales for 2015 were $3,974.3 million, a decrease of $47.7 million or 1.2%, compared with net sales of $4,022.0 million in 2014. EIG net sales were $2,417.2 million in 2015 or essentially flat on a percentage basis, compared with $2,421.6 million in 2014. EMG net sales were $1,557.1 million in 2015, a decrease of 2.7%, compared with $1,600.3 million in 2014. The decrease in net sales for 2015 was due to an unfavorable 4% effect of foreign currency translation and 1% organic sales decline, partially offset by a 4% increase from acquisitions.

Total international sales for 2015 were $2,054.7 million or 51.7% of net sales, a decrease of $141.5 million or 6.4%, compared with international sales of $2,196.2 million or 54.6% of net sales in 2014. The $141.5 million decrease in international sales was primarily driven by a weak global economy, as well as the foreign currency

translation headwind noted above. Both reportable segments of the Company maintain strong international sales presences in Europe and Asia. Export shipments from the United States, which are included in total international sales, were $1,090.7 million in 2015, a decrease of $57.4 million or 5.0%, compared with $1,148.1 million in 2014. Export shipments decreased primarily due to a weak global economy, as well as the competitive impacts of a strong U.S. dollar.

Orders for 2015 were $3,924.7 million, a decrease of $154.6 million or 3.8%, compared with $4,079.3 million in 2014. The decrease in orders for 2015 was due to an unfavorable 4% effect of foreign currency translation and organic order decline of approximately 3% resulting from a weak global economy, partially offset by a 3% increase from acquisitions. As a result, the Company's backlog of unfilled orders at December 31, 2015 was $1,147.8 million, a decrease of $49.5 million or 4.1%, compared with $1,197.3 million at December 31, 2014.

The Company recorded 2015 realignment costs totaling $36.6 million, with $15.9 million recorded in the first quarter of 2015 and $20.7 million recorded in the fourth quarter of 2015 (the "2015 realignment costs"). The 2015 realignment costs primarily related to reductions in workforce in response to the impact of a weak global economy on certain of the Company's businesses, as well as the effects of a continued strong U.S. dollar. See Note 18 to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further details.

The 2015 realignment costs were reported in the consolidated statement of income as follows:

- $35.8 million in Cost of sales, with $15.8 million recorded in the first quarter of 2015 and $20.0 million recorded in the fourth quarter of 2015; and
- $0.8 million in Selling, general and administrative expenses, with $0.1 million recorded in the first quarter of 2015 and $0.7 million recorded in the fourth quarter of 2015.

Total segment operating income for 2015 included pre-tax realignment costs totaling $35.8 million, with $15.8 million recorded in the first quarter of 2015 and $20.0 million recorded in the fourth quarter of 2015. The 2015 realignment costs were reported as follows:

- $18.5 million in EIG operating income, with $9.3 million recorded in both the first and fourth quarters of 2015; and
- $17.3 million in EMG operating income, with $6.5 million recorded in the first quarter of 2015 and $10.8 million recorded in the fourth quarter of 2015.

Total segment operating margins for 2015 were negatively impacted by approximately 90 basis points due to the 2015 realignment costs. The 2015 realignment costs impacted segment operating margins as follows:

- Approximate 70 basis point negative impact on EIG's 2015 operating margins; and
- Approximate 110 basis point negative impact on EMG's 2015 operating margins.

The expected annualized cash savings from the 2015 realignment costs is expected to be approximately $90 million, with $40 million realized in 2015 and approximately $75 million expected to be realized in 2016.

Segment operating income for 2015 was $957.5 million, an increase of $9.5 million or 1.0%, compared with segment operating income of $948.0 million in 2014. The increase in segment operating income resulted primarily from the acquisitions noted above, as well as the benefits of the Company's Operational Excellence initiatives, partially offset by the 2015 realignment costs described above. Segment operating income for 2014 included $18.9 million in "Zygo integration costs," comprised of $10.4 million in severance charges ($9.1 million recorded in the third quarter of 2014 and $1.3 million recorded in the fourth quarter of 2014), a $4.5 million fair value inventory adjustment recorded in the third quarter of 2014 and $4.0 million in other

charges recorded in the fourth quarter of 2014, related to the Zygo acquisition. Segment operating income, as a percentage of net sales, increased to 24.1% in 2015, compared with 23.6% in 2014. The increase in segment operating margins resulted primarily from the benefits of the Company's Operational Excellence initiatives, partially offset by the impact of the 2015 realignment costs noted above. Segment operating margins for 2014 were negatively impacted by approximately 40 basis points due to the Zygo integration costs noted above.

Cost of sales for 2015 was $2,618.0 million or 65.9% of net sales, a decrease of $42.7 million or 1.6%, compared with $2,660.7 million or 66.2% of net sales for 2014. The cost of sales decrease and the corresponding decrease in cost of sales as a percentage of sales were primarily due to the net sales decrease noted above, the impact of foreign currency translation, as well as cost containment initiatives, which offset the 2015 realignment costs described above. Cost of sales for 2014 included $18.9 million of Zygo integration costs described above.

SG&A expenses for 2015 were $448.6 million, a decrease of $14.0 million or 3.0%, compared with $462.6 million in 2014. As a percentage of net sales, SG&A expenses were 11.3% for 2015, compared with 11.5% in 2014. Selling expenses for 2015 were $399.5 million, a decrease of $14.3 million or 3.5%, compared with $413.8 million in 2014. Selling expenses, as a percentage of net sales, decreased to 10.1% for 2015, compared with 10.3% in 2014. The selling expenses decrease and the corresponding decrease in selling expenses as a percentage of sales were primarily due to cost containment initiatives and the impact of foreign currency translation.

Corporate administrative expenses for 2015 were $49.1 million or essentially flat, compared with $48.8 million in 2014. As a percentage of net sales, corporate administrative expenses were 1.2% for both 2015 and 2014.

Consolidated operating income was $907.7 million or 22.8% of net sales for 2015, an increase of $9.1 million or 1.0%, compared with $898.6 million or 22.3% of net sales in 2014.

Interest expense was $91.8 million for 2015, an increase of $11.9 million or 14.9%, compared with $79.9 million in 2014. The increase was due to the impact of private placement senior notes funded in the second and third quarters of 2015 and the third quarter of 2014.

Other expenses, net were $9.5 million for 2015, a decrease of $4.3 million, compared with $13.8 million in 2014. Other expenses, net for 2015 benefited by lower acquisition-related expenses and the favorable impact from foreign currency translation. Other expenses, net for 2014 included an $8.0 million insurance policy gain in the fourth quarter of 2014 and a $5.5 million reversal of an insurance policy receivable related to a specific uncertain tax position liability of an acquired entity in the third quarter of 2014.

The effective tax rate for 2015 was 26.7%, compared with 27.4% in 2014. The effective tax rates for 2015 and 2014 reflect the impact of foreign earnings, which are taxed at lower rates. The 2015 effective tax rate reflects the first quarter of 2015 release of uncertain tax position liabilities related to the conclusion of an advance thin capitalization agreement in the European Union, the second quarter of 2015 effective settlement of the U.S. research and development tax credit from the completion of an Internal Revenue Service examination for 2010 and 2011, and the third quarter of 2015 $7.5 million of tax benefits related to the closure of an international subsidiary. The 2014 effective tax rate reflects a release of $12.9 million of uncertain tax position liabilities related to an acquired entity due to the final closure of a tax year and foreign tax credit benefit on amounts repatriated during the year. See Note 8 to the consolidated financial statements included in this Appendix for further details.

Net income for 2015 was $590.9 million, an increase of $6.4 million or 1.1%, compared with $584.5 million in 2014. The 2015 realignment costs reduced 2015 net income by $24.7 million. The Zygo integration costs reduced 2014 net income by $13.9 million.

Diluted earnings per share for 2015 were $2.45, an increase of $0.08 or 3.4%, compared with $2.37 per diluted share in 2014. The 2015 realignment costs had the effect of reducing 2015 diluted earnings per share by $0.10. The Zygo integration costs had the effect of reducing 2014 diluted earnings per share by $0.05.

Segment Results

EIG's net sales totaled $2,417.2 million for 2015, a decrease of $4.4 million or essentially flat on a percentage basis, compared with $2,421.6 million in 2014. The net sales decrease was due to an unfavorable 3% effect of foreign currency translation and 1% organic sales decline, offset by a 4% increase from the 2015 acquisition of Surface Vision and the 2014 acquisitions of Amptek and Zygo.

EIG's operating income was $639.4 million for 2015, an increase of $26.4 million or 4.3%, compared with $613.0 million in 2014. EIG's increase in operating income was primarily due to the Group's Operational Excellence initiatives, partially offset by the 2015 realignment costs. EIG's 2014 operating income included $18.9 million of Zygo integration costs. EIG's operating margins were 26.5% of net sales for 2015, compared with 25.3% of net sales in 2014. EIG's increase in operating margins resulted primarily from the benefits of the Group's Operational Excellence initiatives, partially offset by the impact of the 2015 realignment costs noted above. EIG's 2014 operating margins were negatively impacted by approximately 80 basis points due to the Zygo integration costs noted above.

EMG's net sales totaled $1,557.1 million for 2015, a decrease of $43.2 million or 2.7%, compared with $1,600.3 million in 2014. The net sales decrease was due to an unfavorable 4% effect of foreign currency translation and 2% organic sales decline, partially offset by a 4% increase from the 2015 acquisition of Global Tubes.

EMG's operating income was $318.1 million for 2015, a decrease of $16.9 million or 5.0%, compared with $335.0 million in 2014. EMG's decrease in operating income was primarily due to the lower sales noted above and the 2015 realignment costs, partially offset by the benefits of the Group's Operational Excellence initiatives. EMG's operating margins were 20.4% of net sales for 2015, compared with 20.9% of net sales in 2014. EMG's decrease in operating margins resulted primarily from the impact of the 2015 realignment costs noted above, partially offset by the benefits of the Group's Operational Excellence initiatives.

Results of operations for the fourth quarter of 2015 compared with the fourth quarter of 2014

Net sales for the fourth quarter of 2015 were $988.0 million, a decrease of $36.1 million or 3.5%, compared with net sales of $1,024.1 million for the fourth quarter of 2014. The decrease in net sales for the fourth quarter of 2015 was due to a 4% organic sales decline and an unfavorable 3% effect of foreign currency translation, partially offset by a 3% increase from acquisitions.

Segment operating income for the fourth quarter of 2015 was $221.8 million, a decrease of $18.1 million or 7.5%, compared with segment operating income of $239.9 million for the fourth quarter of 2014. The decrease in segment operating income was primarily due to the lower sales noted above and included $20.0 million of fourth quarter of 2015 realignment costs, partially offset by the acquisitions noted above, as well as the benefits of the Group's Operational Excellence initiatives. Segment operating income for the fourth quarter of 2014 included $5.2 million in "Zygo integration costs," comprised of $1.3 million in severance charges and $4.0 million in other charges, related to the Zygo acquisition. Segment operating income, as a percentage of net sales, decreased to 22.5% for the fourth quarter of 2015, compared with 23.4% for the fourth quarter of 2014. In the fourth quarter of 2015, the benefits of the Group's Operational Excellence initiatives, partially offset the approximate 200 basis point negative impact from the fourth quarter of 2015 realignment costs noted above. Segment operating margins for the fourth quarter of 2014 were negatively impacted by approximately 50 basis points due to the fourth quarter of 2014 Zygo integration costs noted above.

Cost of sales for the fourth quarter of 2015 was $666.3 million or 67.4% of net sales, a decrease of $13.3 million or 2.0%, compared with $679.6 million or 66.4% of net sales for the fourth quarter of 2014. The cost of sales decrease was primarily due to the net sales decrease noted above, the impact of foreign currency translation, as well as cost containment initiatives, which offset the fourth quarter of 2015 realignment costs described above. Cost of sales for the fourth quarter of 2014 included $5.2 million of Zygo integration costs described above.

Net income for the fourth quarter of 2015 was $136.8 million, a decrease of $15.2 million or 10.0%, compared with $152.0 million for the fourth quarter of 2014. The fourth quarter of 2015 realignment costs reduced the fourth quarter of 2015 net income by $13.9 million. The fourth quarter of 2014 Zygo integration costs reduced the fourth quarter of 2014 net income by $3.2 million.

Diluted earnings per share for the fourth quarter of 2015 were $0.57, a decrease of $0.05 or 8.1%, compared with $0.62 per diluted share for the fourth quarter of 2014. The fourth quarter of 2015 realignment costs had the effect of reducing the fourth quarter of 2015 diluted earnings per share by $0.06. The fourth quarter of 2014 Zygo integration costs had the effect of reducing the fourth quarter of 2014 diluted earnings per share by $0.01.

Segment Results

EIG's net sales totaled $628.4 million for the fourth quarter of 2015, a decrease of $16.0 million or 2.5%, compared with $644.4 million for the fourth quarter of 2014. The net sales decrease was due to an unfavorable 3% effect of foreign currency translation and 2% organic sales decline, partially offset by a 2% increase from the 2015 acquisition of Surface Vision.

EIG's operating income was $161.7 million for the fourth quarter of 2015, a decrease of $1.2 million or 0.7%, compared with $162.9 million for the fourth quarter of 2014. EIG's decrease in operating income was primarily due to the lower sales noted above and included $9.3 million of fourth quarter of 2015 realignment costs, partially offset by the benefits of the Group's Operational Excellence initiatives. EIG's fourth quarter of 2014 operating income included $5.2 million of Zygo integration costs. EIG's operating margins were 25.7% of net sales for the fourth quarter of 2015, compared with 25.3% of net sales for the fourth quarter of 2014. EIG's increase in operating margins resulted primarily from the benefits of the Group's Operational Excellence initiatives, partially offset by the approximate 150 basis point negative impact from the fourth quarter of 2015 realignment costs noted above. EIG's fourth quarter of 2014 operating margins were negatively impacted by approximately 80 basis points due to the fourth quarter of 2014 Zygo integration costs noted above.

EMG's net sales totaled $359.6 million for the fourth quarter of 2015, a decrease of $20.2 million or 5.3%, compared with $379.8 million for the fourth quarter of 2014. The net sales decrease was due to an 8% organic sales decline and an unfavorable 3% effect of foreign currency translation, partially offset by a 5% increase from the 2015 acquisition of Global Tubes.

EMG's operating income was $60.2 million for the fourth quarter of 2015, a decrease of $16.8 million or 21.8%, compared with $77.0 million for the fourth quarter of 2014. EMG's decrease in operating income was primarily due to the lower sales noted above and included $10.8 million of fourth quarter of 2015 realignment costs, partially offset by the benefits of the Group's Operational Excellence initiatives. EMG's operating margins were 16.7% of net sales for the fourth quarter of 2015, compared with 20.3% of net sales for the fourth quarter of 2014. EMG's fourth quarter of 2015 operating margins were negatively impacted by approximately 300 basis points due to the fourth quarter of 2015 realignment costs noted above.

Liquidity and Capital Resources

Cash provided by operating activities totaled $756.8 million in 2016, an increase of $84.3 million or 12.5%, compared with $672.5 million in 2015. The increase in cash provided by operating activities was primarily due to

the $48.4 million reduction in defined benefit pension plan contributions, driven by a $50.0 million contribution to the Company's U.S. defined benefit pension plans in the first quarter of 2015, and lower overall operating working capital levels driven by the Company's continued focus on operating working capital management.

Free cash flow (cash flow provided by operating activities less capital expenditures) was $693.6 million in 2016, compared with $603.5 million in 2015. EBITDA (earnings before interest, income taxes, depreciation and amortization) was $966.0 million in 2016, compared with $1,046.9 million in 2015. Free cash flow and EBITDA are presented because the Company is aware that they are measures used by third parties in evaluating the Company. (See tables on page A-4 for a reconciliation of U.S. generally accepted accounting principles ("GAAP") measures to comparable non-GAAP measures).

Cash used for investing activities totaled $452.4 million in 2016, compared with $425.6 million in 2015. In 2016, the Company paid $391.4 million, net of cash acquired, to acquire Laserage in October 2016, HS Foils and Nu Instruments in July 2016 and Brookfield and ESP/SurgeX in January 2016. In 2015, the Company paid $356.5 million, net of cash acquired, to acquire Surface Vison in July 2015 and Global Tubes in May 2015. Additions to property, plant and equipment totaled $63.3 million in 2016, compared with $69.1 million in 2015.

Cash provided by financing activities totaled $57.1 million in 2016, compared with $217.0 million of cash used for financing activities in 2015. At December 31, 2016, total debt, net was $2,341.6 million, compared with $1,938.0 million at December 31, 2015. In 2016, short-term borrowings decreased $315.7 million, compared with an increase of $226.8 million in 2015. In 2016, long-term borrowings increased $772.2 million, compared with an increase of $18.0 million in 2015.

In October 2016, the Company completed a private placement agreement to sell 500 million Euros and 225 million British pounds in senior notes to a group of institutional investors (the "2016 Private Placement"). There were two funding dates under the 2016 Private Placement. The first funding occurred in October 2016 for 500 million Euros ($546.8 million), consisting of 300 million Euros ($328.1 million) in aggregate principal amount of 1.34% senior notes due October 2026 and 200 million Euros ($218.7 million) in aggregate principal amount of 1.53% senior notes due October 2028. The second funding occurred in November 2016 for 225 million British pounds ($274.1 million), consisting of 150 million British pounds ($182.7 million) in aggregate principal amount of 2.59% senior notes due November 2028 and 75 million British pounds ($91.4 million) in aggregate principal amount of 2.70% senior notes due November 2031. The 2016 Private Placement senior notes carry a weighted average interest rate of 1.82% and are subject to certain customary covenants, including financial covenants that, among other things, require the Company to maintain certain debt-to-EBITDA (earnings before interest, income taxes, depreciation and amortization) and interest coverage ratios. The proceeds from the first funding of the 2016 Private Placement were used to pay down domestic borrowings under the Company's revolving credit facility. The proceeds from the second funding of the 2016 Private Placement were used to pay down, at maturity, a 40 million British pound ($48.7 million) 5.99% senior note in November 2016 and provides the Company with additional financial flexibility to support its growth plans, including its acquisition strategy.

In March 2016, the Company along with certain of its foreign subsidiaries amended and restated its credit agreement dated as of September 22, 2011 (the "Credit Agreement"). The Credit Agreement amends and restates the Company's existing $700 million revolving credit facility, which was due to expire in December 2018. The Credit Agreement consists of a five-year revolving credit facility in an aggregate principal amount of $850 million with a final maturity date in March 2021. The revolving credit facility total borrowing capacity excludes an accordion feature that permits the Company to request up to an additional $300 million in revolving credit commitments at any time during the life of the Credit Agreement under certain conditions. Interest rates on outstanding borrowings under the revolving credit facility are at the applicable benchmark rate plus a negotiated spread or at the U.S. prime rate. The revolving credit facility provides the Company with additional financial flexibility to support its growth plans, including its acquisition strategy. At December 31, 2016, the Company had available borrowing capacity of $1,117.3 million under its revolving credit facility, including the $300 million accordion feature.

In the fourth quarter of 2017, $270 million of 6.20% senior notes will mature and become payable. The debt-to-capital ratio was 41.8% at December 31, 2016, compared with 37.3% at December 31, 2015. The net debt-to-capital ratio (total debt, net less cash and cash equivalents divided by the sum of net debt and stockholders' equity) was 33.3% at December 31, 2016, compared with 32.4% at December 31, 2015. The net debt-to-capital ratio is presented because the Company is aware that this measure is used by third parties in evaluating the Company. (See table on page A-4 for a reconciliation of U.S. GAAP measures to comparable non-GAAP measures).

In 2016, the Company repurchased approximately 7,099,000 shares of its common stock for $336.1 million, compared with $435.4 million used for repurchases of approximately 7,978,000 shares in 2015. On November 2, 2016, the Company's Board of Directors approved an increase of $400 million in the authorization for the repurchase of the Company's common stock. At December 31, 2016, $375.6 million was available under the Company's Board of Directors authorization for future share repurchases.

Additional financing activities for 2016 include cash dividends paid of $83.3 million, compared with $86.0 million in 2015. Proceeds from the exercise of employee stock options were $17.6 million in 2016, compared with $39.2 million in 2015.

As a result of all of the Company's cash flow activities in 2016, cash and cash equivalents at December 31, 2016 totaled $717.3 million, compared with $381.0 million at December 31, 2015. At December 31, 2016, the Company had $481.6 million in cash outside the United States, compared with $357.2 million at December 31, 2015. The Company utilizes this cash to fund its international operations, as well as to acquire international businesses. In July 2016, the Company acquired HS Foils and Nu Instruments for approximately $65 million utilizing cash outside the United States. The Company is in compliance with all covenants, including financial covenants, for all of its debt agreements. The Company believes it has sufficient cash-generating capabilities from domestic and unrestricted foreign sources, available credit facilities and access to long-term capital funds to enable it to meet its operating needs and contractual obligations in the foreseeable future.

Subsequent Events

In January 2017, the Company contributed $50.1 million to its defined benefit pension plans, with $40.0 million contributed to U.S. defined benefit pension plans and $10.1 million contributed to foreign defined benefit pension plans.

In February 2017, the Company acquired Rauland-Borg for approximately $340 million in cash using available cash as well as borrowings under its revolving credit facility, with a potential $30 million contingent payment due upon the achievement of certain milestones.

The following table summarizes AMETEK's contractual cash obligations and the effect such obligations are expected to have on the Company's liquidity and cash flows in future years at December 31, 2016.

	Payments Due				
Contractual Obligations[1]	**Total**	**Less Than One Year**	**One to Three Years**	**Four to Five Years**	**After Five Years**
			(In millions)		
Long-term debt borrowings[2]	$2,333.2	$270.0	$405.0	$152.9	$1,505.3
Capital lease[3]	4.7	0.9	3.8	—	—
Other indebtedness	9.9	9.9	—	—	—
Total debt[4]	2,347.8	280.8	408.8	152.9	1,505.3
Interest on long-term fixed-rate debt	503.8	90.0	118.9	85.1	209.8
Noncancellable operating leases[5]	143.5	33.0	44.6	26.7	39.2
Purchase obligations[6]	289.1	273.7	14.8	0.4	0.2
Restructuring and other	29.9	26.0	3.9	—	—
Total	$3,314.1	$703.5	$591.0	$265.1	$1,754.5

(1) The liability for uncertain tax positions was not included in the table of contractual obligations as of December 31, 2016 because the timing of the settlements of these uncertain tax positions cannot be reasonably estimated at this time. See Note 8 to the consolidated financial statements included in this Appendix for further details.
(2) See Note 9 to the consolidated financial statements included in this Appendix for further details.
(3) Represents a capital lease for a building and land associated with the Cameca SAS acquisition. The lease has a term of 12 years, which began in July 2006, and is payable quarterly.
(4) Excludes debt issuance costs of $6.3 million, of which $1.9 million is classified as current and $4.4 million is classified as long-term. See Note 9 to the consolidated financial statements included in this Appendix for further details.
(5) The leases expire over a range of years from 2017 to 2082 with renewal or purchase options, subject to various terms and conditions, contained in most of the leases.
(6) Purchase obligations primarily consist of contractual commitments to purchase certain inventories at fixed prices.

Other Commitments

The Company has standby letters of credit and surety bonds of $37.4 million related to performance and payment guarantees at December 31, 2016. Based on experience with these arrangements, the Company believes that any obligations that may arise will not be material to its financial position.

Critical Accounting Policies

The Company has identified its critical accounting policies as those accounting policies that can have a significant impact on the presentation of the Company's financial condition and results of operations and that require the use of complex and subjective estimates based on the Company's historical experience and management's judgment. Because of the uncertainty inherent in such estimates, actual results may differ materially from the estimates used. The consolidated financial statements and related notes contain information that is pertinent to the Company's accounting policies and to Management's Discussion and Analysis. The information that follows represents additional specific disclosures about the Company's accounting policies regarding risks, estimates, subjective decisions or assessments whereby materially different financial condition

and results of operations could have been reported had different assumptions been used or different conditions existed. Primary disclosure of the Company's significant accounting policies is in Note 1 to the consolidated financial statements in this Appendix.

- *Revenue Recognition.* The Company recognizes revenue on product sales in the period when the sales process is complete. This generally occurs when products are shipped to the customer in accordance with terms of an agreement of sale, under which title and risk of loss have been transferred, collectability is reasonably assured and pricing is fixed or determinable. For a small percentage of sales where title and risk of loss passes at point of delivery, the Company recognizes revenue upon delivery to the customer, assuming all other criteria for revenue recognition are met. The Company's policy with respect to sales returns and allowances generally provides that the customer may not return products or be given allowances, except at the Company's option. The Company has agreements with distributors that do not provide expanded rights of return for unsold products. The distributor purchases the product from the Company, at which time title and risk of loss transfers to the distributor. The Company does not offer substantial sales incentives and credits to its distributors other than volume discounts. The Company accounts for these sales incentives as a reduction of revenues when the sale is recognized in the consolidated statement of income. Accruals for sales returns, other allowances and estimated warranty costs are provided at the time revenue is recognized based on the Company's historical experience. At December 31, 2016 and 2015, the accrual for future warranty obligations was $22.0 million and $22.8 million, respectively. The Company's expense for warranty obligations was $16.0 million, $14.8 million and $16.5 million in 2016, 2015 and 2014, respectively. The warranty periods for products sold vary among the Company's operations, but generally do not exceed one year. The Company calculates its warranty expense provision based on its historical warranty experience and adjustments are made periodically to reflect actual warranty expenses. If actual future sales returns and allowances and warranty amounts are higher than the Company's historical experience, additional accruals may be required.

- *Accounts Receivable.* The Company maintains allowances for estimated losses resulting from the inability of specific customers to meet their financial obligations to the Company. A specific allowance for doubtful accounts is recorded against the amount due from these customers. For all other customers, the Company recognizes allowance for doubtful accounts based on the length of time specific receivables are past due based on its historical experience. If the financial condition of the Company's customers were to deteriorate, resulting in their inability to make payments, additional allowances may be required. The allowance for doubtful accounts was $10.3 million and $8.6 million at December 31, 2016 and 2015, respectively.

- *Inventories.* The Company uses the first-in, first-out ("FIFO") method of accounting, which approximates current replacement cost, for approximately 82% of its inventories at December 31, 2016. The last-in, first-out ("LIFO") method of accounting is used to determine cost for the remaining 18% of the Company's inventory at December 31, 2016. For inventories where cost is determined by the LIFO method, the FIFO value would have been $18.4 million and $19.4 million higher than the LIFO value reported in the consolidated balance sheet at December 31, 2016 and 2015, respectively. The Company provides estimated inventory reserves for slow-moving and obsolete inventory based on current assessments about future demand, market conditions, customers who may be experiencing financial difficulties and related management initiatives. If these factors are less favorable than those projected by management, additional inventory reserves may be required.

- *Business Combinations.* The Company allocates the purchase price of an acquired company, including when applicable, the fair value of contingent consideration between tangible and intangible assets acquired and liabilities assumed from the acquired business based on their estimated fair values, with the residual of the purchase price recorded as goodwill. Third party appraisal firms and other consultants are engaged to assist management in determining the fair values of certain assets acquired and liabilities

assumed. Estimating fair values requires significant judgments, estimates and assumptions, including but not limited to: discount rates, future cash flows and the economic lives of trade names, technology, customer relationships, property, plant and equipment, as well as income taxes. These estimates are based on historical experience and information obtained from the management of the acquired companies, and are inherently uncertain.

- *Goodwill and Other Intangible Assets.* Goodwill and other intangible assets with indefinite lives, primarily trademarks and trade names, are not amortized; rather, they are tested for impairment at least annually. For the purpose of the goodwill impairment test, the Company can elect to perform a qualitative analysis to determine if it is more likely than not that the fair values of its reporting units are less than the respective carrying values of those reporting units. The Company elected to bypass performing the qualitative screen and performed the first step quantitative analysis of the goodwill impairment test in the current year. The Company may elect to perform the qualitative analysis in future periods. The first step in the quantitative process is to compare the carrying amount of the reporting unit's net assets to the fair value of the reporting unit. If the fair value exceeds the carrying value, no further evaluation is required and no impairment loss is recognized. If the carrying amount exceeds the fair value, then the second step must be completed, which involves allocating the fair value of the reporting unit to each asset and liability, with the excess being implied goodwill. An impairment loss occurs and would be required to be recorded if the amount of the recorded goodwill exceeds the implied goodwill.

The Company identifies its reporting units at the component level, which is one level below its operating segments. Generally, goodwill arises from acquisitions of specific operating companies and is assigned to the reporting unit in which a particular operating company resides. The Company's reporting units are composed of divisions that are one level below its operating segments and for which discrete financial information is prepared and regularly reviewed by segment management.

The Company principally relies on a discounted cash flow analysis to determine the fair value of each reporting unit, which considers forecasted cash flows discounted at an appropriate discount rate. The Company believes that market participants would use a discounted cash flow analysis to determine the fair value of its reporting units in a sale transaction. The annual goodwill impairment test requires the Company to make a number of assumptions and estimates concerning future levels of revenue growth, operating margins, depreciation, amortization and working capital requirements, which are based on the Company's long-range plan and are considered level 3 inputs. The Company's long-range plan is updated as part of its annual planning process and is reviewed and approved by management. The discount rate is an estimate of the overall after-tax rate of return required by a market participant whose weighted average cost of capital includes both equity and debt, including a risk premium. While the Company uses the best available information to prepare its cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances. While there are always changes in assumptions to reflect changing business and market conditions, the Company's overall methodology and the population of assumptions used have remained unchanged. In order to evaluate the sensitivity of the goodwill impairment test to changes in the fair value calculations, the Company applied a hypothetical 10% decrease in fair values of each reporting unit. The 2016 results (expressed as a percentage of carrying value for the respective reporting unit) showed that, despite the hypothetical 10% decrease in fair value, the fair values of the Company's reporting units still exceeded their respective carrying values by 32% to 707% for each of the Company's reporting units.

The impairment test for indefinite-lived intangibles other than goodwill (primarily trademarks and trade names) consists of a comparison of the fair value of the indefinite-lived intangible asset to the carrying value of the asset as of the impairment testing date. The Company can elect to perform a qualitative analysis to determine if it is more likely than not that the fair values of its indefinite-lived intangible assets are less than the respective carrying values of those assets. The Company elected to bypass performing the

qualitative screen. The Company may elect to perform the qualitative analysis in future periods. The Company estimates the fair value of its indefinite-lived intangibles using the relief from royalty method using level 3 inputs. The Company believes the relief from royalty method is a widely used valuation technique for such assets. The fair value derived from the relief from royalty method is measured as the discounted cash flow savings realized from owning such trademarks and trade names and not having to pay a royalty for their use.

The Company's acquisitions have generally included a significant goodwill component and the Company expects to continue to make acquisitions. At December 31, 2016, goodwill and other indefinite-lived intangible assets totaled $3,341.6 million or 47.1% of the Company's total assets. The Company completed its required annual impairment tests in the fourth quarter of 2016 and determined that the carrying values of the Company's goodwill were not impaired. The Company completed its required annual impairment tests in the fourth quarter of 2016 and determined that the carrying values of certain of the Company's trademarks and trade names with indefinite lives were impaired. During 2016, the Company recorded a $13.9 million non-cash impairment charge related to certain of the Company's trade names. There can be no assurance that goodwill or indefinite-lived intangibles impairment will not occur in the future.

Other intangible assets with finite lives are evaluated for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of other intangible assets with finite lives is considered impaired when the total projected undiscounted cash flows from those assets are separately identifiable and are less than the carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of those assets. Fair value is determined primarily using present value techniques based on projected cash flows from the asset group.

- *Pensions.* The Company has U.S. and foreign defined benefit and defined contribution pension plans. The most significant elements in determining the Company's pension income or expense are the assumed pension liability discount rate and the expected return on plan assets. The pension discount rate reflects the current interest rate at which the pension liabilities could be settled at the valuation date. At the end of each year, the Company determines the assumed discount rate to be used to discount plan liabilities. In estimating this rate for 2016, the Company considered rates of return on high-quality, fixed-income investments that have maturities consistent with the anticipated funding requirements of the plan. The discount rate used in determining the 2016 pension cost was 4.80% for U.S. defined benefit pension plans and 3.62% for foreign plans. The discount rate used for determining the funded status of the plans at December 31, 2016 and determining the 2017 defined benefit pension cost was 4.25% for U.S. plans and 2.56% for foreign plans. In estimating the U.S. and foreign discount rates, the Company's actuaries developed a customized discount rate appropriate to the plans' projected benefit cash flow based on yields derived from a database of long-term bonds at consistent maturity dates. The Company used an expected long-term rate of return on plan assets for 2016 of 7.75% for U.S. defined benefit pension plans and 6.95% for foreign plans. In 2017, the Company will use 7.50% for the U.S. plans and 6.79% for the foreign plans. The Company determines the expected long-term rate of return based primarily on its expectation of future returns for the pension plans' investments. Additionally, the Company considers historical returns on comparable fixed-income and equity investments, and adjusts its estimate as deemed appropriate. The rate of compensation increase used in determining the 2016 pension income for the U.S. plans was 3.75% and was 2.88% for the foreign plans. The U.S. plans' rate of compensation increase will remain unchanged in 2017. The foreign plans' rate of compensation increase will be 2.5% in 2017. In 2016, the Company recognized consolidated pre-tax pension income of $4.3 million from its U.S. and foreign defined benefit pension plans, compared with pre-tax pension income of $9.8 million recognized for these plans in 2015. The Company estimates its 2017 U.S. and foreign defined benefit pension pre-tax income to be approximately $4.3 million.

All unrecognized prior service costs, remaining transition obligations or assets and actuarial gains and losses have been recognized, net of tax effects, as a charge to accumulated other comprehensive income in stockholders' equity and will be amortized as a component of net periodic pension cost. The Company uses a measurement date of December 31 (its fiscal year end) for its U.S. and foreign defined benefit plans.

To fund the plans, the Company made cash contributions to its defined benefit pension plans in 2016, which totaled $6.8 million, compared with $55.2 million in 2015. The Company anticipates making approximately $52 million to $56 million in cash contributions to its defined benefit pension plans in 2017. The estimated cash contributions range includes $50.1 million in cash contributions to its defined benefit pension plans in January 2017, with $40.0 million contributed to U.S. defined benefit pension plans and $10.1 million contributed to foreign defined benefit pension plans.

- *Income Taxes.* The process of providing for income taxes and determining the related balance sheet accounts requires management to assess uncertainties, make judgments regarding outcomes and utilize estimates. The Company conducts a broad range of operations around the world and is therefore subject to complex tax regulations in numerous international taxing jurisdictions, resulting at times in tax audits, disputes and potential litigation, the outcome of which is uncertain. Management must make judgments currently about such uncertainties and determine estimates of the Company's tax assets and liabilities. To the extent the final outcome differs, future adjustments to the Company's tax assets and liabilities may be necessary.

The Company assesses the realizability of its deferred tax assets, taking into consideration the Company's forecast of future taxable income, available net operating loss carryforwards and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, management must evaluate the need for, and the amount of, valuation allowances against the Company's deferred tax assets. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required.

The Company assesses the uncertainty in its tax positions, by applying a minimum recognition threshold which a tax position is required to meet before a tax benefit is recognized in the financial statements. Once the minimum threshold is met, using a more likely than not standard, a series of probability estimates is made for each item to properly measure and record a tax benefit. The tax benefit recorded is generally equal to the highest probable outcome that is more than 50% likely to be realized after full disclosure and resolution of a tax examination. The underlying probabilities are determined based on the best available objective evidence such as recent tax audit outcomes, published guidance, external expert opinion, or by analogy to the outcome of similar issues in the past. There can be no assurance that these estimates will ultimately be realized given continuous changes in tax policy, legislation and audit practice. The Company recognizes interest and penalties accrued related to uncertain tax positions in income tax expense.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09") and modified the standard thereafter. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue at the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB Accounting Standards Codification.

ASU 2014-09 is effective for interim and annual reporting periods beginning after December 15, 2017 and may be early adopted for interim and annual reporting periods beginning after December 15, 2016. The Company will adopt ASU 2014-09 as of January 1, 2018. The guidance permits adoption by retrospectively applying the guidance to each prior reporting period presented (full retrospective method) or prospectively applying the guidance and providing additional disclosures comparing results to previous guidance, with the cumulative effect of initially applying the guidance recognized in beginning retained earnings at the date of initial application (modified retrospective method). The Company is in the process of determining its method of adoption.

The Company has completed its initial assessment phase and is proceeding with its implementation plan. The initial assessment consisted of reviewing a representative sample of contracts, discussions with key stakeholders and cataloging potential impacts on the Company's operations, accounting policies, financial control and financial statements. The Company's initial assessment indicates the key changes in the standard that impact the Company's revenue recognition relate to the allocation of contract revenues between various products and services, the timing of when those revenues are recognized and the deferral of incremental costs to obtain a contract. Given the diversity of its commercial arrangements, the Company is continuing to determine the impact ASU 2014-09 may have on its consolidated results of operations, financial position, cash flows and financial statement disclosures.

In February 2015, the FASB issued ASU No. 2015-02, *Amendments to the Consolidation Analysis* ("ASU 2015-02"). ASU 2015-02 is intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). ASU 2015-02 makes specific amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the variable interest entities guidance. The Company adopted ASU 2015-02 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"). ASU 2015-03 requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. The Company retrospectively adopted ASU 2015-03 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In April 2015, the FASB issued ASU No. 2015-05*, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* ("ASU 2015-05"). ASU 2015-05 is intended to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The guidance clarifies that customers should determine whether a cloud computing arrangement includes the license of software by applying the same guidance cloud service providers use to make this determination. The Company prospectively adopted ASU 2015-05 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"), which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. As prescribed in this update, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory that is measured using last-in, first-out ("LIFO"). ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. The Company does not expect the adoption of ASU 2015-11 to have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). ASU 2015-17 simplifies the presentation of deferred taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the consolidated balance sheet. ASU 2015-17 is effective for interim and annual reporting periods beginning after December 15, 2016. ASU 2015-17 may be adopted prospectively or retrospectively and early adoption is permitted. The Company does not expect the adoption of ASU 2015-17 to have a significant impact on the Company's consolidated results of operations, financial position or cash flows. The Company expects to prospectively adopt ASU 2015-17.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU 2016-02 is effective for interim and annual reporting periods beginning after December 15, 2018. ASU 2016-02 is to be adopted using a modified retrospective approach and early adoption is permitted. The Company has not determined the impact ASU 2016-02 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 includes changes to the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for interim and annual reporting periods beginning after December 15, 2016 and early adoption is permitted. The Company is unable to estimate the impact of adoption as it is dependent upon future stock option exercises, which cannot be predicted. However, the Company does not expect the adoption of ASU 2016-09 to have a significant impact on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In January 2017, the FASB issued ASU No. 2017-01, *Clarifying the Definition of a Business* ("ASU 2017-01"). ASU 2017-01 provides a more robust framework to use in determining when a set of assets and activities is a business. ASU 2017-01 requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of assets is not a business. ASU 2017-01 requires that, to be a business, the set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. ASU 2017-01 is effective for interim and annual reporting periods beginning after December 15, 2017. ASU 2017-01 will be applied prospectively to any transactions occurring within the period of adoption. Early adoption is permitted, including for interim or annual periods in which the financial statements have not been issued or made available for issuance. The Company has not determined the impact ASU 2017-01 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). ASU 2017-04 eliminates the requirement to calculate the implied fair value of goodwill (second step) to measure a goodwill impairment charge. Under the guidance, an impairment charge will be measured based on the excess of the reporting unit's carrying amount over its fair value (first step). ASU 2017-04 is effective for interim and annual reporting periods beginning after December 15, 2019 and early adoption is permitted. The Company has not determined the impact ASU 2017-04 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

Internal Reinvestment

Capital Expenditures

Capital expenditures were $63.3 million or 1.6% of net sales in 2016, compared with $69.1 million or 1.7% of net sales in 2015. In 2016, 55% of capital expenditures were for improvements to existing equipment or additional equipment to increase productivity and expand capacity. Capital expenditures in 2017 are expected to approximate 2.0% of net sales, with a continued emphasis on spending to improve productivity.

Development and Engineering

The Company is committed to, and has consistently invested in, research, development and engineering activities to design and develop new and improved products. Research, development and engineering costs before customer reimbursement were $200.8 million in both 2016 and 2015 and $208.3 million in 2014. Customer reimbursements in 2016, 2015 and 2014 were $7.2 million, $6.9 million and $8.9 million, respectively. These amounts included research and development expenses of $112.0 million, $116.3 million and $119.3 million in 2016, 2015 and 2014, respectively. All such expenditures were directed toward the development of new products and processes and the improvement of existing products and processes.

Environmental Matters

Certain historic processes in the manufacture of products have resulted in environmentally hazardous waste by-products as defined by federal and state laws and regulations. The Company believes these waste products were handled in compliance with regulations existing at that time. At December 31, 2016, the Company is named a Potentially Responsible Party ("PRP") at 13 non-AMETEK-owned former waste disposal or treatment sites (the "non-owned" sites). The Company is identified as a "de minimis" party in 12 of these sites based on the low volume of waste attributed to the Company relative to the amounts attributed to other named PRPs. In eight of these sites, the Company has reached a tentative agreement on the cost of the de minimis settlement to satisfy its obligation and is awaiting executed agreements. The tentatively agreed-to settlement amounts are fully reserved. In the other four sites, the Company is continuing to investigate the accuracy of the alleged volume attributed to the Company as estimated by the parties primarily responsible for remedial activity at the sites to establish an appropriate settlement amount. At the remaining site where the Company is a non-de minimis PRP, the Company is participating in the investigation and/or related required remediation as part of a PRP Group and reserves have been established sufficient to satisfy the Company's expected obligations. The Company historically has resolved these issues within established reserve levels and reasonably expects this result will continue. In addition to these non-owned sites, the Company has an ongoing practice of providing reserves for probable remediation activities at certain of its current or previously owned manufacturing locations (the "owned" sites). For claims and proceedings against the Company with respect to other environmental matters, reserves are established once the Company has determined that a loss is probable and estimable. This estimate is refined as the Company moves through the various stages of investigation, risk assessment, feasibility study and corrective action processes. In certain instances, the Company has developed a range of estimates for such costs and has recorded a liability based on the best estimate. It is reasonably possible that the actual cost of remediation of the individual sites could vary from the current estimates and the amounts accrued in the consolidated financial statements; however, the amounts of such variances are not expected to result in a material change to the consolidated financial statements. In estimating the Company's liability for remediation, the Company also considers the likely proportionate share of the anticipated remediation expense and the ability of the other PRPs to fulfill their obligations.

Total environmental reserves at December 31, 2016 and 2015 were $28.4 million and $30.5 million, respectively, for both non-owned and owned sites. In 2016, the Company recorded $4.1 million in reserves. Additionally, the Company spent $5.4 million on environmental matters and the reserve decreased $0.8 million due to foreign currency translation in 2016. The Company's reserves for environmental liabilities at

December 31, 2016 and 2015 include reserves of $12.4 million and $11.5 million, respectively, for an owned site acquired in connection with the 2005 acquisition of HCC Industries (“HCC”). The Company is the designated performing party for the performance of remedial activities for one of several operating units making up a Superfund site in the San Gabriel Valley of California. The Company has obtained indemnifications and other financial assurances from the former owners of HCC related to the costs of the required remedial activities. At December 31, 2016, the Company had $11.9 million in receivables related to HCC for probable recoveries from third-party escrow funds and other committed third-party funds to support the required remediation. Also, the Company is indemnified by HCC’s former owners for approximately $19 million of additional costs.

The Company has agreements with other former owners of certain of its acquired businesses, as well as new owners of previously owned businesses. Under certain of the agreements, the former or new owners retained, or assumed and agreed to indemnify the Company against, certain environmental and other liabilities under certain circumstances. The Company and some of these other parties also carry insurance coverage for some environmental matters. To date, these parties have met their obligations in all material respects.

The Company believes it has established reserves which are sufficient to perform all known responsibilities under existing claims and consent orders. The Company has no reason to believe that other third parties would fail to perform their obligations in the future. In the opinion of management, based on presently available information and the Company’s historical experience related to such matters, an adequate provision for probable costs has been made and the ultimate cost resulting from these actions is not expected to materially affect the consolidated results of operations, financial position or cash flows of the Company.

Market Risk

The Company’s primary exposures to market risk are fluctuations in interest rates, foreign currency exchange rates and commodity prices, which could impact its financial condition and results of operations. The Company addresses its exposure to these risks through its normal operating and financing activities. The Company’s differentiated and global business activities help to reduce the impact that any particular market risk may have on its operating income as a whole.

The Company’s short-term debt carries variable interest rates and generally its long-term debt carries fixed rates. These financial instruments are more fully described in the Notes to the consolidated financial statements.

The foreign currencies to which the Company has the most significant exchange rate exposure are the Euro, the British pound, the Japanese yen, the Chinese renminbi, the Canadian dollar, the Mexican peso and the Swiss franc. Exposure to foreign currency rate fluctuation is modest, monitored, and when possible, mitigated through the use of local borrowings and occasional derivative financial instruments in the foreign currency affected. The effect of translating foreign subsidiaries’ balance sheets into U.S. dollars is included in other comprehensive income within stockholders’ equity. Foreign currency transactions have not had a significant effect on the operating results reported by the Company because revenues and costs associated with the revenues are generally transacted in the same foreign currencies.

The primary commodities to which the Company has market exposure are raw material purchases of nickel, aluminum, copper, steel, titanium and gold. Exposure to price changes in these commodities are generally mitigated through adjustments in selling prices of the ultimate product and purchase order pricing arrangements, although forward contracts are sometimes used to manage some of those exposures.

Based on a hypothetical ten percent adverse movement in interest rates, commodity prices or foreign currency exchange rates, the Company’s best estimate is that the potential losses in future earnings, fair value of risk-sensitive financial instruments and cash flows are not material, although the actual effects may differ materially from the hypothetical analysis.

Forward-Looking Information

Certain matters discussed in this Appendix are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 ("PSLRA"), which involve risk and uncertainties that exist in the Company's operations and business environment and can be affected by inaccurate assumptions, or by known or unknown risks and uncertainties. Many such factors will be important in determining the Company's actual future results. The Company wishes to take advantage of the "safe harbor" provisions of the PSLRA by cautioning readers that numerous important factors, in some cases have caused, and in the future could cause, the Company's actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company. Some, but not all, of the factors or uncertainties that could cause actual results to differ from present expectations are contained in the Company's Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, subsequent events or otherwise, unless required by the securities laws to do so.

Management's Responsibility for Financial Statements

Management has prepared and is responsible for the integrity of the consolidated financial statements and related information. The statements are prepared in conformity with U.S. generally accepted accounting principles consistently applied and include certain amounts based on management's best estimates and judgments. Historical financial information elsewhere in this report is consistent with that in the financial statements.

In meeting its responsibility for the reliability of the financial information, management maintains a system of internal accounting and disclosure controls, including an internal audit program. The system of controls provides for appropriate division of responsibility and the application of written policies and procedures. That system, which undergoes continual reevaluation, is designed to provide reasonable assurance that assets are safeguarded and records are adequate for the preparation of reliable financial data.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. AMETEK, Inc. maintains a system of internal controls that is designed to provide reasonable assurance as to the fair and reliable preparation and presentation of the consolidated financial statements; however, there are inherent limitations in the effectiveness of any system of internal controls.

Management recognizes its responsibility for conducting the Company's activities according to the highest standards of personal and corporate conduct. That responsibility is characterized and reflected in a code of business conduct for all employees and in a financial code of ethics for the Chief Executive Officer and Senior Financial Officers, as well as in other key policy statements publicized throughout the Company.

The Audit Committee of the Board of Directors, which is composed solely of independent directors who are not employees of the Company, meets with the independent registered public accounting firm, the internal auditors and management to satisfy itself that each is properly discharging its responsibilities. The report of the Audit Committee is included in the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders. Both the independent registered public accounting firm and the internal auditors have direct access to the Audit Committee.

The Company's independent registered public accounting firm, Ernst & Young LLP, is engaged to render an opinion as to whether management's financial statements present fairly, in all material respects, the Company's financial position and operating results. This report is included herein.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, AMETEK, Inc. conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016 based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on that evaluation, our management concluded that the Company's internal control over financial reporting was effective as of December 31, 2016.

The Company acquired Brookfield Engineering Laboratories ("Brookfield") and ESP/SurgeX in January 2016, HS Foils and Nu Instruments in July 2016 and Laserage Technology Corporation ("Laserage") in October 2016. As permitted by the U.S. Securities and Exchange Commission staff interpretative guidance for newly acquired businesses, the Company excluded Brookfield, ESP/SurgeX, HS Foils, Nu Instruments and Laserage from management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In the aggregate, Brookfield, ESP/SurgeX, HS Foils, Nu Instruments and Laserage constituted 5.9% of total assets as of December 31, 2016 and 2.9% of net sales for the year then ended.

The Company's internal control over financial reporting as of December 31, 2016 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Chief Executive Officer

Executive Vice President – Chief Financial Officer & Treasurer

February 23, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Stockholders of AMETEK, Inc.:

We have audited AMETEK, Inc.'s internal control over financial reporting as of December 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). AMETEK, Inc.'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.

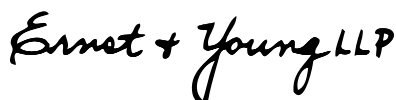
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal 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 Brookfield, ESP/SurgeX, HS Foils, Nu Instruments and Laserage, which are included in the 2016 consolidated financial statements of AMETEK, Inc. and constituted 5.9% of total assets as of December 31, 2016 and 2.9% of net sales for the year then ended. Our audit of internal control over financial reporting of AMETEK, Inc. also did not include an evaluation of the internal control over financial reporting of Brookfield, ESP/SurgeX, HS Foils, Nu Instruments and Laserage.

In our opinion, AMETEK, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 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 AMETEK, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2016, and our report dated February 23, 2017 expressed an unqualified opinion thereon.



Philadelphia, Pennsylvania
February 23, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENTS

To the Board of Directors and Stockholders of AMETEK, Inc.:

We have audited the accompanying consolidated balance sheets of AMETEK, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 AMETEK, Inc. at December 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 December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AMETEK, Inc.'s internal control over financial reporting as of December 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 February 23, 2017 expressed an unqualified opinion thereon.

Ernst & Young LLP

Philadelphia, Pennsylvania
February 23, 2017

AMETEK, Inc.

Consolidated Statement of Income
(In thousands, except per share amounts)

	Year Ended December 31,		
	2016	**2015**	**2014**
Net sales	**$3,840,087**	$3,974,295	$4,021,964
Operating expenses:			
Cost of sales	**2,575,220**	2,617,987	2,660,741
Selling, general and administrative	**462,970**	448,592	462,637
Total operating expenses	**3,038,190**	3,066,579	3,123,378
Operating income	**801,897**	907,716	898,586
Other expenses:			
Interest expense	**(94,304)**	(91,795)	(79,928)
Other, net	**(14,490)**	(9,541)	(13,826)
Income before income taxes	**693,103**	806,380	804,832
Provision for income taxes	**180,945**	215,521	220,372
Net income	**$ 512,158**	$ 590,859	$ 584,460
Basic earnings per share	**$ 2.20**	$ 2.46	$ 2.39
Diluted earnings per share	**$ 2.19**	$ 2.45	$ 2.37
Weighted average common shares outstanding:			
Basic shares	**232,593**	239,906	244,885
Diluted shares	**233,730**	241,586	247,102

See accompanying notes.

AMETEK, Inc.

Consolidated Statement of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2016	**2015**	**2014**
Net income	**$ 512,158**	$ 590,859	$ 584,460
Other comprehensive (loss) income:			
Amounts arising during the period — gains (losses), net of tax (expense) benefit:			
Foreign currency translation:			
Translation adjustments	**(68,774)**	(67,245)	(59,712)
Change in long-term intercompany notes	**(7,597)**	(51,235)	(54,906)
Net investment hedges, net of tax of $6,558, $3,432 and $4,961 in 2016, 2015 and 2014, respectively	**(12,179)**	(6,374)	(9,213)
Defined benefit pension plans:			
Net actuarial loss, net of tax of $17,450, $12,870 and $42,755 in 2016, 2015 and 2014, respectively	**(55,259)**	(21,002)	(83,040)
Amortization of net actuarial loss, net of tax of ($2,090), ($3,247) and ($1,650) in 2016, 2015 and 2014, respectively	**6,618**	6,137	2,834
Amortization of prior service costs, net of tax of $25, ($564) and ($753) in 2016, 2015 and 2014, respectively	**(79)**	1,809	2,292
Unrealized holding gain (loss) on available-for-sale securities:			
Unrealized gain (loss), net of tax of ($275), $445 and ($48) in 2016, 2015 and 2014, respectively	**512**	(827)	90
Other comprehensive (loss) income	**(136,758)**	(138,737)	(201,655)
Total comprehensive income	**$ 375,400**	$ 452,122	$ 382,805

See accompanying notes.

AMETEK, Inc.

Consolidated Balance Sheet
(In thousands, except share amounts)

	December 31,	
	2016	**2015**
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 717,259**	$ 381,005
Receivables, net	**592,326**	603,295
Inventories, net	**492,104**	514,451
Deferred income taxes	**50,004**	46,724
Other current assets	**76,497**	73,352
Total current assets	**1,928,190**	1,618,827
Property, plant and equipment, net	**473,230**	484,548
Goodwill	**2,818,950**	2,706,633
Other intangibles, net	**1,734,021**	1,672,961
Investments and other assets	**146,283**	177,481
Total assets	**$ 7,100,674**	$6,660,450
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt, net	**$ 278,921**	$ 384,924
Accounts payable	**369,537**	365,355
Income taxes payable	**29,913**	32,738
Accrued liabilities	**246,070**	241,004
Total current liabilities	**924,441**	1,024,021
Long-term debt, net	**2,062,644**	1,553,116
Deferred income taxes	**621,776**	624,046
Other long-term liabilities	**235,300**	204,641
Total liabilities	**3,844,161**	3,405,824
Stockholders' equity:		
Preferred stock, $0.01 par value; authorized 5,000,000 shares; none issued	**—**	—
Common stock, $0.01 par value; authorized 800,000,000 shares; issued: 2016 – 261,432,134 shares; 2015 – 260,718,769 shares	**2,615**	2,608
Capital in excess of par value	**604,143**	568,286
Retained earnings	**4,403,683**	3,974,793
Accumulated other comprehensive loss	**(542,389)**	(405,631)
Treasury stock: 2016 – 32,053,227 shares; 2015 – 25,203,699 shares	**(1,211,539)**	(885,430)
Total stockholders' equity	**3,256,513**	3,254,626
Total liabilities and stockholders' equity	**$ 7,100,674**	$6,660,450

See accompanying notes.

AMETEK, Inc.

Consolidated Statement of Stockholders' Equity
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
Capital Stock			
Preferred stock, $0.01 par value	**$ —**	$ —	$ —
Common stock, $0.01 par value			
Balance at the beginning of the year	2,608	2,589	2,581
Shares issued	**7**	19	8
Balance at the end of the year	**2,615**	2,608	2,589
Capital in Excess of Par Value			
Balance at the beginning of the year	568,286	491,750	448,700
Issuance of common stock under employee stock plans	**8,484**	32,296	15,290
Share-based compensation costs	**22,030**	23,762	19,871
Excess tax benefits from exercise of stock options	**5,343**	20,478	7,889
Balance at the end of the year	**604,143**	568,286	491,750
Retained Earnings			
Balance at the beginning of the year	3,974,793	3,469,923	2,966,015
Net income	**512,158**	590,859	584,460
Cash dividends paid	**(83,267)**	(85,988)	(80,551)
Other	**(1)**	(1)	(1)
Balance at the end of the year	**4,403,683**	3,974,793	3,469,923
Accumulated Other Comprehensive (Loss) Income			
Foreign currency translation:			
Balance at the beginning of the year	(249,774)	(124,920)	(1,089)
Translation adjustments	**(68,774)**	(67,245)	(59,712)
Change in long-term intercompany notes	**(7,597)**	(51,235)	(54,906)
Net investment hedges, net of tax of $6,658, $3,432 and $4,961 in 2016, 2015 and 2014, respectively	**(12,179)**	(6,374)	(9,213)
Balance at the end of the year	**(338,324)**	(249,774)	(124,920)
Defined benefit pension plans:			
Balance at the beginning of the year	(155,038)	(141,982)	(64,068)
Net actuarial loss, net of tax of $17,450, $12,870 and $42,755 in 2016, 2015 and 2014, respectively	**(55,259)**	(21,002)	(83,040)
Amortization of net actuarial loss, net of tax of ($2,090), ($3,247) and ($1,650) in 2016, 2015 and 2014, respectively	**6,618**	6,137	2,834
Amortization of prior service costs, net of tax of $25, ($564) and ($753) in 2016, 2015 and 2014, respectively	**(79)**	1,809	2,292
Balance at the end of the year	**(203,758)**	(155,038)	(141,982)
Unrealized holding gain (loss) on available-for-sale securities:			
Balance at the beginning of the year	(819)	8	(82)
Increase (decrease) during the year, net of tax	**512**	(827)	90
Balance at the end of the year	**(307)**	(819)	8
Accumulated other comprehensive loss at the end of the year	**(542,389)**	(405,631)	(266,894)
Treasury Stock			
Balance at the beginning of the year	(885,430)	(457,807)	(215,936)
Issuance of common stock under employee stock plans	**10,031**	7,777	3,412
Purchase of treasury stock	**(336,140)**	(435,400)	(245,283)
Balance at the end of the year	**(1,211,539)**	(885,430)	(457,807)
Total Stockholders' Equity	**$ 3,256,513**	$3,254,626	$3,239,561

See accompanying notes.

AMETEK, Inc.

Consolidated Statement of Cash Flows
(In thousands)

	Year Ended December 31,		
	2016	**2015**	**2014**
Cash provided by (used for):			
Operating activities:			
Net income	**$ 512,158**	$ 590,859	$ 584,460
Adjustments to reconcile net income to total operating activities:			
Depreciation and amortization	**179,716**	149,460	138,584
Deferred income taxes	**(5,632)**	6,458	20,579
Share-based compensation expense	**22,030**	23,762	19,871
Gain on sale of facilities	**(743)**	—	(869)
Changes in assets and liabilities, net of acquisitions:			
Decrease (increase) in receivables	**14,773**	(6,995)	(35,258)
Decrease (increase) in inventories and other current assets	**38,666**	(12,007)	11,626
Increase (decrease) in payables, accruals and income taxes	**2,657**	(20,049)	(18,653)
(Decrease) increase in other long-term liabilities	**(4,298)**	255	8,867
Pension contribution	**(6,775)**	(55,215)	(5,729)
Other, net	**4,283**	(3,988)	2,484
Total operating activities	**756,835**	672,540	725,962
Investing activities:			
Additions to property, plant and equipment	**(63,280)**	(69,083)	(71,327)
Purchases of businesses, net of cash acquired	**(391,419)**	(356,466)	(573,647)
Proceeds from sale of facilities	**1,832**	421	950
Other, net	**500**	(429)	2,391
Total investing activities	**(452,367)**	(425,557)	(641,633)
Financing activities:			
Net change in short-term borrowings	**(315,674)**	226,761	(172,495)
Proceeds from long-term borrowings	**820,900**	200,000	500,000
Repayments of long-term borrowings	**(48,724)**	(182,007)	(914)
Repurchases of common stock	**(336,140)**	(435,400)	(245,283)
Cash dividends paid	**(83,267)**	(85,988)	(80,551)
Excess tax benefits from share-based payments	**5,343**	20,478	7,889
Proceeds from employee stock plans and other, net	**14,616**	39,192	15,493
Total financing activities	**57,054**	(216,964)	24,139
Effect of exchange rate changes on cash and cash equivalents	**(25,268)**	(26,629)	(26,056)
Increase in cash and cash equivalents	**336,254**	3,390	82,412
Cash and cash equivalents:			
Beginning of year	381,005	377,615	295,203
End of year	**$ 717,259**	$ 381,005	$ 377,615

See accompanying notes.

AMETEK, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements reflect the results of operations, financial position and cash flows of AMETEK, Inc. (the "Company"), and include the accounts of the Company and subsidiaries, after elimination of all intercompany transactions in the consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Cash Equivalents, Securities and Other Investments

All highly liquid investments with maturities of three months or less when purchased are considered cash equivalents. At December 31, 2016 and 2015, the Company's investment in a fixed-income mutual fund (held by its captive insurance subsidiary) is classified as "available-for-sale." The aggregate fair value of the fixed-income mutual fund at December 31, 2016 and 2015 was $7.3 million ($8.0 million cost basis) and $8.5 million ($9.9 million cost basis), respectively. The temporary unrealized gain or loss on the fixed-income mutual fund is recorded as a separate component of accumulated other comprehensive income (in stockholders' equity), and is not significant. Certain of the Company's other investments, which are not significant, are also accounted for by the equity method of accounting.

Accounts Receivable

The Company maintains allowances for estimated losses resulting from the inability of specific customers to meet their financial obligations to the Company. A specific allowance for doubtful accounts is recorded against the amount due from these customers. For all other customers, the Company recognizes allowance for doubtful accounts based on the length of time specific receivables are past due based on its historical experience. The allowance for doubtful accounts was $10.3 million and $8.6 million at December 31, 2016 and 2015, respectively. See Note 7.

Inventories

The Company uses the first-in, first-out ("FIFO") method of accounting, which approximates current replacement cost, for approximately 82% of its inventories at December 31, 2016. The last-in, first-out ("LIFO") method of accounting is used to determine cost for the remaining 18% of the Company's inventory at December 31, 2016. For inventories where cost is determined by the LIFO method, the FIFO would have been $18.4 million and $19.4 million higher than the LIFO value reported in the consolidated balance sheet at December 31, 2016 and 2015, respectively. The Company provides estimated inventory reserves for slow-moving and obsolete inventory based on current assessments about future demand, market conditions, customers who may be experiencing financial difficulties and related management initiatives. See Note 7.

Business Combinations

The Company allocates the purchase price of an acquired company, including when applicable, the fair value of contingent consideration between tangible and intangible assets acquired and liabilities assumed from

the acquired business based on their estimated fair values, with the residual of the purchase price recorded as goodwill. The results of operations of the acquired business are included in the Company's operating results from the date of acquisition. See Note 5.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Expenditures for additions to plant facilities, or that extend their useful lives, are capitalized. The cost of minor tools, jigs and dies, and maintenance and repairs is charged to expense as incurred. Depreciation of plant and equipment is calculated principally on a straight-line basis over the estimated useful lives of the related assets. The range of lives for depreciable assets is generally three to ten years for machinery and equipment, five to 27 years for leasehold improvements and 25 to 50 years for buildings. Depreciation expense was $74.8 million, $68.7 million and $63.7 million for the years ended December 31, 2016, 2015 and 2014, respectively. See Note 7.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets with indefinite lives, primarily trademarks and trade names, are not amortized; rather, they are tested for impairment at least annually.

The Company identifies its reporting units at the component level, which is one level below its operating segments. Generally, goodwill arises from acquisitions of specific operating companies and is assigned to the reporting unit in which a particular operating company resides. The Company's reporting units are composed of divisions that are one level below its operating segments and for which discrete financial information is prepared and regularly reviewed by segment management.

The Company principally relies on a discounted cash flow analysis to determine the fair value of each reporting unit, which considers forecasted cash flows discounted at an appropriate discount rate. The Company believes that market participants would use a discounted cash flow analysis to determine the fair value of its reporting units in a sale transaction. The annual goodwill impairment test requires the Company to make a number of assumptions and estimates concerning future levels of revenue growth, operating margins, depreciation, amortization and working capital requirements, which are based on the Company's long-range plan and are considered level 3 inputs. The Company's long-range plan is updated as part of its annual planning process and is reviewed and approved by management. The discount rate is an estimate of the overall after-tax rate of return required by a market participant whose weighted average cost of capital includes both equity and debt, including a risk premium. While the Company uses the best available information to prepare its cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances.

The impairment test for indefinite-lived intangibles other than goodwill (primarily trademarks and trade names) consists of a comparison of the fair value of the indefinite-lived intangible asset to the carrying value of the asset as of the impairment testing date. The Company estimates the fair value of its indefinite-lived intangibles using the relief from royalty method using level 3 inputs. The fair value derived from the relief from royalty method is measured as the discounted cash flow savings realized from owning such trademarks and trade names and not having to pay a royalty for their use.

The Company completed its required annual impairment tests in the fourth quarter of 2016, 2015 and 2014 and determined that the carrying values of the Company's goodwill were not impaired. The Company completed its required annual impairment tests in the fourth quarter of 2016 and determined that the carrying values of

certain of the Company's trademarks and trade names with indefinite lives were impaired. During 2016, the Company recorded a $13.9 million non-cash impairment charge related to certain of the Company's trade names. The Company completed its required annual impairment tests in the fourth quarter of 2015 and 2014 and determined that the carrying values of the Company's other intangible assets with indefinite lives were not impaired.

Other intangible assets with finite lives are evaluated for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of other intangible assets with finite lives is considered impaired when the total projected undiscounted cash flows from those assets are separately identifiable and are less than the carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of those assets. Fair value is determined primarily using present value techniques based on projected cash flows from the asset group.

Intangible assets, other than goodwill, with definite lives are amortized over their estimated useful lives. Patents and technology are being amortized over useful lives of five to 20 years, with a weighted average life of 16 years. Customer relationships are being amortized over a period of five to 20 years, with a weighted average life of 19 years. Miscellaneous other intangible assets are being amortized over a period of two to 20 years. The Company periodically evaluates the reasonableness of the estimated useful lives of these intangible assets. See Note 6.

Financial Instruments and Foreign Currency Translation

Assets and liabilities of foreign operations are translated using exchange rates in effect at the balance sheet date and their results of operations are translated using average exchange rates for the year. Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Exchange gains and losses from those transactions are included in operating results for the year.

The Company makes infrequent use of derivative financial instruments. Forward contracts are entered into from time to time to hedge specific firm commitments for certain inventory purchases, export sales, debt or foreign currency transactions, thereby minimizing the Company's exposure to raw material commodity price or foreign currency fluctuation.

In instances where transactions are designated as hedges of an underlying item, the gains and losses on those transactions are included in accumulated other comprehensive income within stockholders' equity to the extent they are effective as hedges. An evaluation of hedge effectiveness is performed by the Company on an ongoing basis and any changes in the hedge are made as appropriate. See Note 4.

Revenue Recognition

The Company recognizes revenue on product sales in the period when the sales process is complete. This generally occurs when products are shipped to the customer in accordance with terms of an agreement of sale, under which title and risk of loss have been transferred, collectability is reasonably assured and pricing is fixed or determinable. For a small percentage of sales where title and risk of loss passes at point of delivery, the Company recognizes revenue upon delivery to the customer, assuming all other criteria for revenue recognition are met. The Company's policy, with respect to sales returns and allowances, generally provides that the customer may not return products or be given allowances, except at the Company's option. The Company has agreements with distributors that do not provide expanded rights of return for unsold products. The distributor purchases the product from the Company, at which time title and risk of loss transfers to the distributor. The

Company does not offer substantial sales incentives and credits to its distributors other than volume discounts. The Company accounts for these sales incentives as a reduction of revenues when the sale is recognized in the consolidated statement of income. Accruals for sales returns, other allowances and estimated warranty costs are provided at the time revenue is recognized based on the Company's historical experience. At December 31, 2016 and 2015, the accrual for future warranty obligations was $22.0 million and $22.8 million, respectively. The Company's expense for warranty obligations was $16.0 million in 2016, $14.8 million in 2015 and $16.5 million in 2014. The warranty periods for products sold vary among the Company's operations, but generally do not exceed one year. The Company calculates its warranty expense provision based on its historical warranty experience and adjustments are made periodically to reflect actual warranty expenses. See Note 12.

Research and Development

Research and development costs are included in Cost of sales as incurred and were $112.0 million in 2016, $116.3 million in 2015 and $119.3 million in 2014.

Shipping and Handling Costs

Shipping and handling costs are included in Cost of sales and were $47.9 million in 2016, $50.5 million in 2015 and $49.0 million in 2014.

Share-Based Compensation

The Company expenses the fair value of share-based awards made under its share-based plans in the consolidated financial statements over their requisite service period of the grants. See Note 10.

Income Taxes

The Company's process of providing for income taxes and determining the related balance sheet accounts requires management to assess uncertainties, make judgments regarding outcomes and utilize estimates. The Company conducts a broad range of operations around the world and is therefore subject to complex tax regulations in numerous international taxing jurisdictions, resulting at times in tax audits, disputes and potential litigation, the outcome of which is uncertain. Management must make judgments currently about such uncertainties and determine estimates of the Company's tax assets and liabilities. To the extent the final outcome differs, future adjustments to the Company's tax assets and liabilities may be necessary. The Company recognizes interest and penalties accrued related to uncertain tax positions in income tax expense.

The Company assesses the realizability of its deferred tax assets, taking into consideration the Company's forecast of future taxable income, available net operating loss carryforwards and available tax planning strategies that could be implemented to realize the deferred tax assets. Based on this assessment, management must evaluate the need for, and amount of, valuation allowances against the Company's deferred tax assets. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required. See Note 8.

Pensions

The Company has U.S. and foreign defined benefit and defined contribution pension plans. The most significant elements in determining the Company's pension income or expense are the assumed pension liability discount rate and the expected return on plan assets. All unrecognized prior service costs, remaining transition

obligations or assets and actuarial gains and losses have been recognized, net of tax effects, as a charge to accumulated other comprehensive income in stockholders' equity and will be amortized as a component of net periodic pension cost. The Company uses a measurement date of December 31 (its fiscal year end) for its U.S. and foreign defined benefit plans. See Note 11.

Earnings Per Share

The calculation of basic earnings per share is based on the weighted average number of common shares considered outstanding during the periods. The calculation of diluted earnings per share reflects the effect of all potentially dilutive securities (principally outstanding stock options and restricted stock grants). The number of weighted average shares used in the calculation of basic earnings per share and diluted earnings per share was as follows for the years ended December 31:

	2016	2015	2014
		(In thousands)	
Weighted average shares:			
Basic shares	**232,593**	239,906	244,885
Equity-based compensation plans	**1,137**	1,680	2,217
Diluted shares	**233,730**	241,586	247,102

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09") and modified the standard thereafter. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue at the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB Accounting Standards Codification.

ASU 2014-09 is effective for interim and annual reporting periods beginning after December 15, 2017 and may be early adopted for interim and annual reporting periods beginning after December 15, 2016. The Company will adopt ASU 2014-09 as of January 1, 2018. The guidance permits adoption by retrospectively applying the guidance to each prior reporting period presented (full retrospective method) or prospectively applying the guidance and providing additional disclosures comparing results to previous guidance, with the cumulative effect of initially applying the guidance recognized in beginning retained earnings at the date of initial application (modified retrospective method). The Company is in the process of determining its method of adoption.

The Company has completed its initial assessment phase and is proceeding with its implementation plan. The initial assessment consisted of reviewing a representative sample of contracts, discussions with key stakeholders and cataloging potential impacts on the Company's operations, accounting policies, financial control and financial statements. The Company's initial assessment indicates the key changes in the standard that impact the Company's revenue recognition relate to the allocation of contract revenues between various products and services, the timing of when those revenues are recognized and the deferral of incremental costs to obtain a contract. Given the diversity of its commercial arrangements, the Company is continuing to determine the impact ASU 2014-09 may have on its consolidated results of operations, financial position, cash flows and financial statement disclosures.

In February 2015, the FASB issued ASU No. 2015-02, *Amendments to the Consolidation Analysis* ("ASU 2015-02"). ASU 2015-02 is intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). ASU 2015-02 makes specific amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the variable interest entities guidance. The Company adopted ASU 2015-02 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"). ASU 2015-03 requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. The Company retrospectively adopted ASU 2015-03 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In April 2015, the FASB issued ASU No. 2015-05*, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* ("ASU 2015-05"). ASU 2015-05 is intended to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The guidance clarifies that customers should determine whether a cloud computing arrangement includes the license of software by applying the same guidance cloud service providers use to make this determination. The Company prospectively adopted ASU 2015-05 effective January 1, 2016 and the adoption did not have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"), which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. As prescribed in this update, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory that is measured using last-in, first-out ("LIFO"). ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. The Company does not expect the adoption of ASU 2015-11 to have a significant impact on the Company's consolidated results of operations, financial position or cash flows.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). ASU 2015-17 simplifies the presentation of deferred taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the consolidated balance sheet. ASU 2015-17 is effective for interim and annual reporting periods beginning after December 15, 2016. ASU 2015-17 may be adopted prospectively or retrospectively and early adoption is permitted. The Company does not expect the adoption of ASU 2015-17 to have a significant impact on the Company's consolidated results of operations, financial position or cash flows. The Company expects to prospectively adopt ASU 2015-17.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU 2016-02 is effective for interim and annual reporting periods beginning after December 15, 2018. ASU 2016-02 is to be adopted using a modified retrospective approach and early adoption is permitted. The Company has not determined the impact ASU 2016-02 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 includes changes to the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for interim and annual reporting periods beginning after December 15, 2016 and early adoption is permitted. The Company is unable to estimate the impact of adoption as it is dependent upon future stock option exercises, which cannot be predicted. However, the Company does not expect the adoption of ASU 2016-09 to have a significant impact on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In January 2017, the FASB issued ASU No. 2017-01, *Clarifying the Definition of a Business* ("ASU 2017-01"). ASU 2017-01 provides a more robust framework to use in determining when a set of assets and activities is a business. ASU 2017-01 requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of assets is not a business. ASU 2017-01 requires that, to be a business, the set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. ASU 2017-01 is effective for interim and annual reporting periods beginning after December 15, 2017. ASU 2017-01 will be applied prospectively to any transactions occurring within the period of adoption. Early adoption is permitted, including for interim or annual periods in which the financial statements have not been issued or made available for issuance. The Company has not determined the impact ASU 2017-01 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). ASU 2017-04 eliminates the requirement to calculate the implied fair value of goodwill (second step) to measure a goodwill impairment charge. Under the guidance, an impairment charge will be measured based on the excess of the reporting unit's carrying amount over its fair value (first step). ASU 2017-04 is effective for interim and annual reporting periods beginning after December 15, 2019 and early adoption is permitted. The Company has not determined the impact ASU 2017-04 may have on the Company's consolidated results of operations, financial position, cash flows and financial statement disclosures.

3. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the Company's assets that are measured at fair value on a recurring basis as of December 31, 2016 and 2015, consistent with the fair value hierarchy:

	December 31, 2016	December 31, 2015
	Fair Value	Fair Value
	(In thousands)	
Fixed-income investments	**$7,317**	$8,482

The fair value of fixed-income investments, which are valued as level 1 investments, was based on quoted market prices. The fixed-income investments are shown as a component of long-term assets on the consolidated balance sheet.

For the year ended December 31, 2016, gains and losses on the investments noted above were not significant. No transfers between level 1 and level 2 investments occurred during the year ended December 31, 2016.

Financial Instruments

Cash, cash equivalents and fixed-income investments are recorded at fair value at December 31, 2016 and 2015 in the accompanying consolidated balance sheet.

The following table provides the estimated fair values of the Company's financial instrument liabilities, for which fair value is measured for disclosure purposes only, compared to the recorded amounts at December 31, 2016 and 2015:

	December 31, 2016		December 31, 2015	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
	(In thousands)			
Short-term borrowings, net	**$ —**	**$ —**	$ (312,999)	$ (312,999)
Long-term debt, net (including current portion)	**(2,341,565)**	**(2,386,901)**	(1,625,041)	(1,683,523)

The fair value of short-term borrowings, net approximates the carrying value. Short-term borrowings, net are valued as level 2 liabilities as they are corroborated by observable market data. The Company's long-term debt, net is all privately held with no public market for this debt, therefore, the fair value of long-term debt, net was computed based on comparable current market data for similar debt instruments and is considered to be a level 3 liability. See Note 9 for long-term debt principal amounts, interest rates and maturities.

Foreign Currency

At December 31, 2016 and 2015, the Company had no forward contracts outstanding. For the year ended December 31, 2016, realized gains and losses on foreign currency forward contracts were not significant.

4. Hedging Activities

The Company has designated certain foreign-currency-denominated long-term borrowings as hedges of the net investment in certain foreign operations. As of December 31, 2016, these net investment hedges included British-pound- and Euro-denominated long-term debt. As of December 31, 2015, these net investment hedges included British-pound-denominated long-term debt. These borrowings were designed to create net investment

hedges in each of the designated foreign subsidiaries. The Company designated the British-pound- and Euro-denominated loans referred to above as hedging instruments to offset translation gains or losses on the net investment due to changes in the British pound and Euro exchange rates. These net investment hedges are evidenced by management's contemporaneous documentation supporting the hedge designation. Any gain or loss on the hedging instruments (the debt) following hedge designation is reported in accumulated other comprehensive income in the same manner as the translation adjustment on the investment based on changes in the spot rate, which is used to measure hedge effectiveness.

At December 31, 2016 and 2015, the Company had $376.3 million and $177.1 million, respectively, of British-pound-denominated loans, which were designated as a hedge against the net investment in British pound functional currency foreign subsidiaries. At December 31, 2016, the Company had $527.7 million in Euro-denominated loans, which were designated as a hedge against the net investment in Euro functional currency foreign subsidiaries. As a result of the British-pound- and Euro-denominated loans being designated and 100% effective as net investment hedges, $50.0 million and $14.4 million of currency remeasurement gains have been included in the foreign currency translation component of other comprehensive income for the years ended December 31, 2016 and 2015, respectively.

5. Acquisitions

The Company spent $391.4 million in cash, net of cash acquired, to acquire Brookfield Engineering Laboratories ("Brookfield") and ESP/SurgeX in January 2016, HS Foils and Nu Instruments in July 2016 and Laserage Technology Corporation ("Laserage") in October 2016. Brookfield is a manufacturer of viscometers and rheometers, as well as instrumentation to analyze texture and powder flow. ESP/SurgeX is a manufacturer of energy intelligence and power protection, monitoring and diagnostic solutions. HS Foils develops and manufactures key components used in radiation detectors including ultra-thin radiation windows, silicon drift detectors and x-ray filters. Nu Instruments is a provider of magnetic sector mass spectrometers used for elemental and isotope analysis. Laserage is a provider of laser fabrication services for the medical device market. Brookfield, ESP/SurgeX, HS Foils and Nu Instruments are part of AMETEK's Electronic Instruments Group ("EIG") and Laserage is part of AMETEK's Electromechanical Group ("EMG").

The following table represents the preliminary allocation of the aggregate purchase price for the net assets of the above acquisitions based on their estimated fair values at acquisition (in millions):

Property, plant and equipment	**$ 23.1**
Goodwill	**171.3**
Other intangible assets	**192.2**
Deferred income taxes, net	**(18.8)**
Long-term liabilities	**(2.4)**
Net working capital and other[(1)]	**26.0**
Total purchase price	**$391.4**

(1) Includes $16.1 million in accounts receivable, whose fair value, contractual cash flows and expected cash flows are approximately equal.

The amount allocated to goodwill is reflective of the benefits the Company expects to realize from the acquisitions as follows: Brookfield's viscosity measurement instrumentation products and technologies complement the Company's existing laboratory instrumentation businesses and provides the Company with opportunities to expand that business platform into a broader range of markets and applications. ESP/SurgeX's

patented technology is widely used by the business equipment, imaging, audio visual, information technology, gaming and vending industries and is a strategic fit with the Company's existing power protection platform to accelerate product innovation and market expansion worldwide. HS Foils broadens the Company's product offering and technical capabilities with its approach of bringing advanced materials and fabrication methods from micro- and nanofabrication to new application areas. Nu Instruments broadens the Company's product offering and technical capabilities in differentiated, high-end analytical instrumentation. Laserage offers precision tube fabrication of minimally invasive surgical devices, stents and catheter-based delivery systems. The Company expects approximately $99 million of the goodwill recorded in connection with the 2016 acquisitions will be tax deductible in future years.

At December 31, 2016, the purchase price allocated to other intangible assets of $192.2 million consists of $34.5 million of indefinite-lived intangible trade names, which are not subject to amortization. The remaining $157.7 million of other intangible assets consists of $124.8 million of customer relationships, which are being amortized over a period of 18 to 20 years and $32.9 million of purchased technology, which is being amortized over a period of 10 to 18 years. Amortization expense for each of the next five years for the 2016 acquisitions listed above is expected to approximate $9 million per year.

The Company is in the process of finalizing the measurement of certain liabilities for its October 2016 acquisition of Laserage and July 2016 acquisition of Nu Instruments, including the accounting for income taxes.

The 2016 acquisitions noted above had an immaterial impact on reported net sales, net income and diluted earnings per share for the year ended December 31, 2016. Had the 2016 acquisitions been made at the beginning of 2016 or 2015, unaudited pro forma net sales, net income and diluted earnings per share for the years ended December 31, 2016 and 2015, respectively, would not have been materially different than the amounts reported. Pro forma results are not necessarily indicative of the results that would have occurred if the acquisitions had been completed at the beginning of 2016 or 2015.

In 2015, the Company spent $356.5 million in cash, net of cash acquired, to acquire Global Tubes in May 2015 and Surface Vision in July 2015. Global Tubes is a manufacturer of high-precision, small-diameter metal tubing. Surface Vision develops and manufactures software-enabled vision systems used to inspect surfaces of continuously processed materials for flaws and defects. Global Tubes is part of EMG and Surface Vision is part of EIG.

In 2014, the Company spent $573.6 million in cash, net of cash acquired, to acquire Teseq Group in January 2014, VTI Instruments ("VTI") in February 2014, Luphos GmbH in May 2014, Zygo Corporation in June 2014 and Amptek, Inc. in August 2014. Teseq is a manufacturer of test and measurement instrumentation for electromagnetic compatibility testing. VTI is a manufacturer of high-precision test and measurement instrumentation. Luphos' core technology is used in the measurement of complex aspheric optical surfaces and other surfaces through non-contact methods. Zygo is a provider of optical metrology solutions, high-precision optics and optical assemblies for use in a wide range of scientific, industrial and medical applications. Amptek is a manufacturer of instruments and detectors used to identify composition of materials using x-ray fluorescence technology. Teseq, VTI, Luphos, Zygo and Amptek are part of EIG.

Acquisition Subsequent to December 31, 2016

In February 2017, the Company acquired Rauland-Borg for approximately $340 million in cash, with a potential $30 million contingent payment due upon the achievement of certain milestones. Rauland-Borg has estimated annual sales of approximately $160 million. Rauland-Borg is a global provider of enterprise clinical and education communications solutions for hospitals, health systems and educational facilities. Rauland-Borg will join EIG.

6. Goodwill and Other Intangible Assets

The changes in the carrying amounts of goodwill by segment were as follows:

	EIG	EMG	Total
		(In millions)	
Balance at December 31, 2014	$1,646.7	$ 967.3	$2,614.0
Goodwill acquired	64.0	89.5	153.5
Purchase price allocation adjustments and other	(2.3)	—	(2.3)
Foreign currency translation adjustments	(30.2)	(28.4)	(58.6)
Balance at December 31, 2015	1,678.2	1,028.4	2,706.6
Goodwill acquired	**165.0**	**6.3**	**171.3**
Purchase price allocation adjustments and other	**0.3**	**(0.1)**	**0.2**
Foreign currency translation adjustments	**(26.5)**	**(32.6)**	**(59.1)**
Balance at December 31, 2016	**$1,817.0**	**$1,002.0**	**$2,819.0**

Other intangible assets were as follows at December 31:

	2016	2015
	(In thousands)	
Definite-lived intangible assets (subject to amortization):		
Patents	**$ 49,755**	$ 51,059
Purchased technology	**283,612**	266,644
Customer lists	**1,363,700**	1,257,730
	1,697,067	1,575,433
Accumulated amortization:		
Patents	**(34,927)**	(34,745)
Purchased technology	**(87,869)**	(73,809)
Customer lists	**(362,924)**	(306,558)
	(485,720)	(415,112)
Net intangible assets subject to amortization	**1,211,347**	1,160,321
Indefinite-lived intangible assets (not subject to amortization):		
Trademarks and trade names	**536,574**	512,640
Impairment	**(13,900)**	—
	522,674	512,640
	$1,734,021	$1,672,961

The Company completed its required annual impairment tests in the fourth quarter of 2016 and determined that the carrying values of certain of the Company's trademarks and trade names with indefinite lives were

impaired. During 2016, the Company recorded, in Cost of sales, a $13.9 million non-cash impairment charge related to certain of the Company's trade names, of which $9.2 million impacted EIG and $4.7 million impacted EMG. See Note 1 for further descriptions of the Company's impairment testing.

Amortization expense was $104.9 million (including impairment of $13.9 million), $80.8 million and $74.9 million for the years ended December 31, 2016, 2015 and 2014, respectively. Amortization expense for each of the next five years is expected to approximate $91 million per year, not considering the impact of potential future acquisitions.

7. Other Consolidated Balance Sheet Information

	December 31,	
	2016	**2015**
	(In thousands)	
INVENTORIES, NET		
Finished goods and parts	**$ 75,827**	$ 83,229
Work in process	**101,484**	105,259
Raw materials and purchased parts	**314,793**	325,963
	$ 492,104	$ 514,451
PROPERTY, PLANT AND EQUIPMENT, NET		
Land	**$ 41,875**	$ 41,951
Buildings	**281,847**	293,002
Machinery and equipment	**840,725**	849,658
	1,164,447	1,184,611
Less: Accumulated depreciation	**(691,217)**	(700,063)
	$ 473,230	$ 484,548
ACCRUED LIABILITIES		
Employee compensation and benefits	**$ 93,226**	$ 93,232
Product warranty obligation	**22,007**	22,761
Restructuring	**29,951**	29,203
Other	**100,886**	95,808
	$ 246,070	$ 241,004

	2016	**2015**	**2014**
		(In thousands)	
ALLOWANCES FOR POSSIBLE LOSSES ON ACCOUNTS			
Balance at the beginning of the year	$ 8,555	$10,446	$ 9,547
Additions charged to expense	**4,124**	630	2,974
Write-offs	**(2,304)**	(1,872)	(2,243)
Foreign currency translation adjustments and other	**(118)**	(649)	168
Balance at the end of the year	**$10,257**	$ 8,555	$10,446

8. Income Taxes

The components of income before income taxes and the details of the provision for income taxes were as follows for the years ended December 31:

	2016	2015	2014
		(In thousands)	
Income before income taxes:			
Domestic	**$397,215**	$502,292	$495,516
Foreign	**295,888**	304,088	309,316
Total	**$693,103**	$806,380	$804,832
Provision for income taxes:			
Current:			
Federal	**$116,898**	$130,996	$128,635
Foreign	**63,170**	66,691	60,606
State	**6,509**	11,376	12,461
Total current	**186,577**	209,063	201,702
Deferred:			
Federal	**5,273**	1,711	19,870
Foreign	**(8,434)**	(3,611)	1,552
State	**(2,471)**	8,358	(2,752)
Total deferred	**(5,632)**	6,458	18,670
Total provision	**$180,945**	$215,521	$220,372

Significant components of the deferred tax (asset) liability were as follows at December 31:

	2016	2015
	(In thousands)	
Current deferred tax (asset) liability:		
Reserves not currently deductible	**$ (39,509)**	$ (37,771)
Share-based compensation	**(7,022)**	(7,218)
Net operating loss carryforwards	**(2,072)**	(368)
Other	**(1,041)**	353
	(49,644)	(45,004)
Portion included in other current liabilities	**(360)**	(1,720)
Gross current deferred tax asset	**(50,004)**	(46,724)
Noncurrent deferred tax (asset) liability:		
Differences in basis of property and accelerated depreciation	**54,243**	57,581
Reserves not currently deductible	**(28,808)**	(28,809)
Pensions	**8,714**	6,736
Differences in basis of intangible assets and accelerated amortization	**603,577**	597,266
Net operating loss carryforwards	**(8,399)**	(5,722)
Share-based compensation	**(13,707)**	(11,607)
Foreign tax credit carryforwards	**(3,441)**	—
Other	**3,477**	1,411
	615,656	616,856
Less: Valuation allowance	**2,046**	2,840
	617,702	619,696
Portion included in noncurrent assets	**4,074**	4,350
Gross noncurrent deferred tax liability	**621,776**	624,046
Net deferred tax liability	**$571,772**	$577,322

The Company’s effective tax rate reconciles to the U.S. Federal statutory rate as follows for the years ended December 31:

	2016	2015	2014
U.S. Federal statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal income tax benefit	**0.4**	1.2	0.9
Foreign operations, net	**(7.1)**	(6.8)	(6.1)
U.S. Manufacturing deduction and credits	**(2.6)**	(2.4)	(2.2)
Other	**0.4**	(0.3)	(0.2)
Consolidated effective tax rate	**26.1%**	26.7%	27.4%

At December 31, 2016 and 2015, U.S. and foreign deferred income taxes totaling $4.5 million and $6.9 million were provided on undistributed earnings of certain non-U.S. subsidiaries that are not expected to be permanently reinvested in such subsidiaries. There has been no provision for U.S. deferred income taxes for the

undistributed earnings of certain other subsidiaries, which total approximately $1,126.9 million and $1,075.0 million at December 31, 2016 and 2015, respectively, because the Company intends to reinvest these earnings indefinitely in operations outside the United States. Upon distribution of those earnings to the United States, the Company would be subject to U.S. income taxes and withholding taxes payable to the various foreign countries. Determination of the amount of the unrecognized deferred income tax liability on these undistributed earnings is not practicable.

At December 31, 2016, the Company had tax effected benefits of $10.4 million related to net operating loss carryforwards, which will be available to offset future income taxes payable, subject to certain annual or other limitations based on foreign and U.S. tax laws. This amount includes net operating loss carryforwards of $4.6 million for federal income tax purposes with no valuation allowance, $4.5 million for state income tax purposes with no valuation allowance and $1.3 million for foreign income tax purposes with a valuation allowance of $1.5 million. These net operating loss carryforwards, if not used, will expire between 2017 and 2036.

At December 31, 2016, the Company had tax effected benefits of $4.1 million related to tax credit carryforwards, which will be available to offset future income taxes payable, subject to certain annual or other limitations based on foreign and U.S. tax laws. This amount includes tax credit carryforwards of $1.1 million for federal income tax purposes with a valuation allowance of $0.5 million, $2.9 million for state income tax purposes with no valuation allowance and $0.1 million for foreign income tax purposes with no valuation allowance. These tax credit carryforwards, if not used, will expire between 2017 and 2036.

The Company maintains a valuation allowance to reduce certain deferred tax assets to amounts that are more likely than not to be realized. This allowance primarily relates to the deferred tax assets established for foreign net operating loss carryforwards and tax credits. In 2016, the Company recorded a decrease of $0.8 million in the valuation allowance primarily related to federal tax credits that are not expected to be utilized.

At December 31, 2016, the Company had gross unrecognized tax benefits of $57.9 million, of which $48.5 million, if recognized, would impact the effective tax rate. At December 31, 2015, the Company had gross unrecognized tax benefits of $63.8 million, of which $52.9 million, if recognized, would impact the effective tax rate.

At December 31, 2016 and 2015, the Company reported $8.9 million and $10.7 million, respectively, related to interest and penalty exposure as accrued income tax expense in the consolidated balance sheet. During 2016 and 2015, the Company recognized a net benefit of $1.8 million and $0.4 million, respectively, and during 2014, the Company recognized a net expense of $2.5 million, for interest and penalties related to uncertain tax positions in the consolidated statement of income as a component of income tax expense.

The most significant tax jurisdiction for the Company is the United States. The Company files income tax returns in various other state and foreign tax jurisdictions, in some cases for multiple legal entities per jurisdiction. Generally, the Company has open tax years subject to tax audit on average of between three and six years in these jurisdictions. At December 31, 2016, there were no tax years currently under examination by the Internal Revenue Service ("IRS"). The Company has not materially extended any other statutes of limitation for any significant location and has reviewed and accrued for, where necessary, tax liabilities for open periods including state and foreign jurisdictions that remain subject to examination. There have been no penalties asserted or imposed by the IRS related to substantial understatement of income, gross valuation misstatement or failure to disclose a listed or reportable transaction.

During 2016, the Company added $8.6 million of tax, interest and penalties to identified uncertain tax positions and reversed $16.3 million of tax and interest related to statute expirations and settlement of prior

uncertain positions. During 2015, the Company added $12.0 million of tax, interest and penalties related to identified uncertain tax positions and reversed $20.3 million of tax and interest related to statute expirations and settlement of prior uncertain positions.

The following is a reconciliation of the liability for uncertain tax positions at December 31:

	2016	2015	2014
	(In millions)		
Balance at the beginning of the year	$63.8	$71.7	$55.2
Additions for tax positions related to the current year	**5.5**	8.8	10.7
Additions for tax positions of prior years	**1.5**	1.3	16.8
Reductions for tax positions of prior years	**(3.6)**	(7.1)	(1.7)
Reductions related to settlements with taxing authorities	**(3.4)**	(8.3)	(0.4)
Reductions due to statute expirations	**(5.9)**	(2.6)	(8.9)
Balance at the end of the year	**$57.9**	$63.8	$71.7

In 2016, the additions above primarily reflect the increase in tax liabilities for uncertain tax positions related to certain domestic and foreign issues, while the reductions above primarily relate to statute expirations and settlement of domestic and foreign issues. At December 31, 2016, tax, interest and penalties of $65.2 million were classified as a noncurrent liability. The net change in uncertain tax positions for the year ended December 31, 2016 resulted in a decrease to income tax expense of $6.2 million.

9. Debt

Long-term debt, net consisted of the following at December 31:

	2016	2015
	(In thousands)	
U.S. dollar 6.20% senior notes due December 2017	**$ 270,000**	$ 270,000
U.S. dollar 6.35% senior notes due July 2018	**80,000**	80,000
U.S. dollar 7.08% senior notes due September 2018	**160,000**	160,000
U.S. dollar 7.18% senior notes due December 2018	**65,000**	65,000
U.S. dollar 6.30% senior notes due December 2019	**100,000**	100,000
U.S. dollar 3.73% senior notes due September 2024	**300,000**	300,000
U.S. dollar 3.91% senior notes due June 2025	**50,000**	50,000
U.S. dollar 3.96% senior notes due August 2025	**100,000**	100,000
U.S. dollar 3.83% senior notes due September 2026	**100,000**	100,000
U.S. dollar 3.98% senior notes due September 2029	**100,000**	100,000
U.S. dollar 4.45% senior notes due August 2035	**50,000**	50,000
British pound 5.99% senior note due November 2016	**—**	59,049
British pound 4.68% senior note due September 2020	**98,701**	118,098
British pound 2.59% senior note due November 2028	**185,067**	—
British pound 2.70% senior note due November 2031	**92,533**	—
Euro 1.34% senior notes due October 2026	**316,643**	—
Euro 1.53% senior notes due October 2028	**211,096**	—
Swiss franc 2.44% senior note due December 2021	**54,150**	55,024
Revolving credit facility borrowings	**—**	314,100
Other, principally foreign	**14,604**	20,849
Less: Debt issuance costs	**(6,229)**	(4,080)
Total debt, net	**2,341,565**	1,938,040
Less: Current portion, net	**(278,921)**	(384,924)
Total long-term debt, net	**$2,062,644**	$1,553,116

Maturities of long-term debt borrowings outstanding at December 31, 2016 were as follows: $308.8 million in 2018; $100.0 million in 2019; $98.7 million in 2020; $54.2 million in 2021; none in 2022; and $1,505.3 million in 2023 and thereafter.

In October 2016, the Company completed a private placement agreement to sell 500 million Euros and 225 million British pounds in senior notes to a group of institutional investors (the “2016 Private Placement”). There were two funding dates under the 2016 Private Placement. The first funding occurred in October 2016 for 500 million Euros ($546.8 million), consisting of 300 million Euros ($328.1 million) in aggregate principal amount of 1.34% senior notes due October 2026 and 200 million Euros ($218.7 million) in aggregate principal amount of 1.53% senior notes due October 2028. The second funding occurred in November 2016 for 225 million British pounds ($274.1 million), consisting of 150 million British pounds ($182.7 million) in aggregate principal amount of 2.59% senior notes due November 2028 and 75 million British pounds ($91.4 million) in aggregate principal amount of 2.70% senior notes due November 2031. The 2016 Private

Placement senior notes carry a weighted average interest rate of 1.82% and are subject to certain customary covenants, including financial covenants that, among other things, require the Company to maintain certain debt-to-EBITDA (earnings before interest, income taxes, depreciation and amortization) and interest coverage ratios. The proceeds from the first funding of the 2016 Private Placement were used to pay down domestic borrowings under the Company's revolving credit facility. The proceeds from the second funding of the 2016 Private Placement were used to pay down, at maturity, a 40 million British pound ($48.7 million) 5.99% senior note in November 2016 and provides the Company with additional financial flexibility to support its growth plans, including its acquisition strategy.

In December 2007, the Company issued $270 million in aggregate principal amount of 6.20% private placement senior notes due December 2017 and $100 million in aggregate principal amount of 6.30% private placement senior notes due December 2019. In July 2008, the Company issued $80 million in aggregate principal amount of 6.35% private placement senior notes due July 2018. In September 2008, the Company issued $160 million in aggregate principal amount of 7.08% private placement senior notes due September 2018. In December 2008, the Company issued $65 million in aggregate principal amount of 7.18% private placement senior notes due December 2018. In September 2014, the Company issued $300 million in aggregate principal amount of 3.73% senior notes due September 2024, $100 million in aggregate principal amount of 3.83% senior notes due September 2026 and $100 million in aggregate principal amount of 3.98% senior notes due September 2029. In June 2015, the Company issued $50 million in aggregate principal amount of 3.91% senior notes due June 2025. In August 2015, the Company issued $100 million in aggregate principal amount of 3.96% senior notes due August 2025 and $50 million in aggregate principal amount of 4.45% senior notes due August 2035.

In November 2004, the Company issued a 40 million British pound 5.99% senior note due November 2016 (paid in full, at maturity, as previously noted). In September 2010, the Company issued an 80 million British pound ($98.7 million at December 31, 2016) 4.68% senior note due September 2020. In December 2011, the Company issued a 55 million Swiss franc ($54.2 million at December 31, 2016) 2.44% senior note due December 2021.

In March 2016, the Company along with certain of its foreign subsidiaries amended and restated its credit agreement dated as of September 22, 2011 (the "Credit Agreement"). The Credit Agreement amends and restates the Company's existing $700 million revolving credit facility, which was due to expire in December 2018. The Credit Agreement consists of a five-year revolving credit facility in an aggregate principal amount of $850 million with a final maturity date in March 2021. The revolving credit facility total borrowing capacity excludes an accordion feature that permits the Company to request up to an additional $300 million in revolving credit commitments at any time during the life of the Credit Agreement under certain conditions. The Credit Agreement places certain restrictions on allowable additional indebtedness. At December 31, 2016, the Company had available borrowing capacity of $1,117.3 million under its revolving credit facility, including the $300 million accordion feature.

Interest rates on outstanding borrowings under the revolving credit facility are at the applicable benchmark rate plus a negotiated spread or at the U.S. prime rate. At December 31, 2016, the Company did not have any borrowings outstanding under the revolving credit facility. At December 31, 2015, the Company had $314.1 million of borrowings outstanding under the revolving credit facility. The weighted average interest rate on the revolving credit facility for the years ended December 31, 2016 and 2015 was 1.72% and 1.37%, respectively. The Company had outstanding letters of credit primarily under the revolving credit facility totaling $33.2 million and $36.9 million at December 31, 2016 and 2015, respectively.

The private placements, the senior notes and the revolving credit facility are subject to certain customary covenants, including financial covenants that, among other things, require the Company to maintain certain debt-to-EBITDA and interest coverage ratios. The Company was in compliance with all provisions of the debt arrangements at December 31, 2016.

Foreign subsidiaries of the Company had available credit facilities with local foreign lenders of $43.7 million and $37.5 million at December 31, 2016 and 2015, respectively. Foreign subsidiaries had debt borrowings outstanding totaling $14.6 million and $20.9 million, including $3.8 million and $7.9 million reported in long-term debt, net at December 31, 2016 and 2015, respectively.

The weighted average interest rate on total debt borrowings outstanding at December 31, 2016 and 2015 was 4.4% and 5.2%, respectively.

10. Share-Based Compensation

Under the terms of the Company's stockholder-approved share-based plans, incentive and non-qualified stock options and restricted stock have been, and may be, issued to the Company's officers, management-level employees and members of its Board of Directors. Employee and non-employee director stock options generally vest at a rate of 25% per year, beginning one year from the date of the grant, and restricted stock generally has a four-year cliff vesting. Stock options generally have a maximum contractual term of seven years. At December 31, 2016, 14.0 million shares of Company common stock were reserved for issuance under the Company's share-based plans, including 6.0 million shares for stock options outstanding.

The Company issues previously unissued shares when stock options are exercised and shares are issued from treasury stock upon the award of restricted stock.

The Company measures and records compensation expense related to all stock awards by recognizing the grant date fair value of the awards over their requisite service periods in the financial statements. For grants under any of the Company's plans that are subject to graded vesting over a service period, the Company recognizes expense on a straight-line basis over the requisite service period for the entire award.

Total share-based compensation expense was as follows for the years ended December 31:

	2016	2015	2014
		(In thousands)	
Stock option expense	**$ 9,984**	$10,955	$ 9,130
Restricted stock expense	**12,046**	12,807	10,741
Total pre-tax expense	**22,030**	23,762	19,871
Related tax benefit	**(6,846)**	(7,623)	(6,154)
Reduction of net income	**$15,184**	$16,139	$13,717

Pre-tax share-based compensation expense is included in the consolidated statement of income in either Cost of sales or Selling, general and administrative expenses, depending on where the recipient's cash compensation is reported.

The fair value of each stock option grant is estimated on the date of grant using a Black-Scholes-Merton option pricing model. The following weighted average assumptions were used in the Black-Scholes-Merton model to estimate the fair values of stock options granted during the years indicated:

	2016	2015	2014
Expected volatility	**21.8%**	22.3%	23.9%
Expected term (years)	**5.0**	5.0	5.0
Risk-free interest rate	**1.23%**	1.58%	1.63%
Expected dividend yield	**0.77%**	0.69%	0.45%
Black-Scholes-Merton fair value per stock option granted	**$9.14**	$10.89	$12.21

Expected volatility is based on the historical volatility of the Company's stock. The Company used historical exercise data to estimate the stock options' expected term, which represents the period of time that the stock options granted are expected to be outstanding. Management anticipates that the future stock option holding periods will be similar to the historical stock option holding periods. The risk-free interest rate for periods within the expected term of the stock option is based on the U.S. Treasury yield curve at the time of grant. Compensation expense recognized for all share-based awards is net of estimated forfeitures. The Company's estimated forfeiture rates are based on its historical experience.

The following is a summary of the Company's stock option activity and related information for the year ended December 31, 2016:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
	(In thousands)		(Years)	(In millions)
Outstanding at the beginning of the year	5,659	$39.49		
Granted	**1,471**	**46.97**		
Exercised	**(713)**	**25.72**		
Forfeited	**(329)**	**49.40**		
Expired	**(77)**	**52.52**		
Outstanding at the end of the year	**6,011**	**$42.25**	**3.9**	**$45.9**
Exercisable at the end of the year	**3,209**	**$36.39**	**2.5**	**$42.1**

The aggregate intrinsic value of stock options exercised during 2016, 2015 and 2014 was $16.2 million, $62.3 million and $25.7 million, respectively. The total fair value of stock options vested during 2016, 2015 and 2014 was $10.8 million, $10.3 million and $8.9 million, respectively.

The following is a summary of the Company's nonvested stock option activity and related information for the year ended December 31, 2016:

	Shares	Weighted Average Grant Date Fair Value
	(In thousands)	
Nonvested stock options outstanding at the beginning of the year	2,717	$10.85
Granted	**1,471**	**9.14**
Vested	**(1,057)**	**10.22**
Forfeited	**(329)**	**10.54**
Nonvested stock options outstanding at the end of the year	**2,802**	**$10.15**

As of December 31, 2016, there was approximately $19 million of expected future pre-tax compensation expense related to the 2.8 million nonvested stock options outstanding, which is expected to be recognized over a weighted average period of approximately two years.

The fair value of restricted shares under the Company's restricted stock arrangement is determined by the product of the number of shares granted and the grant date market price of the Company's common stock. Upon the grant of restricted stock, the fair value of the restricted shares (unearned compensation) at the date of grant is charged as a reduction of capital in excess of par value in the Company's consolidated balance sheet and is amortized to expense on a straight-line basis over the vesting period, which is the same as the calculated derived service period as determined on the grant date. Restricted stock grants are subject to accelerated vesting due to certain events, including doubling of the grant price of the Company's common stock as of the close of business during any five consecutive trading days.

The following is a summary of the Company's nonvested restricted stock activity and related information for the year ended December 31, 2016:

	Shares	Weighted Average Grant Date Fair Value
	(In thousands)	
Nonvested restricted stock outstanding at the beginning of the year	1,061	$46.32
Granted	**376**	**46.91**
Vested	**(292)**	**38.13**
Forfeited	**(126)**	**48.66**
Nonvested restricted stock outstanding at the end of the year	**1,019**	**$48.59**

The total fair value of restricted stock vested was $11.1 million, $10.6 million and $3.6 million in 2016, 2015 and 2014, respectively. The weighted average fair value of restricted stock granted per share during 2016 and 2015 was $46.91 and $52.31, respectively. As of December 31, 2016, there was approximately $28 million of expected future pre-tax compensation expense related to the 1.0 million nonvested restricted shares outstanding, which is expected to be recognized over a weighted average period of less than two years.

11. Retirement Plans and Other Postretirement Benefits

Retirement and Pension Plans

The Company sponsors several retirement and pension plans covering eligible salaried and hourly employees. The plans generally provide benefits based on participants' years of service and/or compensation. The following is a brief description of the Company's retirement and pension plans.

The Company maintains contributory and noncontributory defined benefit pension plans. Benefits for eligible salaried and hourly employees under all defined benefit plans are funded through trusts established in conjunction with the plans. The Company's funding policy with respect to its defined benefit plans is to contribute amounts that provide for benefits based on actuarial calculations and the applicable requirements of U.S. federal and local foreign laws. The Company estimates that it will make both required and discretionary cash contributions of approximately $52 million to $56 million to its worldwide defined benefit pension plans in 2017. The estimated cash contributions range includes $50.1 million in cash contributions to its defined benefit pension plans in January 2017, with $40.0 million contributed to U.S. defined benefit pension plans and $10.1 million contributed to foreign defined benefit pension plans.

The Company uses a measurement date of December 31 (its fiscal year end) for its U.S. and foreign defined benefit pension plans.

The Company sponsors a 401(k) retirement and savings plan for eligible U.S. employees. Participants in the retirement and savings plan may contribute a specified portion of their compensation on a pre-tax basis, which varies by location. The Company matches employee contributions ranging from 20% to 100%, up to a maximum percentage ranging from 1% to 8% of eligible compensation or up to a maximum of $1,200 per participant in some locations.

The Company's retirement and savings plan has a defined contribution retirement feature principally to cover U.S. salaried employees joining the Company after December 31, 1996. Under the retirement feature, the Company makes contributions for eligible employees based on a pre-established percentage of the covered employee's salary subject to pre-established vesting. Employees of certain of the Company's foreign operations participate in various local defined contribution plans.

The Company has nonqualified unfunded retirement plans for its Directors and certain retired employees. It also provides supplemental retirement benefits, through contractual arrangements and/or a Supplemental Executive Retirement Plan ("SERP") covering certain current and former executives of the Company. These supplemental benefits are designed to compensate the executive for retirement benefits that would have been provided under the Company's primary retirement plan, except for statutory limitations on compensation that must be taken into account under those plans. The projected benefit obligations of the SERP and the contracts will primarily be funded by a grant of shares of the Company's common stock upon retirement or termination of the executive. The Company is providing for these obligations by charges to earnings over the applicable periods.

The following tables set forth the changes in net projected benefit obligation and the fair value of plan assets for the funded and unfunded defined benefit plans for the years ended December 31:

U.S. Defined Benefit Pension Plans:

	2016	2015
	(In thousands)	
Change in projected benefit obligation:		
Net projected benefit obligation at the beginning of the year	$472,477	$491,373
Service cost	**3,488**	3,924
Interest cost	**22,153**	20,761
Actuarial losses (gains)	**29,681**	(27,605)
Gross benefits paid	**(29,005)**	(27,930)
Plan amendments	**56**	—
Acquisition	**—**	11,954
Net projected benefit obligation at the end of the year	**$498,850**	$472,477
Change in plan assets:		
Fair value of plan assets at the beginning of the year	$508,775	$498,923
Actual return on plan assets	**36,414**	(21,020)
Employer contributions	**889**	50,726
Gross benefits paid	**(29,005)**	(27,930)
Acquisition	**—**	8,076
Fair value of plan assets at the end of the year	**$517,073**	$508,775

Foreign Defined Benefit Pension Plans:

	2016	2015
	(In thousands)	
Change in projected benefit obligation:		
Net projected benefit obligation at the beginning of the year	$243,924	$197,671
Service cost	**3,134**	3,076
Interest cost	**7,896**	7,910
Foreign currency translation adjustments	**(39,910)**	(14,337)
Employee contributions	**256**	303
Actuarial losses (gains)	**52,248**	(6,892)
Expenses paid from assets	**(770)**	(610)
Gross benefits paid	**(8,475)**	(8,064)
Plan amendments	**(6)**	—
Acquisition	**—**	64,867
Net projected benefit obligation at the end of the year	**$258,297**	$243,924
Change in plan assets:		
Fair value of plan assets at the beginning of the year	$213,296	$159,907
Actual return on plan assets	**14,346**	7,471
Employer contributions	**5,886**	4,490
Employee contributions	**256**	303
Foreign currency translation adjustments	**(35,604)**	(10,584)
Expenses paid from assets	**(770)**	(610)
Gross benefits paid	**(8,475)**	(8,064)
Acquisition	**—**	60,383
Fair value of plan assets at the end of the year	**$188,935**	$213,296

The accumulated benefit obligation consisted of the following at December 31:

U.S. Defined Benefit Pension Plans:

	2016	2015
	(In thousands)	
Funded plans	**$480,249**	$454,498
Unfunded plans	**6,212**	5,481
Total	**$486,461**	$459,979

Foreign Defined Benefit Pension Plans:

	2016	2015
	(In thousands)	
Funded plans	**$213,877**	$203,229
Unfunded plans	**33,924**	30,327
Total	**$247,801**	$233,556

Weighted average assumptions used to determine benefit obligations at December 31:

	2016	2015
U.S. Defined Benefit Pension Plans:		
Discount rate	**4.25%**	4.80%
Rate of compensation increase (where applicable)	**3.75%**	3.75%
Foreign Defined Benefit Pension Plans:		
Discount rate	**2.56%**	3.62%
Rate of compensation increase (where applicable)	**2.50%**	2.88%

The following is a summary of the fair value of plan assets for U.S. plans at December 31, 2016 and 2015 in accordance with the retrospective adoption of ASU No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* ("ASU 2015-07").

	December 31, 2016			December 31, 2015		
Asset Class	Total	Level 1	Level 2	Total	Level 1	Level 2
			(In thousands)			
Corporate debt instruments	**$ 2,662**	**$ —**	**$ 2,662**	$ 5,617	$ —	$ 5,617
Corporate debt instruments - Preferred	**8,880**	**—**	**8,880**	9,835	—	9,835
Corporate stocks - Common	**109,881**	**109,881**	**—**	118,673	118,673	—
Municipal bonds	**777**	**—**	**777**	1,003	—	1,003
Registered investment companies	**251,054**	**251,054**	**—**	202,522	202,522	—
U.S. Government securities	**—**	**—**	**—**	113	—	113
Total investments	**373,254**	**360,935**	**12,319**	337,763	321,195	16,568
Investments measured at net asset value	**143,819**	**—**	**—**	171,012	—	—
Total investments	**$517,073**	**$360,935**	**$12,319**	$508,775	$321,195	$16,568

U.S. equity securities and global equity securities categorized as level 1 are traded on national and international exchanges and are valued at their closing prices on the last trading day of the year. For U.S. equity securities and global equity securities not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker or investment manager. These securities are categorized as level 2 if the custodian obtains corroborated quotes from a pricing vendor. Additionally, some U.S. equity securities and global equity securities are public investment vehicles valued using the Net Asset Value ("NAV") provided by the fund manager. The NAV is the total value of the fund divided by the number of shares outstanding.

Fixed income securities categorized as level 1 are traded on national and international exchanges and are valued at their closing prices on the last trading day of the year and categorized as level 2 if valued by the trustee using pricing models that use verifiable observable market data, bids provided by brokers or dealers or quoted prices of securities with similar characteristics.

Alternative investments categorized as level 3 are valued based on unobservable inputs and cannot be corroborated using verifiable observable market data. Investments in level 3 funds are redeemable, however, cash reimbursement may be delayed or a portion held back until asset finalization.

The expected long-term rate of return on these plan assets was 7.75% in both 2016 and 2015. Equity securities included 512,565 shares of AMETEK, Inc. common stock with a market value of $24.9 million (4.8% of total plan investment assets) at December 31, 2016 and 512,565 shares of AMETEK, Inc. common stock with a market value of $27.5 million (5.4% of total plan investment assets) at December 31, 2015.

The objectives of the AMETEK, Inc. U.S. defined benefit plans' investment strategy are to maximize the plans' funded status and minimize Company contributions and plan expense. Because the goal is to optimize returns over the long term, an investment policy that favors equity holdings has been established. Since there may be periods of time where both equity and fixed-income markets provide poor returns, an allocation to alternative assets may be made to improve the overall portfolio's diversification and return potential. The Company periodically reviews its asset allocation, taking into consideration plan liabilities, plan benefit payment streams and the investment strategy of the pension plans. The actual asset allocation is monitored frequently relative to the established targets and ranges and is rebalanced when necessary. The target allocations for the U.S. defined benefits plans are approximately 50% equity securities, 20% fixed-income securities and 30% other securities and/or cash.

The equity portfolio is diversified by market capitalization and style. The equity portfolio also includes international components.

The objective of the fixed-income portion of the pension assets is to provide interest rate sensitivity for a portion of the assets and to provide diversification. The fixed-income portfolio is diversified within certain quality and maturity guidelines in an attempt to minimize the adverse effects of interest rate fluctuations.

Other than for investments in alternative assets, certain investments are prohibited. Prohibited investments include venture capital, private placements, unregistered or restricted stock, margin trading, commodities, short selling and rights and warrants. Foreign currency futures, options and forward contracts may be used to manage foreign currency exposure.

The following is a summary of the fair value of plan assets for foreign defined benefit pension plans at December 31, 2016 and 2015 in accordance with the retrospective adoption of ASU 2015-07.

	December 31, 2016		December 31, 2015	
Asset Class	**Total**	**Level 3**	**Total**	**Level 3**
		(In thousands)		
Life insurance	**$ 18,147**	**$18,147**	$ 20,486	$20,486
Total investments	**18,147**	**18,147**	20,486	20,486
Investments measured at net asset value	**170,788**	**—**	192,810	—
Total investments	**$188,935**	**$18,147**	$213,296	$20,486

Life insurance assets are considered level 3 investments as their values are determined by the sponsor using unobservable market data.

The following is a summary of the changes in the fair value of the foreign plans' level 3 investments (fair value determined using significant unobservable inputs):

	Life Insurance
	(In thousands)
Balance, December 31, 2014	$ 8,888
Actual return on assets:	
Unrealized (losses) relating to instruments still held at the end of the year	(980)
Realized gains (losses) relating to assets sold during the year	—
Purchases, sales, issuances and settlements, net	12,578
Balance, December 31, 2015	20,486
Actual return on assets:	
Unrealized (losses) relating to instruments still held at the end of the year	**(2,339)**
Realized gains (losses) relating to assets sold during the year	**—**
Purchases, sales, issuances and settlements, net	**—**
Balance, December 31, 2016	**$18,147**

The objective of AMETEK, Inc.'s foreign defined benefit plans' investment strategy is to maximize the long-term rate of return on plan investments, subject to a reasonable level of risk. Liability studies are also performed on a regular basis to provide guidance in setting investment goals with an objective to balance risks against the current and future needs of the plans. The trustees consider the risk associated with the different asset classes, relative to the plans' liabilities and how this can be affected by diversification, and the relative returns available on equities, fixed-income investments, real estate and cash. Also, the likely volatility of those returns and the cash flow requirements of the plans are considered. It is expected that equities will outperform fixed-income investments over the long term. However, the trustees recognize the fact that fixed-income investments may better match the liabilities for pensioners. Because of the relatively young active employee group covered by the plans and the immature nature of the plans, the trustees have chosen to adopt an asset allocation strategy more heavily weighted toward equity investments. This asset allocation strategy will be reviewed, from time to time, in view of changes in market conditions and in the plans' liability profile. The target allocations for the foreign defined benefit plans are approximately 70% equity securities, 15% fixed-income securities and 15% other securities, insurance or cash.

The assumption for the expected return on plan assets was developed based on a review of historical investment returns for the investment categories for the defined benefit pension assets. This review also considered current capital market conditions and projected future investment returns. The estimates of future capital market returns by asset class are lower than the actual long-term historical returns. The current low interest rate environment influences this outlook. Therefore, the assumed rate of return for U.S. plans is 7.50% and 6.79% for foreign plans in 2017.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with a projected benefit obligation in excess of plan assets and pension plans with an accumulated benefit obligation in excess of plan assets were as follows at December 31:

U.S. Defined Benefit Pension Plans:

	Projected Benefit Obligation Exceeds Fair Value of Assets		Accumulated Benefit Obligation Exceeds Fair Fair Value of Assets	
	2016	2015	2016	2015
	(In thousands)			
Benefit obligation	**$26,356**	$5,481	**$26,356**	$5,481
Fair value of plan assets	**19,059**	—	**19,059**	—

Foreign Defined Benefit Pension Plans:

	Projected Benefit Obligation Exceeds Fair Value of Assets		Accumulated Benefit Obligation Exceeds Fair Value of Assets	
	2016	2015	2016	2015
	(In thousands)			
Benefit obligation	**$215,893**	$161,711	**$209,377**	$155,169
Fair value of plan assets	**146,480**	119,045	**146,480**	119,045

The following table provides the amounts recognized in the consolidated balance sheet at December 31:

	2016	2015
	(In thousands)	
Funded status asset (liability):		
Fair value of plan assets	**$ 706,008**	$ 722,071
Projected benefit obligation	**(757,147)**	(716,401)
Funded status at the end of the year	**$ (51,139)**	$ 5,670
Amounts recognized in the consolidated balance sheet consisted of:		
Noncurrent asset for pension benefits (other assets)	**$ 25,571**	$ 53,817
Current liabilities for pension benefits	**(1,393)**	(1,001)
Noncurrent liability for pension benefits	**(75,317)**	(47,146)
Net amount recognized at the end of the year	**$ (51,139)**	$ 5,670

The following table provides the amounts recognized in accumulated other comprehensive income, net of taxes, at December 31:

Net amounts recognized:	2016	2015
	(In thousands)	
Net actuarial loss	**$204,782**	$156,351
Prior service costs	**(1,031)**	(1,321)
Transition asset	**7**	8
Total recognized	**$203,758**	$155,038

The following table provides the components of net periodic pension benefit expense (income) for the years ended December 31:

	2016	2015	2014
		(In thousands)	
Defined benefit plans:			
Service cost	**$ 6,622**	$ 7,000	$ 6,153
Interest cost	**30,049**	28,670	28,931
Expected return on plan assets	**(51,140)**	(54,819)	(50,196)
Amortization of:			
Net actuarial loss	**10,224**	9,383	4,483
Prior service costs	**(52)**	(55)	(51)
Transition asset	**1**	1	1
Total net periodic benefit (income) expense	**(4,296)**	(9,820)	(10,679)
Other plans:			
Defined contribution plans	**23,881**	22,750	20,714
Foreign plans and other	**5,694**	4,800	5,325
Total other plans	**29,575**	27,550	26,039
Total net pension expense	**$ 25,279**	$ 17,730	$ 15,360

The total net periodic benefit expense (income) is included in Cost of sales in the consolidated statement of income. The estimated amount that will be amortized from accumulated other comprehensive income into net periodic pension benefit expense in 2017 for the net actuarial losses and prior service costs is expected to be $14.0 million.

The following weighted average assumptions were used to determine the above net periodic pension benefit expense for the years ended December 31:

	2016	2015	2014
U.S. Defined Benefit Pension Plans:			
Discount rate	**4.80%**	4.20%	5.00%
Expected return on plan assets	**7.75%**	7.75%	7.75%
Rate of compensation increase (where applicable)	**3.75%**	3.75%	3.75%
Foreign Defined Benefit Pension Plans:			
Discount rate	**3.62%**	3.44%	4.38%
Expected return on plan assets	**6.95%**	6.92%	6.93%
Rate of compensation increase (where applicable)	**2.88%**	2.88%	2.92%

Estimated Future Benefit Payments

The estimated future benefit payments for U.S. and foreign plans are as follows: 2017 - $37.3 million; 2018 - $38.5 million; 2019 - $39.4 million; 2020 - $40.5 million; 2021 - $41.2 million; 2022 to 2026 - $217.5 million. Future benefit payments primarily represent amounts to be paid from pension trust assets. Amounts included that are to be paid from the Company’s assets are not significant in any individual year.

Postretirement Plans and Postemployment Benefits

The Company provides limited postretirement benefits other than pensions for certain retirees and a small number of former employees. Benefits under these arrangements are not funded and are not significant.

The Company also provides limited postemployment benefits for certain former or inactive employees after employment but before retirement. Those benefits are not significant in amount.

The Company has a deferred compensation plan, which allows employees whose compensation exceeds the statutory IRS limit for retirement benefits to defer a portion of earned bonus compensation. The plan permits deferred amounts to be deemed invested in either, or a combination of, (a) an interest-bearing account, benefits from which are payable out of the general assets of the Company, or (b) the equivalent of a fund which invests in shares of the Company's common stock on behalf of the employee. The amount deferred under the plan, including income earned, was $25.2 million and $23.4 million at December 31, 2016 and 2015, respectively. Administrative expense for the deferred compensation plan is borne by the Company and is not significant.

12. Guarantees

The Company does not provide significant guarantees on a routine basis. The Company primarily issues guarantees, stand-by letters of credit and surety bonds in the ordinary course of its business to provide financial or performance assurance to third parties on behalf of its consolidated subsidiaries to support or enhance the subsidiary's stand-alone creditworthiness. The amounts subject to certain of these agreements vary depending on the covered contracts actually outstanding at any particular point in time. At December 31, 2016, the maximum amount of future payment obligations relative to these various guarantees was $70.2 million and the outstanding liability under certain of those guarantees was $9.9 million.

Indemnifications

In conjunction with certain acquisition and divestiture transactions, the Company may agree to make payments to compensate or indemnify other parties for possible future unfavorable financial consequences resulting from specified events (e.g., breaches of contract obligations or retention of previously existing environmental, tax or employee liabilities) whose terms range in duration and often are not explicitly defined. Where appropriate, the obligation for such indemnifications is recorded as a liability. Because the amount of these types of indemnifications generally is not specifically stated, the overall maximum amount of the obligation under such indemnifications cannot be reasonably estimated. Further, the Company indemnifies its directors and officers for claims against them in connection with their positions with the Company. Historically, any such costs incurred to settle claims related to these indemnifications have been minimal for the Company. The Company believes that future payments, if any, under all existing indemnification agreements would not have a material impact on its consolidated results of operations, financial position or cash flows.

Product Warranties

The Company provides limited warranties in connection with the sale of its products. The warranty periods for products sold vary among the Company's operations, but generally do not exceed one year. The Company calculates its warranty expense provision based on its historical warranty experience and adjustments are made periodically to reflect actual warranty expenses.

Changes in the accrued product warranty obligation were as follows at December 31:

	2016	2015	2014
		(In thousands)	
Balance at the beginning of the year	$ 22,761	$ 29,764	$ 28,036
Accruals for warranties issued during the year	**16,046**	14,817	16,463
Settlements made during the year	**(17,732)**	(19,905)	(17,636)
Warranty accruals related to acquired businesses and other during the year	**932**	(1,915)	2,901
Balance at the end of the year	**$ 22,007**	$ 22,761	$ 29,764

Certain settlements of warranties made during the period were for specific nonrecurring warranty obligations. Product warranty obligations are reported as current liabilities in the consolidated balance sheet.

13. Contingencies

Asbestos Litigation

The Company (including its subsidiaries) has been named as a defendant in a number of asbestos-related lawsuits. Certain of these lawsuits relate to a business which was acquired by the Company and do not involve products which were manufactured or sold by the Company. In connection with these lawsuits, the seller of such business has agreed to indemnify the Company against these claims (the “Indemnified Claims”). The Indemnified Claims have been tendered to, and are being defended by, such seller. The seller has met its obligations, in all respects, and the Company does not have any reason to believe such party would fail to fulfill its obligations in the future. To date, no judgments have been rendered against the Company as a result of any asbestos-related lawsuit. The Company believes it has strong defenses to the claims being asserted and intends to continue to vigorously defend itself in these matters.

Environmental Matters

Certain historic processes in the manufacture of products have resulted in environmentally hazardous waste by-products as defined by federal and state laws and regulations. At December 31, 2016, the Company is named a Potentially Responsible Party (“PRP”) at 13 non-AMETEK-owned former waste disposal or treatment sites (the “non-owned” sites). The Company is identified as a “de minimis” party in 12 of these sites based on the low volume of waste attributed to the Company relative to the amounts attributed to other named PRPs. In eight of these sites, the Company has reached a tentative agreement on the cost of the de minimis settlement to satisfy its obligation and is awaiting executed agreements. The tentatively agreed-to settlement amounts are fully reserved. In the other four sites, the Company is continuing to investigate the accuracy of the alleged volume attributed to the Company as estimated by the parties primarily responsible for remedial activity at the sites to establish an appropriate settlement amount. At the remaining site where the Company is a non-de minimis PRP, the Company is participating in the investigation and/or related required remediation as part of a PRP Group and reserves have been established sufficient to satisfy the Company’s expected obligations. The Company historically has resolved these issues within established reserve levels and reasonably expects this result will continue. In addition to these non-owned sites, the Company has an ongoing practice of providing reserves for probable remediation activities at certain of its current or previously owned manufacturing locations (the “owned” sites). For claims and proceedings against the Company with respect to other environmental matters, reserves are established once the Company has determined that a loss is probable and estimable. This estimate is refined as the Company moves through the various stages of investigation, risk assessment, feasibility study and corrective action processes. In

certain instances, the Company has developed a range of estimates for such costs and has recorded a liability based on the best estimate. It is reasonably possible that the actual cost of remediation of the individual sites could vary from the current estimates and the amounts accrued in the consolidated financial statements; however, the amounts of such variances are not expected to result in a material change to the consolidated financial statements. In estimating the Company's liability for remediation, the Company also considers the likely proportionate share of the anticipated remediation expense and the ability of the other PRPs to fulfill their obligations.

Total environmental reserves at December 31, 2016 and 2015 were $28.4 million and $30.5 million, respectively, for both non-owned and owned sites. In 2016, the Company recorded $4.1 million in reserves. Additionally, the Company spent $5.4 million on environmental matters and the reserve decreased $0.8 million due to foreign currency translation in 2016. The Company's reserves for environmental liabilities at December 31, 2016 and 2015 include reserves of $12.4 million and $11.5 million, respectively, for an owned site acquired in connection with the 2005 acquisition of HCC Industries ("HCC"). The Company is the designated performing party for the performance of remedial activities for one of several operating units making up a Superfund site in the San Gabriel Valley of California. The Company has obtained indemnifications and other financial assurances from the former owners of HCC related to the costs of the required remedial activities. At December 31, 2016, the Company had $11.9 million in receivables related to HCC for probable recoveries from third-party escrow funds and other committed third-party funds to support the required remediation. Also, the Company is indemnified by HCC's former owners for approximately $19 million of additional costs.

The Company has agreements with other former owners of certain of its acquired businesses, as well as new owners of previously owned businesses. Under certain of the agreements, the former or new owners retained, or assumed and agreed to indemnify the Company against, certain environmental and other liabilities under certain circumstances. The Company and some of these other parties also carry insurance coverage for some environmental matters. To date, these parties have met their obligations in all material respects.

The Company believes it has established reserves which are sufficient to perform all known responsibilities under existing claims and consent orders. The Company has no reason to believe that other third parties would fail to perform their obligations in the future. In the opinion of management, based on presently available information and the Company's historical experience related to such matters, an adequate provision for probable costs has been made and the ultimate cost resulting from these actions is not expected to materially affect the consolidated results of operations, financial position or cash flows of the Company.

14. Leases and Other Commitments

Minimum aggregate rental commitments under noncancellable leases in effect at December 31, 2016 (principally for production and administrative facilities and equipment) amounted to $143.5 million, consisting of payments of $33.0 million in 2017, $25.2 million in 2018, $19.4 million in 2019, $14.5 million in 2020, $12.2 million in 2021 and $39.2 million thereafter. The leases expire over a range of years from 2017 to 2082, with renewal or purchase options, subject to various terms and conditions, contained in most of the leases. Rental expense was $46.3 million in 2016, $43.6 million in 2015 and $44.6 million in 2014.

As of December 31, 2016 and 2015, the Company had $289.1 million and $321.7 million, respectively, in purchase obligations outstanding, which primarily consisted of contractual commitments to purchase certain inventories at fixed prices.

15. Reportable Segments and Geographic Areas Information

Descriptive Information about Reportable Segments

The Company has two reportable segments, EIG and EMG. The Company's operating segments are identified based on the existence of segment managers. Certain of the Company's operating segments have been aggregated for segment reporting purposes primarily on the basis of product type, production processes, distribution methods and similarity of economic characteristics.

EIG manufactures advanced instruments for the process, power and industrial, and aerospace markets. It provides process and analytical instruments for the oil, gas, petrochemical, pharmaceutical, semiconductor and automation markets. It provides instruments for the laboratory equipment, ultraprecision manufacturing, medical, and test and measurement markets. It makes power quality monitoring and metering devices, industrial battery chargers and uninterruptible power supplies, programmable power equipment, electrical test equipment and gas turbine sensors. It provides dashboard instruments for heavy trucks and other vehicles as well as timing controls and cooking computers for the food service industry. It supplies the aerospace industry with aircraft and engine sensors, monitoring systems, power instruments, data acquisition units, and fuel and fluid measurement systems.

EMG is a differentiated supplier of precision motion control solutions, thermal management systems, specialty metals and electrical interconnects. It makes precision motion control products for data storage, medical devices, business equipment, automation and other applications. It manufacturers highly engineered electrical connectors and packaging used to protect sensitive electronic devices. It provides high-purity metals, metal strip, shaped wire and advanced composites for a wide range of industrial applications. It operates a global network of aviation maintenance, repair and overhaul facilities. It manufactures motors used in commercial appliances, fitness equipment, food and beverage machines, hydraulic pumps, industrial blowers and vacuum cleaners.

Measurement of Segment Results

Segment operating income represents net sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense. Net sales by segment are reported after elimination of intra- and intersegment sales and profits, which are insignificant in amount. Reported segment assets include allocations directly related to the segment's operations. Corporate assets consist primarily of investments, prepaid pensions, insurance deposits and deferred taxes.

Reportable Segment Financial Information

	2016	2015	2014
		(In thousands)	
Net sales[1]:			
Electronic Instruments	**$2,360,285**	$2,417,192	$2,421,638
Electromechanical	**1,479,802**	1,557,103	1,600,326
Consolidated net sales	**$3,840,087**	$3,974,295	$4,021,964
Operating income and income before income taxes:			
Segment operating income[2]:			
Electronic Instruments	**$ 577,717**	$ 639,399	$ 612,992
Electromechanical	**277,873**	318,098	335,046
Total segment operating income	**855,590**	957,497	948,038
Corporate administrative and other expenses	**(53,693)**	(49,781)	(49,452)
Consolidated operating income	**801,897**	907,716	898,586
Interest and other expenses, net	**(108,794)**	(101,336)	(93,754)
Consolidated income before income taxes	**$ 693,103**	$ 806,380	$ 804,832
Assets:			
Electronic Instruments	**$4,104,972**	$3,827,182	
Electromechanical	**2,446,180**	2,541,253	
Total segment assets	**6,551,152**	6,368,435	
Corporate	**549,522**	292,015	
Consolidated assets	**$7,100,674**	$6,660,450	
Additions to property, plant and equipment[3]:			
Electronic Instruments	**$ 45,091**	$ 32,069	$ 95,787
Electromechanical	**39,340**	88,369	35,404
Total segment additions to property, plant and equipment	**84,431**	120,438	131,191
Corporate	**1,914**	2,121	1,966
Consolidated additions to property, plant and equipment	**$ 86,345**	$ 122,559	$ 133,157
Depreciation and amortization:			
Electronic Instruments	**$ 104,284**	$ 83,832	$ 75,364
Electromechanical	**73,767**	64,539	61,770
Total segment depreciation and amortization	**178,051**	148,371	137,134
Corporate	**1,665**	1,089	1,450
Consolidated depreciation and amortization	**$ 179,716**	$ 149,460	$ 138,584

(1) After elimination of intra- and intersegment sales, which are not significant in amount.

(2) Segment operating income represents net sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense.

(3) Includes $23.1 million in 2016, $53.4 million in 2015 and $61.8 million in 2014 from acquired businesses.

Geographic Areas

Information about the Company's operations in different geographic areas for the years ended December 31, 2016, 2015 and 2014 is shown below. Net sales were attributed to geographic areas based on the location of the customer. Accordingly, U.S. export sales are reported in international sales.

	2016	2015	2014
		(In thousands)	
Net sales:			
United States	**$1,829,341**	$1,919,611	$1,825,799
International(1):			
United Kingdom	**188,700**	201,192	220,877
European Union countries	**619,138**	615,956	674,608
Asia	**785,868**	789,435	806,926
Other foreign countries	**417,040**	448,101	493,754
Total international	**2,010,746**	2,054,684	2,196,165
Total consolidated	**$3,840,087**	$3,974,295	$4,021,964
Long-lived assets from continuing operations (excluding intangible assets):			
United States	**$ 322,743**	$ 313,733	
International(2):			
United Kingdom	**59,208**	68,396	
European Union countries	**58,368**	66,635	
Asia	**12,204**	13,928	
Other foreign countries	**20,707**	21,856	
Total international	**150,487**	170,815	
Total consolidated	**$ 473,230**	$ 484,548	

(1) Includes U.S. export sales of $1,036.0 million in 2016, $1,090.7 million in 2015 and $1,148.1 million in 2014.

(2) Represents long-lived assets of foreign-based operations only.

16. Additional Consolidated Income Statement and Cash Flow Information

Included in other income are interest and other investment income of $1.2 million, $0.7 million and $1.1 million for 2016, 2015 and 2014, respectively. Income taxes paid in 2016, 2015 and 2014 were $180.8 million, $157.8 million and $211.6 million, respectively. Cash paid for interest was $91.8 million, $90.8 million and $74.9 million in 2016, 2015 and 2014, respectively.

17. Stockholders' Equity

In 2015, the Company repurchased approximately 7,978,000 shares of its common stock for $435.4 million in cash under its share repurchase authorization. On both April 1 and November 4, 2015, the Company's Board of Directors approved an increase of $350 million in the authorization for the repurchase of Company's common stock. At December 31, 2015, $311.7 million was available under the Company's Board of Directors authorization for future share repurchases. In 2016, the Company repurchased approximately 7,099,000 shares of its common stock for $336.1 million in cash under its share repurchase authorization. On November 2, 2016, the Company's Board of Directors approved an increase of $400 million in the authorization for the repurchase of the Company's common stock. At December 31, 2016, $375.6 million was available under the Company's Board of Directors authorization for future share repurchases.

At December 31, 2016, the Company held 32.1 million shares in its treasury at a cost of $1,211.5 million, compared with 25.2 million shares at a cost of $885.4 million at December 31, 2015. The number of shares outstanding at December 31, 2016 was 229.4 million shares, compared with 235.5 million shares at December 31, 2015.

The Company has a Shareholder Rights Plan, under which the Company's Board of Directors declared a dividend of one Right for each share of Company common stock owned at the close of business on June 2, 2007, and has authorized the issuance of one Right for each share of common stock of the Company issued between the Record Date and the Distribution Date. The Plan provides, under certain conditions involving acquisition of the Company's common stock, that holders of Rights, except for the acquiring entity, would be entitled (i) to purchase shares of preferred stock at a specified exercise price, or (ii) to purchase shares of common stock of the Company, or the acquiring company, having a value of twice the Rights exercise price. The Rights under the Plan expire in June 2017.

18. 2016 and 2015 Restructuring Charges

During the fourth quarter of 2016, the Company recorded pre-tax restructuring charges totaling $25.6 million, which had the effect of reducing net income by $17.0 million ($0.07 per diluted share). The restructuring charges were reported in the consolidated statement of income as follows: $24.0 million in Cost of sales and $1.6 million in Selling, general and administrative expenses. The restructuring charges were reported in segment operating income as follows: $12.4 million in EIG, $11.6 million in EMG and $1.6 million in corporate administrative expenses. The restructuring actions primarily related to $19.3 million in severance costs for a reduction in workforce and $6.2 million of asset write-downs in response to the impact of a weak global economy on certain of the Company's businesses and the effects of a continued strong U.S. dollar. The restructuring activities will be broadly implemented across the Company's various businesses through the end of 2017, with most actions expected to be completed in 2018.

During the fourth quarter of 2015, the Company recorded pre-tax restructuring charges totaling $20.7 million, which had the effect of reducing net income by $13.9 million ($0.06 per diluted share). The restructuring charges were reported in the consolidated statement of income as follows: $20.0 million in Cost of sales and $0.7 million in Selling, general and administrative expenses. The restructuring charges were reported in segment operating income as follows: $9.3 million in EIG, $10.8 million in EMG and $0.7 million in corporate administrative expenses. The restructuring actions primarily related to a reduction in workforce in response to the impact of a weak global economy on certain of the Company's businesses and the effects of a continued strong U.S. dollar. The restructuring activities have been broadly implemented across the Company's various businesses with all actions expected to be completed in the second half of 2017.

During the first quarter of 2015, the Company recorded pre-tax restructuring charges totaling $15.9 million, which had the effect of reducing net income by $10.8 million ($0.04 per diluted share). The restructuring charges were reported in the consolidated statement of income as follows: $15.8 million in Cost of sales and $0.1 million in Selling, general and administrative expenses. The restructuring charges were reported in segment operating income as follows: $9.3 million in EIG, $6.5 million in EMG and $0.1 million in corporate administrative expenses. The restructuring actions primarily related to a reduction in workforce in response to the impact of a weak global economy on certain of the Company's businesses and the effects of a continued strong U.S. dollar. The restructuring activities have been broadly implemented across the Company's various businesses with all actions completed in the second half of 2016.

Accrued liabilities in the Company's consolidated balance sheet included amounts related to the 2016 and 2015 restructuring charges as follows (in millions):

	Fourth Quarter of 2016 Restructuring	Fourth Quarter of 2015 Restructuring	First Quarter of 2015 Restructuring	Total
Balance at December 31, 2014	$ —	$ —	$ —	$ —
Pre-tax charges	—	20.7	15.9	36.6
Utilization	—	(1.4)	(10.8)	(12.2)
Foreign currency translation adjustments and other	—	—	(0.1)	(0.1)
Balance at December 31, 2015	—	19.3	5.0	24.3
Pre-tax charges	**25.6**	**—**	**—**	**25.6**
Utilization	**(6.4)**	**(9.2)**	**(3.4)**	**(19.0)**
Foreign currency translation adjustments and other	**—**	**(0.9)**	**(0.1)**	**(1.0)**
Balance at December 31, 2016	**$19.2**	**$ 9.2**	**$ 1.5**	**$ 29.9**

19. Quarterly Financial Data (Unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
	(In thousands, except per share amounts)				
2016					
Net sales	**$944,398**	**$ 977,706**	**$945,030**	**$972,953**	**$3,840,087**
Operating income(1)(2)	**$208,523**	**$ 219,036**	**$201,116**	**$173,222**	**$ 801,897**
Net income(1)(2)	**$134,170**	**$ 138,193**	**$130,687**	**$109,108**	**$ 512,158**
Basic earnings per share(1)(2)(3)	**$ 0.57**	**$ 0.59**	**$ 0.56**	**$ 0.47**	**$ 2.20**
Diluted earnings per share(1)(2)(3)	**$ 0.57**	**$ 0.59**	**$ 0.56**	**$ 0.47**	**$ 2.19**
Dividends paid per share	**$ 0.09**	**$ 0.09**	**$ 0.09**	**$ 0.09**	**$ 0.36**
2015					
Net sales	$984,059	$1,003,726	$998,527	$987,983	$3,974,295
Operating income(4)	$220,952	$ 240,319	$237,615	$208,830	$ 907,716
Net income(4)	$142,107	$ 155,513	$156,398	$136,841	$ 590,859
Basic earnings per share(3)(4)	$ 0.59	$ 0.64	$ 0.65	$ 0.58	$ 2.46
Diluted earnings per share(3)(4)	$ 0.59	$ 0.64	$ 0.65	$ 0.57	$ 2.45
Dividends paid per share	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.36

(1) During 2016, the Company recorded pre-tax restructuring charges totaling $25.6 million, recorded in the fourth quarter of 2016. The restructuring charges had the effect of reducing net income for 2016 by $17.0 million ($0.07 per diluted share). See Note 18.

(2) During 2016, the Company recorded a $13.9 million non-cash impairment charge related to certain of the Company's trade names. The impairment charge had the effect of reducing net income for 2016 by $8.6 million ($0.04 per diluted share). See Note 6.

(3) The sum of quarterly earnings per share may not equal total year earnings per share due to rounding of earnings per share amounts, and differences in weighted average shares and equivalent shares outstanding for each of the periods presented.

(4) During 2015, the Company recorded pre-tax restructuring charges totaling $36.6 million, with $15.9 million recorded in the first quarter of 2015 and $20.7 million recorded in the fourth quarter of 2015. The restructuring charges had the effect of reducing net income for 2015 by $24.7 million ($0.10 per diluted share), with $10.8 million net income reduction ($0.04 per diluted share) in the first quarter of 2015 and $13.9 million net income reduction ($0.06 per diluted share) in the fourth quarter of 2015. See Note 18.

This document is printed on recycled paper, which contains at least 10% post consumer waste.

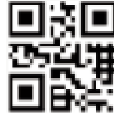
ANNUAL MEETING OF STOCKHOLDERS OF

AMETEK, Inc.

May 9, 2017

PROXY VOTING INSTRUCTIONS

INTERNET - Access "**www.voteproxy.com**" and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.



TELEPHONE - Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM EDT the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

COMPANY NUMBER	
ACCOUNT NUMBER	

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of Meeting, proxy statement and proxy card are available at http://www.ametek.com/2017proxy

Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet.

00003333030403000000 2 050917

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSALS 1, 2 AND 4, AND FOR "1 YEAR" IN PROPOSAL 3.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

UNLESS OTHERWISE SPECIFIED IN THE SPACES PROVIDED, THE UNDERSIGNED'S VOTE WILL BE CAST FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR LISTED IN PROPOSAL 1, FOR PROPOSALS 2 AND 4, AND FOR "1 YEAR" IN PROPOSAL 3 AS MORE FULLY DESCRIBED IN THE ENCLOSED PROXY STATEMENT.

Annual Meeting of Stockholders

AMETEK, Inc.'s Annual Meeting of Stockholders will be held at 11:00 a.m. Eastern Daylight Time on Tuesday, May 9, 2017, at the JW Marriott Essex House New York, Tivoli Room, 160 Central Park South, New York, NY 10019.

ELECTRONIC ACCESS TO FUTURE DOCUMENTS

If you would like to receive future shareholder communications over the Internet exclusively, and no longer receive any material by mail, please visit http://www.astfinancial.com. Click on Shareholder Account Access to enroll. Please enter your account number and tax identification number to log in, then select **Receive Company Mailings via E-Mail** and provide your e-mail address.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ☐

1. Election of Directors:

	FOR	AGAINST	ABSTAIN
Thomas A. Amato	☐	☐	☐
Anthony J. Conti	☐	☐	☐
Frank S. Hermance	☐	☐	☐
Gretchen W. McClain	☐	☐	☐

	FOR	AGAINST	ABSTAIN
2. Approval, by non-binding advisory vote, of AMETEK, Inc. executive compensation.	☐	☐	☐

	1 year	2 years	3 years	ABSTAIN
3. Advisory vote on the frequency of executive compensation advisory votes.	☐	☐	☐	☐

	FOR	AGAINST	ABSTAIN
4. Ratification of Ernst & Young LLP as independent registered public accounting firm.	☐	☐	☐

At their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Receipt of the notice of said meeting and of the Proxy Statement of AMETEK, Inc. accompanying the same is hereby acknowledged.

Signature of Stockholder ________ Date: ________ Signature of Stockholder ________ Date: ________

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

ANNUAL MEETING OF STOCKHOLDERS OF

AMETEK, Inc.

May 9, 2017

GO GREEN

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, proxy statement and proxy card are available at http://www.ametek.com/2017proxy

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

Please detach along perforated line and mail in the envelope provided.

00003333030403000000 2 050917

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSALS 1, 2 AND 4, AND FOR "1 YEAR" IN PROPOSAL 3.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

UNLESS OTHERWISE SPECIFIED IN THE SPACES PROVIDED, THE UNDERSIGNED'S VOTE WILL BE CAST FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR LISTED IN PROPOSAL 1, FOR PROPOSALS 2 AND 4, AND FOR "1 YEAR" IN PROPOSAL 3 AS MORE FULLY DESCRIBED IN THE ENCLOSED PROXY STATEMENT.

Annual Meeting of Stockholders

AMETEK, Inc.'s Annual Meeting of Stockholders will be held at 11:00 a.m. Eastern Daylight Time on Tuesday, May 9, 2017, at the JW Marriott Essex House New York, Tivoli Room, 160 Central Park South, New York, NY 10019.

ELECTRONIC ACCESS TO FUTURE DOCUMENTS

If you would like to receive future shareholder communications over the Internet exclusively, and no longer receive any material by mail, please visit http://www.astfinancial.com. Click on Shareholder Account Access to enroll. Please enter your account number and tax identification number to log in, then select **Receive Company Mailings via E-Mail** and provide your e-mail address.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ☐

1. Election of Directors:

	FOR	AGAINST	ABSTAIN
Thomas A. Amato	☐	☐	☐
Anthony J. Conti	☐	☐	☐
Frank S. Hermance	☐	☐	☐
Gretchen W. McClain	☐	☐	☐

	FOR	AGAINST	ABSTAIN
2. Approval, by non-binding advisory vote, of AMETEK, Inc. executive compensation.	☐	☐	☐

	1 year	2 years	3 years	ABSTAIN
3. Advisory vote on the frequency of executive compensation advisory votes.	☐	☐	☐	☐

	FOR	AGAINST	ABSTAIN
4. Ratification of Ernst & Young LLP as independent registered public accounting firm.	☐	☐	☐

At their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Receipt of the notice of said meeting and of the Proxy Statement of AMETEK, Inc. accompanying the same is hereby acknowledged.

Signature of Stockholder ______ Date: ______ Signature of Stockholder ______ Date: ______

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

AMETEK, Inc.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints David A. Zapico, Robert S. Feit and Kathryn E. Sena or a majority of those present and acting, or, if only one is present and acting, then that one, proxies, with full power of substitution, to vote all stock of AMETEK, Inc. which the undersigned is entitled to vote at AMETEK's Annual Meeting of Stockholders to be held at the JW Marriott Essex House New York, Tivoli Room, 160 Central Park South, New York, NY 10019, on Tuesday, May 9, 2017, at 11:00 a.m. Eastern Daylight Time, and at any adjournment or postponement thereof, hereby ratifying all that said proxies or their substitutes may do by virtue hereof, and the undersigned authorizes and instructs said proxies to vote as follows:

(TO BE SIGNED ON REVERSE SIDE)

SEE REVERSE SIDE