

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2019

OR

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

For the transition period from _____ to _____

Commission File Number 1-12981

AMETEK, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

14-1682544

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

1100 Cassatt Road

Berwyn, Pennsylvania

(Address of principal executive offices)

19312-1177

(Zip Code)

Registrant's telephone number, including area code: (610) 647-2121

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AME	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares of the registrant's common stock outstanding as of the latest practicable date was: Common Stock, \$0.01 Par Value, outstanding at October 29, 2019 was 228,592,872 shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMETEK, Inc.
Consolidated Statement of Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales	\$1,276,633	\$1,192,962	\$3,853,736	\$3,574,544
Cost of sales	823,262	782,994	2,512,722	2,351,042
Selling, general and administrative	152,315	144,702	461,289	429,982
Total operating expenses	975,577	927,696	2,974,011	2,781,024
Operating income	301,056	265,266	879,725	793,520
Interest expense	(21,308)	(19,391)	(65,436)	(61,861)
Other expense, net	(5,517)	(945)	(12,521)	(2,684)
Income before income taxes	274,231	244,930	801,768	728,975
Provision for income taxes	53,482	53,717	161,248	162,562
Net income	\$ 220,749	\$ 191,213	\$ 640,520	\$ 566,413
Basic earnings per share	\$ 0.97	\$ 0.83	\$ 2.82	\$ 2.45
Diluted earnings per share	\$ 0.96	\$ 0.82	\$ 2.79	\$ 2.43
Weighted average common shares outstanding:				
Basic shares	228,041	231,502	227,493	231,227
Diluted shares	229,560	233,250	229,191	233,171
Dividends declared and paid per share	\$ 0.14	\$ 0.14	\$ 0.42	\$ 0.42

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Total comprehensive income	\$198,102	\$189,089	\$633,135	\$539,385

See accompanying notes.

AMETEK, Inc.
Consolidated Balance Sheet
(In thousands)

	September 30, 2019 (Unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 735,376	\$ 353,975
Receivables, net	761,961	732,839
Inventories, net	623,675	624,744
Other current assets	151,172	124,586
Total current assets	<u>2,272,184</u>	1,836,144
Property, plant and equipment, net	537,157	554,130
Right of use assets, net	174,438	—
Goodwill	3,668,445	3,612,033
Other intangibles, net	2,310,152	2,403,771
Investments and other assets	257,333	256,210
Total assets	<u>\$ 9,219,709</u>	<u>\$ 8,662,288</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt, net	\$ 199,533	\$ 358,876
Accounts payable	381,945	399,571
Customer advanced payments	144,181	137,229
Income taxes payable	41,904	48,597
Accrued liabilities and other	342,956	314,431
Total current liabilities	<u>1,110,519</u>	1,258,704
Long-term debt, net	2,229,252	2,273,837
Deferred income taxes	549,178	528,336
Other long-term liabilities	464,795	359,489
Total liabilities	<u>4,353,744</u>	4,420,366
Stockholders' equity:		
Common stock	2,657	2,640
Capital in excess of par value	792,680	706,743
Retained earnings	6,198,836	5,653,811
Accumulated other comprehensive loss	(558,473)	(551,088)
Treasury stock	(1,569,735)	(1,570,184)
Total stockholders' equity	<u>4,865,965</u>	4,241,922
Total liabilities and stockholders' equity	<u>\$ 9,219,709</u>	<u>\$ 8,662,288</u>

See accompanying notes.

AMETEK, Inc.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Capital stock				
Preferred stock, \$0.01 par value	\$ —	\$ —	\$ —	\$ —
Common stock, \$0.01 par value				
Balance at the beginning of the period	2,654	2,637	2,640	2,631
Shares issued	3	3	17	9
Balance at the end of the period	<u>2,657</u>	<u>2,640</u>	<u>2,657</u>	<u>2,640</u>
Capital in excess of par value				
Balance at the beginning of the period	759,775	680,863	706,743	660,894
Issuance of common stock under employee stock plans	19,347	9,886	56,933	16,900
Share-based compensation expense	13,558	7,145	29,004	20,100
Balance at the end of the period	<u>792,680</u>	<u>697,894</u>	<u>792,680</u>	<u>697,894</u>
Retained earnings				
Balance at the beginning of the period	6,009,968	5,315,232	5,653,811	5,002,419
Net income	220,749	191,213	640,520	566,413
Cash dividends paid	(31,883)	(32,374)	(95,498)	(97,027)
Other	2	(1)	3	2,265
Balance at the end of the period	<u>6,198,836</u>	<u>5,474,070</u>	<u>6,198,836</u>	<u>5,474,070</u>
Accumulated other comprehensive (loss) income				
Foreign currency translation:				
Balance at the beginning of the period	(292,790)	(281,175)	(302,138)	(251,909)
Translation adjustments	(44,543)	(7,771)	(38,368)	(48,303)
Change in long-term intercompany notes	(11,292)	(1,707)	(12,312)	(11,009)
Net investment hedge instruments gain (loss), net of tax of (\$9,736) and (\$1,649) for the quarter ended September 30, 2019 and 2018 and (\$11,086) and (\$8,274) for the nine months ended September 30, 2019 and 2018, respectively	30,231	5,121	34,424	25,689
Balance at the end of the period	<u>(318,394)</u>	<u>(285,532)</u>	<u>(318,394)</u>	<u>(285,532)</u>
Defined benefit pension plans:				
Balance at the beginning of the period	(243,036)	(172,905)	(248,950)	(177,371)
Amortization of net actuarial loss (gain) and other, net of tax of (\$873) and (\$719) for the quarter ended September 30, 2019 and 2018, and (\$2,620) and (\$2,157) for the nine months ended September 30, 2019 and 2018, respectively	2,957	2,233	8,871	6,699
Balance at the end of the period	<u>(240,079)</u>	<u>(170,672)</u>	<u>(240,079)</u>	<u>(170,672)</u>
Unrealized holding gain (loss) on available-for-sale securities:				
Balance at the beginning of the period	—	—	—	104
Decrease during the year, net of tax	—	—	—	(104)
Balance at the end of the period	—	—	—	—
Accumulated other comprehensive loss at the end of the period	<u>(558,473)</u>	<u>(456,204)</u>	<u>(558,473)</u>	<u>(456,204)</u>
Treasury stock				
Balance at the beginning of the period	(1,569,790)	(1,206,556)	(1,570,184)	(1,209,135)
Issuance of common stock under employee stock plans	346	93	7,062	6,678
Purchase of treasury stock	(291)	(28)	(6,613)	(4,034)
Balance at the end of the period	<u>(1,569,735)</u>	<u>(1,206,491)</u>	<u>(1,569,735)</u>	<u>(1,206,491)</u>
Total stockholders' equity	<u>\$ 4,865,965</u>	<u>\$ 4,511,909</u>	<u>\$ 4,865,965</u>	<u>\$ 4,511,909</u>

See accompanying notes.

AMETEK, Inc.
Condensed Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2019	2018
Cash provided by (used for):		
Operating activities:		
Net income	\$ 640,520	\$ 566,413
Adjustments to reconcile net income to total operating activities:		
Depreciation and amortization	169,935	145,907
Deferred income taxes	13,397	(5,574)
Share-based compensation expense	29,004	20,100
Gain on sale of facilities	(4,529)	—
Net change in assets and liabilities, net of acquisitions	(82,604)	(89,877)
Pension contributions	(2,505)	(2,194)
Other, net	8,996	(5,420)
Total operating activities	772,214	629,355
Investing activities:		
Additions to property, plant and equipment	(61,525)	(47,488)
Purchases of businesses, net of cash acquired	(122,149)	(376,248)
Proceeds from sale of facilities	8,263	717
Other, net	2,059	(1,234)
Total investing activities	(173,352)	(424,253)
Financing activities:		
Net change in short-term borrowings	(258,211)	921
Proceeds from long-term borrowings	100,000	—
Repayments of long-term borrowings	—	(240,000)
Repurchases of common stock	(6,613)	(4,034)
Cash dividends paid	(95,498)	(97,027)
Proceeds from stock option exercises	59,645	28,661
Other, net	(7,249)	(5,749)
Total financing activities	(207,926)	(317,228)
Effect of exchange rate changes on cash and cash equivalents	(9,535)	(15,453)
Increase (decrease) in cash and cash equivalents	381,401	(127,579)
Cash and cash equivalents:		
Beginning of period	353,975	646,300
End of period	\$ 735,376	\$ 518,721

See accompanying notes.

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2019
(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements are unaudited. AMETEK, Inc. (the “Company”) believes that all adjustments (which primarily consist of normal recurring accruals) necessary for a fair presentation of the consolidated financial position of the Company at September 30, 2019, the consolidated results of its operations for the three and nine months ended September 30, 2019 and 2018 and its cash flows for the nine months ended September 30, 2019 and 2018 have been included. Quarterly results of operations are not necessarily indicative of results for the full year. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the U.S. Securities and Exchange Commission.

As discussed below in Note 2, effective January 1, 2019, the Company adopted the requirements of Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02 (Topic 842), *Leases* (“ASU 2016-02”) using the effective date transition method. Amounts and disclosures set forth in this Form 10-Q reflect this change.

2. Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02 Leases (ASC 842). In July 2018, the FASB issued ASU No. 2018-10, “Codification Improvements to Topic 842, Leases” (ASU 2018-10), which provides narrow amendments to clarify how to apply certain aspects of the new lease standard, and ASU No. 2018-11, “Leases (Topic 842)—Targeted Improvements” (ASU 2018-11), which addressed implementation issues related to the new lease standard. These and certain other lease-related ASUs have generally been codified in ASC 842. ASC 842 supersedes the lease accounting requirements in Accounting Standards Codification Topic 840, Leases (ASC 840). ASC 842 establishes a right-of-use model that requires a lessee to record a right-of-use (“ROU”) asset and a lease liability on the balance sheet for all leases. Under ASC 842, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard also requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The Company adopted ASC 842 on January 1, 2019 using the effective date transition method. Prior period results continue to be presented under ASC 840 based on the accounting standards originally in effect for such periods.

The Company has elected certain practical expedients permitted under the transition guidance within ASC 842 to leases that commenced before January 1, 2019, including the package of practical expedients. The election of the package of practical expedients resulted in the Company not reassessing prior conclusions under ASC 840 related to lease identification, lease classification and initial direct costs for expired and existing leases prior to January 1, 2019. The Company did not elect the practical expedient to not record short-term leases on its consolidated balance sheet. The adoption of ASU 2016-02 did not have a significant impact on the Company’s consolidated results of operations or cash flows. Upon adoption, the Company recognized a ROU asset and lease liability of \$192.4 million and \$198.6 million, respectively. See Note 8.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement – Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (“ASU 2018-02”). ASU 2018-02 addresses a specific consequence of the Tax Act by allowing an election to reclassify from accumulated other comprehensive income (loss) to retained earnings for stranded tax effects resulting from the Tax Act’s reduction of the U.S. federal corporate income tax rate. ASU 2018-02 is effective for all entities for annual reporting periods beginning after December 15, 2018, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal income tax rate in the Tax Act is recognized. The Company adopted ASU 2018-02 on January 1, 2019, and upon adoption, the Company did not elect to reclassify the stranded income tax effects of the Tax Act from accumulated other comprehensive income to retained earnings.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement* (“ASU 2018-13”), which changes the fair value measurement disclosure requirements of ASC Topic 820, *Fair Value Measurement* (“ASC 820”), by eliminating, modifying and adding to those requirements. ASU 2018-13 also modifies the disclosure objective paragraphs of ASC 820 to

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2019
(Unaudited)

eliminate (1) “at a minimum” from the phrase “an entity shall disclose at a minimum” and (2) other similar “open ended” disclosure requirements to promote the appropriate exercise of discretion by entities. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted. The Company has not determined the impact ASU 2018-13 may have on the Company’s consolidated financial statement disclosures.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General* (“ASU 2018-14”), which changes the disclosure requirements of ASC Topic 715, *Compensation – Retirement Benefits*, by eliminating, modifying and adding to certain of those requirements. ASU 2018-14 is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted and the amendments in this ASU should be applied on a retrospective basis to all periods presented. The Company has not determined the impact ASU 2018-14 may have on the Company’s consolidated financial statement disclosures.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles – Goodwill and Other –Internal-Use Software* (“ASU 2018-15”), that requires implementation costs incurred by customers in cloud computing arrangements to be deferred and recognized over the term of the arrangement, if those costs would be capitalized by the customer in a software licensing arrangement under the internal-use software guidance in ASC Topic 350, *Intangibles – Goodwill and Other*. ASU 2018-15 requires a customer to disclose the nature of its hosting arrangements that are service contracts and provide disclosures as if the deferred implementation costs were a separate, major depreciable asset class. ASU 2018-15 is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted. The Company has not determined the impact ASU 2018-15 may have on the Company’s consolidated results of operations, financial position, cash flows and financial statement disclosures.

3. Revenues

The Company adopted ASC 606 as of January 1, 2018 using the modified retrospective method. The cumulative adjustment made to the January 1, 2018 consolidated balance sheet for the adoption of ASC 606 was to increase Retained earnings by \$4.2 million, increase Total assets by \$7.9 million and increase Total liabilities by \$3.7 million.

The outstanding contract asset and liability accounts were as follows:

	2019 (In thousands)	2018
Contract assets - January 1	\$ 58,266	\$ 32,658
Contract assets – September 30	78,010	60,037
Change in contract assets – increase	19,744	27,379
Contract liabilities – January 1	146,162	117,058
Contract liabilities – September 30	152,897	145,247
Change in contract liabilities – increase	(6,735)	(28,189)
Net change	\$ 13,009	\$ (810)

The net change for the nine months ended September 30, 2019 was primarily driven by the recognition of revenue as performance obligations were satisfied prior to billing and exceeded receipt of advance payments from customers. For the nine months ended September 30, 2019 and 2018, the Company recognized revenue of \$123.6 million and \$95.0 million, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets are reported as a component of Other current assets in the consolidated balance sheet. At September 30, 2019 and December 31, 2018, \$8.7 million and \$8.9 million of Customer advanced payments (contract liabilities), respectively, were recorded in Other long-term liabilities in the consolidated balance sheets.

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2019
(Unaudited)

Applying the practical expedient available under ASC 606, the remaining performance obligations exceeding one year as of September 30, 2019 and December 31, 2018 were \$196.6 million and \$187.2 million, respectively. Remaining performance obligations represent the transaction price of firm, noncancelable orders, with expected delivery dates to customers greater than one year from the balance sheet date, for which the performance obligation is unsatisfied or partially unsatisfied. These performance obligations will be substantially satisfied within two to three years.

Geographic Areas

Information about the Company's operations in different geographic areas is shown below. Net sales were attributed to geographic areas based on the location of the customer.

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	EIG	EMG	Total	EIG	EMG	Total
United States	\$ 421,629	\$ 252,343	\$ 673,972	\$ 1,250,564	\$ 764,001	\$ 2,014,565
International (1):			(In thousands)			
United Kingdom	19,538	34,319	53,857	47,885	100,657	148,542
European Union countries	99,180	98,357	197,537	302,800	308,138	610,938
Asia	190,419	46,347	236,766	569,553	142,035	711,588
Other foreign countries	84,786	29,715	114,501	271,908	96,195	368,103
Total international	393,923	208,738	602,661	1,192,146	647,025	1,839,171
Consolidated net sales	<u>\$ 815,552</u>	<u>\$ 461,081</u>	<u>\$ 1,276,633</u>	<u>\$ 2,442,710</u>	<u>\$ 1,411,026</u>	<u>\$ 3,853,736</u>

(1) Includes U.S. export sales of \$317.6 million and \$965.1 million for the three months ended and the nine months ended, respectively.

Information about the Company's operations in different geographic areas is shown below. Net sales were attributed to geographic areas based on the location of the customer.

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	EIG	EMG	Total	EIG	EMG	Total
United States	\$ 358,335	\$ 237,831	\$ 596,166	\$ 1,044,971	\$ 710,630	\$ 1,755,601
International (1):			(In thousands)			
United Kingdom	17,646	33,364	51,010	46,974	101,913	148,887
European Union countries	93,248	97,595	190,843	281,328	303,994	585,322
Asia	193,986	51,136	245,122	576,640	157,634	734,274
Other foreign countries	78,826	30,995	109,821	253,012	97,448	350,460
Total international	383,706	213,090	596,796	1,157,954	660,989	1,818,943
Consolidated net sales	<u>\$ 742,041</u>	<u>\$ 450,921</u>	<u>\$ 1,192,962</u>	<u>\$ 2,202,925</u>	<u>\$ 1,371,619</u>	<u>\$ 3,574,544</u>

(1) Includes U.S. export sales of \$308.4 million and \$944.0 million for the three months ended and the nine months ended, respectively.

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2019
(Unaudited)

Major Products and Services

The Company's major products and services in the reportable segments were as follows:

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	EIG	EMG	Total	EIG	EMG	Total
	(In thousands)					
Process and analytical instrumentation	\$586,430	\$ —	\$ 586,430	\$1,747,708	\$ —	\$ 1,747,708
Aerospace and Power	229,122	123,228	352,350	695,002	362,498	1,057,500
Automation and engineered solutions	—	337,853	337,853	—	1,048,528	1,048,528
Consolidated net sales	<u>\$815,552</u>	<u>\$461,081</u>	<u>\$1,276,633</u>	<u>\$2,442,710</u>	<u>\$1,411,026</u>	<u>\$3,853,736</u>

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	EIG	EMG	Total	EIG	EMG	Total
	(In thousands)					
Process and analytical instrumentation	\$514,513	\$ —	\$ 514,513	\$1,530,004	\$ —	\$ 1,530,004
Aerospace and Power	227,528	112,578	340,106	672,921	334,638	1,007,559
Automation and engineered solutions	—	338,343	338,343	—	1,036,981	1,036,981
Consolidated net sales	<u>\$742,041</u>	<u>\$450,921</u>	<u>\$1,192,962</u>	<u>\$2,202,925</u>	<u>\$1,371,619</u>	<u>\$3,574,544</u>

Timing of Revenue Recognition

The Company's timing of revenue recognition was as follows:

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	EIG	EMG	Total	EIG	EMG	Total
	(In thousands)					
Products transferred at a point in time	\$652,950	\$416,280	\$1,069,230	\$1,984,938	\$1,286,060	\$3,270,998
Products and services transferred over time	162,602	44,801	207,403	457,772	124,966	582,738
Consolidated net sales	<u>\$815,552</u>	<u>\$461,081</u>	<u>\$1,276,633</u>	<u>\$2,442,710</u>	<u>\$1,411,026</u>	<u>\$3,853,736</u>

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	EIG	EMG	Total	EIG	EMG	Total
	(In thousands)					
Products transferred at a point in time	\$620,221	\$414,666	\$1,034,887	\$1,848,828	\$1,281,378	\$3,130,206
Products and services transferred over time	121,820	36,255	158,075	354,097	90,241	444,338
Consolidated net sales	<u>\$742,041</u>	<u>\$450,921</u>	<u>\$1,192,962</u>	<u>\$2,202,925</u>	<u>\$1,371,619</u>	<u>\$3,574,544</u>

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 the majority 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. Product warranty obligations are reported as a component of Accrued liabilities in the consolidated balance sheet.

AMETEK, Inc.
Notes to Consolidated Financial Statements
September 30, 2019
(Unaudited)

Changes in the accrued product warranty obligation were as follows:

	Nine Months Ended September 30,	
	2019	2018
	(In thousands)	
Balance at the beginning of the period	\$ 23,482	\$22,872
Accruals for warranties issued during the period	14,342	8,166
Settlements made during the period	(13,335)	(9,477)
Warranty accruals related to acquired businesses and other during the period	617	1,261
Balance at the end of the period	<u>\$ 25,106</u>	<u>\$22,822</u>

4. 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). Securities that are anti-dilutive have been excluded and are not significant. The number of weighted average shares used in the calculation of basic earnings per share and diluted earnings per share was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(In thousands)			
Weighted average shares:				
Basic shares	228,041	231,502	227,493	231,227
Equity-based compensation plans	1,519	1,748	1,698	1,944
Diluted shares	<u>229,560</u>	<u>233,250</u>	<u>229,191</u>	<u>233,171</u>

5. 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.

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The following table provides the Company's assets that are measured at fair value on a recurring basis, consistent with the fair value hierarchy, at September 30, 2019 and December 31, 2018:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	Fair Value (In thousands)	Fair Value (In thousands)
Fixed-income investments	\$ 8,108	\$ 7,655

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 investments and other assets on the consolidated balance sheet.

For the nine months ended September 30, 2019 and 2018, gains and losses on the investments noted above were not significant. No transfers between level 1 and level 2 investments occurred during the nine months ended September 30, 2019 and 2018.

Financial Instruments

Cash, cash equivalents and fixed-income investments are recorded at fair value at September 30, 2019 and December 31, 2018 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 September 30, 2019 and December 31, 2018:

	<u>September 30, 2019</u>		<u>December 31, 2018</u>	
	Recorded Amount	Fair Value (In thousands)	Recorded Amount	Fair Value (In thousands)
Long-term debt, net (including current portion)	\$ (2,432,451)	\$ (2,612,882)	\$(2,378,809)	\$(2,368,676)

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

Foreign Currency

At September 30, 2019, the Company had no forward contracts outstanding. For the nine months ended September 30, 2019 and 2018, realized gains and losses on foreign currency forward contracts were not significant. The Company does not typically designate its foreign currency forward contracts as hedges.

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6. 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 September 30, 2019, these net investment hedges included British-pound-and Euro-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 hedged investment based on changes in the spot rate, which is used to measure hedge effectiveness.

At September 30, 2019, the Company had \$375.2 million of British-pound-denominated loans, which were designated as a hedge against the net investment in British pound functional currency foreign subsidiaries. At September 30, 2019, the Company had \$627.1 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 designated and 100% effective as net investment hedges, \$45.5 million of pre-tax currency remeasurement gains have been included in the foreign currency translation component of other comprehensive income for the nine months ended September 30, 2019.

7. Inventories, net

	September 30, 2019 <small>(In thousands)</small>	December 31, 2018
Finished goods and parts	\$ 101,242	\$ 107,289
Work in process	122,532	117,899
Raw materials and purchased parts	399,901	399,556
Total inventories, net	<u><u>\$ 623,675</u></u>	<u><u>\$ 624,744</u></u>

8. Leases

The Company determines if an arrangement is a lease at inception. This determination generally depends on whether the arrangement conveys to the Company the right to control the use of an explicitly or implicitly identified fixed asset for a period of time in exchange for consideration. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all of the economic benefits from using the underlying asset. The Company has lease agreements which include lease and non-lease components, which the Company has elected to account for as a single lease component for all classes of underlying assets. Lease expense for variable lease components are recognized when the obligation is probable.

Operating leases are included in ROU assets, accrued liabilities and other, and other long-term liabilities on our consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease payments are recognized as lease expense on a straight-line basis over the lease term. The Company has no material finance leases. The Company primarily leases buildings (real estate) and automobiles which are classified as operating leases. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As an implicit interest rate is not readily determinable in our leases, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The lease term for all of the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. Options for lease renewals have

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been excluded from the lease term (and lease liability) for the majority of the Company's leases as the reasonably certain threshold is not met. In a small number of the Company's leases, the options for renewals have been included in the lease term as the reasonably certain threshold is met due to the Company having significant economic incentive for extending the lease.

Lease payments included in the measurement of the lease liability are comprised of fixed payments, variable payments that depend on an index or rate and amounts probable to be payable under the exercise of the Company option to purchase the underlying asset if reasonably certain.

Variable lease payments not dependent on a rate or index associated with the Company's leases are recognized when the events, activities, or circumstances in the lease agreement on which those payments are assessed are probable. Variable lease payments are presented as operating expense in the Company's income statement in the same line item as expense arising from fixed lease payments.

The Company has commitments under operating leases for certain facilities, vehicles and equipment used in its operations. Our leases have initial lease terms ranging from one month to 14 years. Certain lease agreements contain provisions for future rent increases.

The components of lease expense were as follows:

	<u>Three Months Ended September 30, 2019</u> (In thousands)	<u>Nine Months Ended September 30, 2019</u> (In thousands)
Operating lease cost	\$ 10,500	\$ 29,209
Variable lease cost	543	3,073
Total lease cost	<u>\$ 11,043</u>	<u>\$ 32,282</u>

Supplemental balance sheet information related to leases was as follows:

	<u>September 30, 2019</u> (In thousands)
Right of use assets, net	\$ 174,438
Lease liabilities included in Accrued liabilities and other	40,822
Lease liabilities included in Other long-term liabilities	139,595
Total lease liabilities	<u>\$ 180,417</u>

Supplemental cash flow information and other information related to leases was as follows:

	<u>Nine Months Ended September 30, 2019</u> (In thousands)
Cash used in operations for operating leases	\$ 32,521
Right-of-use assets obtained in exchange for new operating liabilities	\$ 12,952
Weighted-average remaining lease terms - operating leases (years)	5.93
Weighted-average discount rate - operating leases	3.81%

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Maturities of lease liabilities as of September 30, 2019 were as follows:

Lease Liability Maturity Analysis	<u>Operating Leases</u> (In thousands)
Remaining 2019	\$ 12,293
2020	45,232
2021	37,712
2022	30,214
2023	24,335
Thereafter	52,890
Total lease payments	<u>202,676</u>
Less: imputed interest	22,259
	<u><u>\$ 180,417</u></u>

The Company does not have any leases that have not yet commenced which are significant.

9. Acquisitions

The Company spent \$122.1 million in cash, net of cash acquired, to acquire Pacific Design Technologies, Inc. (“PDT”) in September 2019. PDT designs and manufactures a complete range of custom-engineered, liquid cooling systems and components used in a broad set of current and next-generation commercial aerospace, defense and space platforms. PDT was privately held and is headquartered in Goleta, California. PDT is part of EMG.

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

Property, plant and equipment	\$ 1.0
Goodwill	47.0
Other intangible assets	63.7
Net working capital and other ⁽¹⁾	10.4
Total cash paid	<u><u>\$122.1</u></u>

(1) Includes \$7.4 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 2019 acquisition as follows: PDT’s products and solutions enhance the Company’s position and broaden the Company’s differentiated product offerings in the aerospace and defense sectors.

At September 30, 2019, the purchase price allocated to other intangible assets of \$63.7 million consists of \$10.0 million of indefinite-lived intangible trade names, which are not subject to amortization. The remaining \$53.7 million of other intangible assets consists of \$43.7 million of customer relationships, which are being amortized over a period of 18 years, and \$10.0 million of purchased technology, which is being amortized over a period of 18 years. Amortization expense for each of the next five years for the 2019 acquisition is expected to approximate \$3 million per year.

The Company is in the process of finalizing the measurement of certain tangible and intangible assets and liabilities for its 2019 acquisition including inventory, property, plant and equipment, goodwill, trade names, customer relationships and purchased technology and the accounting for income taxes. The Company finalized the measurement of its goodwill and other intangible assets related to its fourth quarter of 2018 acquisitions, which had no material impact to the consolidated statement of income. The Company is in the process of finalizing the accounting for income taxes for its fourth quarter of 2018 acquisitions of Telular and Spectro Scientific.

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The 2019 acquisition had an immaterial impact on reported net sales, net income and diluted earnings per share for the three and nine months ended September 30, 2019. Had the acquisition been made at the beginning of 2019 or 2018, unaudited pro forma net sales, net income and diluted earnings per share for the three and nine months ended September 30, 2019 and 2018, respectively, would not have been materially different than the amounts reported.

Acquisition subsequent to September 30, 2019

In October 2019, the Company acquired Gatan from Roper Technologies, Inc. for approximately \$925 million in cash. Gatan has annual sales of approximately \$180 million. Gatan is a leading manufacturer of instrumentation and software used to enhance and extend the operation and performance of electron microscopes. Gatan will join EIG.

10. Goodwill

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

	EIG	EMG (In millions)	Total
Balance at December 31, 2018	\$2,452.0	\$1,160.0	\$3,612.0
Goodwill acquired	—	47.0	47.0
Purchase price allocation adjustments and other	34.9	(0.3)	34.6
Foreign currency translation adjustments	(11.5)	(13.7)	(25.2)
Balance at September 30, 2019	<u>\$2,475.4</u>	<u>\$1,193.0</u>	<u>\$3,668.4</u>

11. Income Taxes

At September 30, 2019, the Company had gross unrecognized tax benefits of \$104.8 million, of which \$63.1 million, if recognized, would impact the effective tax rate.

The following is a reconciliation of the liability for uncertain tax positions (in millions):

Balance at December 31, 2018	\$ 119.3
Additions for tax positions	13.3
Reductions for tax positions	(27.8)
Balance at September 30, 2019	<u>\$ 104.8</u>

The Company recognizes interest and penalties accrued related to uncertain tax positions in income tax expense. The amounts recognized in income tax expense for interest and penalties during the three and nine months ended September 30, 2019 and 2018 were not significant.

The effective tax rate for the three months ended September 30, 2019 was 19.5%, compared with 21.9% for the three months ended September 30, 2018. The effective tax rate for the nine months ended September 30, 2019 was 20.1%, compared with 22.3% for the nine months ended September 30, 2018. Both comparative quarters effective tax rates include the impact of the 2017 U.S. Tax Cuts and Jobs Act (the “Act”) including the reduction of the U.S. corporate income tax rate and the current impact of the global intangible low-taxed income (“GILTI”) and the foreign-derived intangible income (“FDII”) provisions. The lower rates for 2019 reflects higher year over year tax benefits related to share-based payment transactions as well as the release of uncertain tax position liabilities primarily relating to statute expirations for U.S. Federal and State jurisdictions totaling \$21.9 million.

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12. Debt

In December 2018, the Company completed a private placement agreement to sell \$575 million and 75 million Euros in senior notes to a group of institutional investors (the “2018 Private Placement”). There were two funding dates under the 2018 Private Placement. The first funding occurred in December 2018 for \$475 million and 75 million Euros (\$85.1 million). The second funding occurred in January 2019 for \$100 million. The 2018 Private Placement senior notes carry a weighted average interest rate of 3.93% 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 2018 Private Placement were used to pay down domestic borrowings under the Company’s revolving credit facility.

13. Share-Based Compensation

Under the terms of the Company’s stockholder-approved share-based plans, performance restricted stock units (“PRSUs”), 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. Stock options granted prior to 2018 generally vest at a rate of one-fourth on each of the first four anniversaries of the grant date and have a maximum contractual term of seven years. Beginning in 2018, stock options granted generally vest at a rate of one-third on each of the first three anniversaries of the grant date and have a maximum contractual term of ten years. Restricted stock granted to employees prior to 2018 generally vests four years after the grant date (cliff vesting) and is 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. Beginning in 2018, restricted stock granted to employees generally vests one-third on each of the first three anniversaries of the grant date. Restricted stock granted to non-employee directors generally vests two years after the grant date (cliff vesting) and is 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.

In March 2019, the Company granted PRSUs to officers and certain key management-level employees an aggregate target award of approximately 102,000 shares of its common stock. The PRSUs vest over a period up to three years from the grant date based on continuous service, with the number of shares earned (0% to 200% of the target award) depending upon the extent to which the Company achieves certain financial and market performance targets measured over the period from January 1, 2019 through December 31, 2021. Half of the PRSUs were valued in a manner similar to restricted stock as the financial targets are based on the Company’s operating results, which represents a performance condition. The grant date fair value of these PRSUs are recognized as compensation expense over the vesting period based on the probable number of awards to vest at each reporting date. The other half of the PRSUs were valued using a Monte Carlo model as the performance target is related to the Company’s total shareholder return compared to a group of peer companies, which represents a market condition. The Company recognizes the grant date fair value of these awards as compensation expense ratably over the vesting period.

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Total share-based compensation expense was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Stock option expense	\$ 3,214	\$ 2,924	\$ 9,594	\$ 8,467
Restricted stock expense	3,995	3,738	11,112	10,586
PRSU expense	6,349	483	8,298	1,047
Total pre-tax expense	<u>\$ 13,558</u>	<u>\$ 7,145</u>	<u>\$ 29,004</u>	<u>\$ 20,100</u>

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 grant date 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 periods indicated:

	Nine Months Ended September 30, 2019	Year Ended December 31, 2018
Expected volatility	19.1%	17.3%
Expected term (years)	5.0	5.0
Risk-free interest rate	2.25%	2.81%
Expected dividend yield	0.66%	0.76%
Black-Scholes-Merton fair value per stock option granted	\$ 16.85	\$ 14.12

Expected volatility is based on the historical volatility of the Company's stock over the stock options' expected term. 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. The expected dividend yield is calculated by dividing the Company's annual dividend, based on the most recent quarterly dividend rate, by the Company's closing common stock price on the grant date. 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:

	Shares (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In millions)
Outstanding at December 31, 2018	5,629	\$ 53.46		
Granted	826	85.43		
Exercised	(1,389)	42.95		
Forfeited	(188)	66.81		
Outstanding at September 30, 2019	<u>4,878</u>	<u>\$ 61.35</u>	<u>5.1</u>	<u>\$ 148.7</u>
Exercisable at September 30, 2019	<u>2,781</u>	<u>\$ 53.75</u>	<u>3.4</u>	<u>\$ 105.9</u>

The aggregate intrinsic value of stock options exercised during the nine months ended September 30, 2019 was \$59.7 million. The total fair value of stock options vested during the nine months ended September 30, 2019 was \$11.7 million. As of September 30, 2019, there was approximately \$22.3 million of expected future pre-tax compensation expense related to the 2.1 million nonvested stock options outstanding, which is expected to be recognized over a weighted average period of approximately two years.

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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 Company's closing common stock price on the grant date. Upon the grant of restricted stock, the fair value of the restricted shares (unearned compensation) at the grant date 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.

The following is a summary of the Company's nonvested restricted stock activity and related information:

	Shares (In thousands)	Weighted Average Grant Date Fair Value
Nonvested restricted stock outstanding at December 31, 2018	891	\$ 58.98
Granted	202	85.28
Vested	(285)	57.67
Forfeited	(74)	64.08
Nonvested restricted stock outstanding at September 30, 2019	<u>734</u>	<u>\$ 66.22</u>

The total fair value of restricted stock vested during the nine months ended September 30, 2019 was \$16.5 million. As of September 30, 2019, there was approximately \$29.4 million of expected future pre-tax compensation expense related to the 0.7 million nonvested restricted shares outstanding, which is expected to be recognized over a weighted average period of approximately two years.

14. Retirement and Pension Plans

The components of net periodic pension benefit expense (income) were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Defined benefit plans:				
Service cost	\$ 1,678	\$ 1,766	\$ 5,093	\$ 5,373
Interest cost	6,677	6,311	20,179	19,214
Expected return on plan assets	(13,061)	(14,734)	(39,272)	(44,581)
Amortization of net actuarial loss and other	3,902	2,952	11,838	8,856
Pension expense (income)	<u>(804)</u>	<u>(3,705)</u>	<u>(2,162)</u>	<u>(11,138)</u>
Other plans:				
Defined contribution plans	7,614	6,877	24,876	22,220
Foreign plans and other	3,816	1,505	6,921	4,688
Total other plans	<u>11,430</u>	<u>8,382</u>	<u>31,797</u>	<u>26,908</u>
Total net pension expense	<u>\$ 10,626</u>	<u>\$ 4,677</u>	<u>\$ 29,635</u>	<u>\$ 15,770</u>

Net periodic benefit cost, other than the service cost component, is included in "Other expense, net" in the consolidated statement of income.

For the nine months ended September 30, 2019 and 2018, contributions to the Company's defined benefit pension plans were \$2.5 million and \$2.2 million, respectively. The Company's current estimate of 2019 contributions to its worldwide defined benefit pension plans is in line with the range disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

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15. 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 that it has good and valid defenses to each of these claims and intends to defend them vigorously.

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 September 30, 2019, 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 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 September 30, 2019 and December 31, 2018 were \$28.5 million and \$27.8 million, respectively, for both non-owned and owned sites. For the nine months ended September 30, 2019, the Company recorded \$5.3 million in reserves. Additionally, the Company spent \$4.3 million on environmental matters and the reserve decreased \$0.3 million due to foreign currency translation for the nine months ended September 30, 2019. The Company’s reserves for environmental liabilities at September 30, 2019 and December 31, 2018 included reserves of \$9.1 million and \$9.6 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 September 30, 2019, the Company had \$12.4 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.

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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 for the environmental matters described above, 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.

The Company has been remediating groundwater contamination for several contaminants, including trichloroethylene ("TCE"), at a formerly owned site in El Cajon, California. Several lawsuits have been filed against the Company alleging damages resulting from the groundwater contamination, including property damages and personal injury, and seeking compensatory and punitive damages. The Company believes that it has good and valid defenses to each of these claims and intends to defend them vigorously. The Company believes it has established reserves for these lawsuits that are sufficient to satisfy its expected exposure. The Company does not expect the outcome of these matters, either individually or in the aggregate, to materially affect the consolidated results of operations, financial position or cash flows of the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(In thousands)				
Net sales:				
Electronic Instruments	\$ 815,552	\$ 742,041	\$ 2,442,710	\$ 2,202,925
Electromechanical	461,081	450,921	1,411,026	1,371,619
Consolidated net sales	<u>\$1,276,633</u>	<u>\$1,192,962</u>	<u>\$3,853,736</u>	<u>\$3,574,544</u>
Operating income and income before income taxes:				
Segment operating income:				
Electronic Instruments	\$ 219,451	\$ 190,313	\$ 635,448	\$ 567,503
Electromechanical	103,451	92,667	303,329	277,919
Total segment operating income	<u>322,902</u>	<u>282,980</u>	<u>938,777</u>	<u>845,422</u>
Corporate administrative expenses	(21,846)	(17,714)	(59,052)	(51,902)
Consolidated operating income	<u>301,056</u>	<u>265,266</u>	<u>879,725</u>	<u>793,520</u>
Interest expense	(21,308)	(19,391)	(65,436)	(61,861)
Other expense, net	(5,517)	(945)	(12,521)	(2,684)
Consolidated income before income taxes	<u>\$ 274,231</u>	<u>\$ 244,930</u>	<u>\$ 801,768</u>	<u>\$ 728,975</u>

For the quarter ended September 30, 2019, the Company posted record operating income and operating cash flow, as well as strong sales, backlog, operating income margins, net income, and diluted earnings per share. The Company achieved these results from organic sales growth in both EIG and EMG, contributions from the 2019 acquisition of Pacific Design Technologies, Inc. ("PDT") in September 2019, the 2018 acquisitions of Spectro Scientific Corporation in November 2018, Forza Silicon Corporation ("Forza") and Telular Corporation in October 2018, as well as our Operational Excellence initiatives.

For 2019, the Company's strong backlog, the full year impact of the 2018 and 2019 acquisitions and continued focus on and implementation of Operational Excellence initiatives are expected to have a positive impact on the remainder of the Company's 2019 results.

Results of operations for the third quarter of 2019 compared with the third quarter of 2018

Net sales for the third quarter of 2019 were \$1,276.6 million, an increase of \$83.6 million or 7.0%, compared with net sales of \$1,193.0 million for the third quarter of 2018. The increase in net sales for the third quarter of 2019 was due to 3% organic sales growth and a 5% increase from acquisitions, partially offset by an unfavorable 1% effect of foreign currency translation.

Total international sales for the third quarter of 2019 were \$602.7 million or 47.2% of net sales, an increase of \$5.9 million or 1.0%, compared with international sales of \$596.8 million or 50.0% of net sales for the third quarter of 2018. The \$5.9 million increase in international sales was primarily driven from recent acquisitions. Both reportable segments of the Company maintain strong international sales presences in Europe and Asia.

Orders for the third quarter of 2019 were \$1,227.7 million, an increase of \$35.7 million or 3.0%, compared with \$1,192.0 million for the third quarter of 2018. The increase in orders for the third quarter of 2019 was due to an 8% increase from acquisitions partially offset by a 3% decrease in organic growth and an unfavorable 2% effect of foreign currency translation.

Segment operating income for the third quarter of 2019 was \$322.9 million, an increase of \$39.9 million or 14.1%, compared with segment operating income of \$283.0 million for the third quarter of 2018. Segment operating income, as a percentage of net sales, increased to 25.3% for the third quarter of 2019, compared with 23.7% for the third quarter of 2018.

The increase in segment operating income and segment operating margins for the third quarter of 2019 resulted primarily from the increase in net sales noted above, as well as the benefits of the Company's Operational Excellence initiatives.

Cost of sales for the third quarter of 2019 was \$823.3 million or 64.5% of net sales, an increase of \$40.3 million or 5.1%, compared with \$783.0 million or 65.6% of net sales for the third quarter of 2018.

Selling, general and administrative expenses for the third quarter of 2019 were \$152.3 million or 11.9% of net sales, an increase of \$7.6 million or 5.3%, compared with \$144.7 million or 12.1% of net sales for the third quarter of 2018. Selling, general and administrative expenses increased primarily due to the increase in net sales noted above.

Consolidated operating income was a record \$301.1 million or 23.6% of net sales for the third quarter of 2019, an increase of \$35.8 million or 13.5%, compared with \$265.3 million or 22.2% of net sales for the third quarter of 2018.

Interest expense was \$21.3 million for the third quarter of 2019, an increase of \$1.9 million or 9.9%, compared with \$19.4 million for the third quarter of 2018. The change in interest expense is largely driven by the 2018 private placement senior notes issued in December 2018 (\$475 million and 75 million Euros) and January 2019 (\$100 million), partially offset by a decrease related to the repayment in full, at maturity, of \$80 million in aggregate principal amount of 6.35% private placement senior notes and \$160 million in aggregate principal amount of 7.08% private placement senior notes in the third quarter of 2018, and \$65 million in aggregate principal amount of 7.18% private placement senior notes in the fourth quarter of 2018.

Other expense, net was \$5.5 million for the third quarter of 2019, an increase of \$4.6 million, compared with \$0.9 million for the third quarter of 2018. The Other expense, net increase for 2019 was primarily due to lower defined benefit pension income, compared to the same period in 2018.

The effective tax rate for the third quarter of 2019 was 19.5%, compared with 21.9% for the third quarter of 2018. The 2019 and 2018 effective tax rates reflect the release of uncertain tax position liabilities primarily relating to statute expirations for U.S. Federal and State jurisdictions totaling \$21.9 million and \$11.4 million, respectively. See Note 11 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Net income for the third quarter of 2019 was \$220.7 million, an increase of \$29.5 million or 15.4%, compared with \$191.2 million for the third quarter of 2018.

Diluted earnings per share for the third quarter of 2019 were \$0.96, an increase of \$0.14 or 17.1%, compared with \$0.82 per diluted share for the third quarter of 2018.

Segment Results

EIG's net sales totaled \$815.6 million for the third quarter of 2019, an increase of \$73.5 million or 9.9%, compared with \$742.0 million for the third quarter of 2018. The net sales increase was due to a 7% increase from acquisitions and 3% organic sales growth, partially offset by an unfavorable 1% effect of foreign currency translation.

EIG's operating income was a record \$219.5 million for the third quarter of 2019, an increase of \$29.1 million or 15.3%, compared with \$190.3 million for the third quarter of 2018. **EIG**'s operating margins were 26.9% of net sales for the third quarter of 2019, compared with 25.6% for the third quarter of 2018. The increase in **EIG**'s operating income and operating margins for the third quarter of 2019 were primarily due to the increase in net sales noted above, as well as the benefits of the Group's Operational Excellence initiatives.

EMG's net sales totaled \$461.1 million for the third quarter of 2019, an increase of \$10.2 million or 2.3%, compared with \$450.9 million for the third quarter of 2018. The net sales increase was due to 3% organic sales growth, partially offset by an unfavorable 1% effect of foreign currency translation.

EMG's operating income was a record at \$103.5 million for the third quarter of 2019, an increase of \$10.8 million or 11.6%, compared with \$92.7 million for the third quarter of 2018. **EMG**'s operating margins were 22.4% of net sales for the third quarter of 2019, compared with 20.6% for the third quarter of 2018. The increase in **EMG**'s operating income and operating margins for the first quarter of 2019 were primarily due to the increase in net sales noted above, as well as the benefits of the Group's Operational Excellence initiatives.

Results of operations for the first nine months of 2019 compared with the first nine months of 2018

Net sales for the first nine months of 2019 were \$3,853.7 million, an increase of \$279.2 million or 7.8%, compared with net sales of \$3,574.5 million for the first nine months of 2018. The increase in net sales for the first nine months of 2019 was due to 4% organic sales growth, a 5% increase from acquisitions and an unfavorable 1% effect of foreign currency translation.

Total international sales for the first nine months of 2019 were \$1,839.2 million or 47.7% of net sales, an increase of \$20.2 million or 1.1%, compared with international sales of \$1,818.9 million or 50.9% of net sales for the first nine months of 2018. The increase in international sales was primarily driven by recent acquisitions. Both reportable segments of the Company maintain strong international sales presences in Europe and Asia.

Orders for the first nine months of 2019 were \$3,884.0 million, an increase of \$116.3 million or 3.1%, compared with \$3,767.7 million for the first nine months of 2018. The increase in orders for the first nine months of 2019 was due to a 4% increase from acquisitions, partially offset by an unfavorable 1% effect of foreign currency translation. As a result, the Company's backlog of unfilled orders at September 30, 2019 was \$1,632.3 million, an increase of \$30.2 million or 1.9%, compared with \$1,602.1 million at December 31, 2018.

Segment operating income for the first nine months of 2019 was \$938.8 million, an increase of \$93.4 million or 11.0%, compared with segment operating income of \$845.4 million for the first nine months of 2018. Segment operating income, as a percentage of net sales, increased to 24.4% for the first nine months of 2019, compared with 23.7% for the first nine months of 2018. The increase in segment operating income and segment operating margins for the first nine months of 2019 resulted primarily from the increase in net sales noted above, as well as the benefits of the Company's Operational Excellence initiatives.

Cost of sales for the first nine months of 2019 was \$2,512.7 million or 65.2% of net sales, an increase of \$161.7 million or 6.9%, compared with \$2,351.0 million or 65.8% of net sales for the first nine months of 2018. Cost of sales increased primarily due to the increase in net sales noted above.

Selling, general and administrative expenses for the first nine months of 2019 were \$461.3 million or 12.0% of net sales, an increase of \$31.3 million or 7.3%, compared with \$430.0 million or 12.0% of net sales for the first nine months of 2018. Selling, general and administrative expenses increased primarily due to the increase in net sales noted above.

Consolidated operating income was \$879.7 million or 22.8% of net sales for the first nine months of 2019, an increase of \$86.2 million or 10.9%, compared with \$793.5 million or 22.2% of net sales for the first nine months of 2018.

Interest expense was \$65.4 million for the first nine months of 2019, an increase of \$3.6 million or 5.8%, compared with \$61.9 million for the first nine months of 2018. The change in interest expense is largely driven by the 2018 private placement senior notes issued in December 2018 (\$475 million and 75 million Euros) and January 2019 (\$100 million), partially offset by a decrease related to the repayment in full, at maturity, of \$80 million in aggregate principal amount of 6.35% private placement senior notes and \$160 million in aggregate principal amount of 7.08% private placement senior notes in the third quarter of 2018, and \$65 million in aggregate principal amount of 7.18% private placement senior notes in the fourth quarter of 2018.

Other expense, net was \$12.5 million for the first nine months of 2019, an increase of \$9.8 million compared with \$2.7 million for the first nine months of 2018. The Other expense, net increase for 2019 was primarily due to lower defined benefit pension income, compared to the same period in 2018.

The effective tax rate for the first nine months of 2019 was 20.1%, compared with 22.3% for the first nine months of 2018. The lower rate for 2019 mainly reflects higher year over year tax benefits related to share-based payment transactions as well as lower tax cost on foreign source income. The third quarter of 2019 and 2018 effective tax rates also reflect the release of uncertain tax position liabilities primarily relating to statute expirations for U.S. Federal and State jurisdictions totaling \$21.9 and \$11.4 million, respectively. See Note 11 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Net income for the first nine months of 2019 was \$640.5 million, an increase of \$74.1 million or 13.1%, compared with \$566.4 million for the first nine months of 2018.

Diluted earnings per share for the first nine months of 2019 were \$2.79, an increase of \$0.36 or 14.8%, compared with \$2.43 per diluted share for the first nine months of 2018.

Segment Results

EIG's net sales totaled \$2,442.7 million for the first nine months of 2019, an increase of \$239.8 million or 10.9%, compared with \$2,202.9 million for the first nine months of 2018. The net sales increase was due to 3% organic sales growth, a 9% increase from the 2018 acquisitions of Motec, Spectro Scientific Corporation, Forza and Telular Corporation, partially offset by an unfavorable 1% effect of foreign currency translation.

EIG's operating income was \$635.4 million for the first nine months of 2019, an increase of \$67.9 million or 12.0%, compared with \$567.5 million for the first nine months of 2018. The increase in **EIG**'s operating income for the first nine months of 2019 was primarily due to the increase in net sales noted above. **EIG**'s operating margins were 26.0% of net sales for the first nine months of 2019, compared with 25.8% of net sales for the first nine months of 2018. **EIG**'s operating margins for the first nine months of 2019 increased slightly due to the benefits of the Group's Operational Excellence initiatives, partially offset by a negative 1% impact of lower margins on recent acquisitions.

EMG's net sales totaled \$1,411.0 million for the first nine months of 2019, an increase of \$39.4 million or 2.9%, compared with \$1,371.6 million for the first nine months of 2018. The net sales increase was due to 4% organic sales growth and a 2% unfavorable effect of foreign currency translation.

EMG's operating income was \$303.3 million for the first nine months of 2019, an increase of \$25.4 million or 9.1%, compared with \$277.9 million for the first nine months of 2018. **EMG**'s operating margins were 21.5% of net sales for the first nine months of 2019, compared with 20.3% of net sales for the first nine months of 2018. The increase in **EMG**'s operating income and operating margins for the first nine months of 2019 was primarily due to the increase in net sales noted above, as well as the benefits of the Group's Operational Excellence initiatives.

Financial Condition

Liquidity and Capital Resources

Cash provided by operating activities totaled \$772.2 million for the first nine months of 2019, an increase of \$142.8 million or 22.7%, compared with \$629.4 million for the first nine months of 2018. The increase in cash provided by operating activities for the first nine months of 2019 was primarily due to higher net income and better working capital management.

Free cash flow (cash flow provided by operating activities less capital expenditures) was \$710.7 million for the first nine months of 2019, compared with \$581.9 million for the first nine months of 2018. EBITDA (earnings before interest, income taxes, depreciation and amortization) was \$1,034.5 million for the first nine months of 2019, compared with \$935.5 million for the first nine months of 2018. Free cash flow and EBITDA are presented because the Company is aware that they are measures used by third parties in evaluating the Company.

Cash used for investing activities totaled \$173.4 million for the first nine months of 2019, compared with \$424.3 million for the first nine months of 2018. Additions to property, plant and equipment totaled \$61.5 million for the first nine months of 2019, compared with \$47.5 million for the first nine months of 2018. For the first nine months of 2019, the Company paid \$122.1 million, net of cash acquired, to acquire PDT in September 2019. For the first nine months of 2018, the Company paid \$376.2 million, net of cash acquired, to acquire Motec in June 2018, SoundCom in April 2018 and FMH in January 2018.

Cash used for financing activities totaled \$207.9 million for the first nine months of 2019, compared with \$317.2 million for the first nine months of 2018. At September 30, 2019, total debt, net was \$2,428.8 million, compared with \$2,632.7 million at December 31, 2018. For the first nine months of 2019, short-term borrowings decreased by \$258.2 million, compared with a \$0.9 million increase for the first nine months of 2018. At September 30, 2019, the Company had available borrowing capacity of \$1,970.2 million under its revolving credit facility, including the \$500 million accordion feature.

In December 2018, the Company completed the 2018 private placement agreement to sell \$575 million and 75 million Euros in senior notes to a group of institutional investors utilizing two funding dates. The first funding occurred in December 2018 for \$475 million and 75 million Euros (\$85.1 million). The third funding occurred in January 2019 for \$100 million. The 2018 Private Placement senior notes carry a weighted average interest rate of 3.93% 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 funding from the 2018 Private Placement were used to pay down domestic borrowings under the Company's revolving credit facility.

In the third quarter of 2018, \$80 million of 6.35% senior notes and \$160 million of 7.08% senior notes matured and were paid. In the fourth quarter of 2018, \$65 million of 7.18% senior notes matured and were paid. The debt-to-capital ratio was 33.3% at September 30, 2019, compared with 38.3% at December 31, 2018. 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 25.8% at September 30, 2019, compared with 34.9% at December 31, 2018. 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.

Additional financing activities for the first nine months of 2019 included cash dividends paid of \$95.5 million, compared with \$97.0 million for the first nine months of 2018. Effective February 12, 2019, the Company's Board of Directors approved an increase of \$500 million in the authorization for the repurchase of the Company's common stock. Proceeds from stock option exercises were \$59.6 million for the first nine months of 2019, compared with \$28.7 million for the first nine months of 2018.

As a result of all the Company's cash flow activities for the first nine months of 2019, cash and cash equivalents at September 30, 2019 totaled \$735.4 million, compared with \$354.0 million at December 31, 2018. At September 30, 2019, the Company had \$363.0 million in cash outside the United States, compared with \$311.2 million at December 31, 2018. The Company utilizes this cash to fund its international operations, as well as to acquire international businesses. 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.

Critical Accounting Policies

The Company's critical accounting policies are detailed in Part II, Item 7 Management's Discussion and Analysis of Financial Condition of its Annual Report on Form 10-K for the year ended December 31, 2018. Primary disclosure of the Company's significant accounting policies is also included in Note 1 to the Consolidated Financial Statements included in Part II, Item 8 of its Annual Report on Form 10-K.

Revenue Recognition. The majority of the Company's revenues on product sales are recognized at a point in time when the customer obtains control of the product. The transfer in control of the product to the customer is typically evidenced by one or more of the following: the customer having legal title to the product, the Company's present right to payment, the customer's physical possession of the product, the customer accepting the product, or the customer has the benefits of ownership or risk of loss. Legal title transfers to the customer in accordance with the delivery terms of the order, usually upon shipment, which is the point that control transfers. For a small percentage of sales where title and risk of loss transfers at the point of delivery, the Company recognizes revenue upon delivery to the customer, which is the point that control transfers, assuming all other criteria for revenue recognition are met.

Under ASC 606, the Company determined that revenues from certain of its customer contracts met the criteria of satisfying its performance obligations over time, primarily in the areas of the manufacture of custom-made equipment and for service repairs of customer-owned equipment. Prior to the adoption of the new standard, these revenues were recorded upon shipment or, in the case of those sales where title and risk of loss passes at the point of delivery, the Company recognized revenue upon delivery to the customer. Recognizing revenue over time for custom-manufactured equipment is based on the Company's judgment that, in certain contracts, the product does not have an alternative use and the Company has an enforceable right to payment for performance completed to date. This change in revenue recognition accelerated the revenue recognition and costs on the impacted contracts.

Applying the practical expedient available under ASC 606, the Company recognizes incremental cost of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company would have otherwise recognized is one year or less. These costs are included in Selling, general and administrative expenses in the consolidated statement of income.

Revenues associated with repairs of customer-owned assets were previously recorded upon completion and shipment of the repaired equipment to the customer. Under ASC 606, if the Company's performance enhances an asset that the customer controls as the asset is enhanced, revenue must be recognized over time. The revenue associated with the repair of a customer-owned asset meets this criterion.

The determination of the revenue to be recognized in a given period for performance obligations satisfied over time is based on the input method. The Company recognizes revenue over time as it performs on these contracts because the transfer of control to the customer occurs over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally uses the total cost-to-cost input method of progress because it best depicts the transfer of control to the customer that occurs as costs are incurred. Under the cost-to-cost method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. On certain contracts, labor hours is used as the measure of progress when it is determined to be a better depiction of the transfer of control to the customer due to the timing and pattern of labor hours incurred.

Performance obligations also include post-delivery service, installation and training. Post-delivery service revenues are recognized over the contract term. Installation and training revenues are recognized over the period the service is provided. Warranty terms in customer contracts can also be considered separate performance obligations if the warranty provides services beyond assurance that a product complies with agreed-upon specification or if a warranty can be purchased separately. The Company does not incur significant obligations for customer returns and refunds.

Payment terms generally begin upon shipment of the product. The Company does have contracts with multiple billing terms that are all due within one year from when the product is delivered. No significant financing component exists. Payment terms are generally 30-60 days from the time of shipment or customer acceptance, but terms can be shorter or longer. For customer contracts that have revenue recognized over time, revenue is generally recognized prior to a payment being due from the customer. In such cases, the Company recognizes a contract asset at the time the revenue is recognized. When payment becomes due based on the contract terms, the Company reduces the contract asset and records a receivable. In contracts with billing milestones or in other instances with a long production cycle or concerns about credit, customer advance payments are received. The Company may receive a payment in excess of revenue recognized to that date. In these circumstances, a contract liability is recorded.

The Company has certain contracts with variable consideration in the form of volume discounts, rebates and early payment options, which may affect the transaction price used as the basis for revenue recognition. In these contracts, the amount of the variable consideration is not considered constrained and is allocated among the various performance obligations in the customer contract based on the relative standalone selling price of each performance obligation to the total standalone value of all the performance obligations.

Forward-Looking Information

Information contained in this discussion, other than historical information, is considered "forward-looking statements" and is subject to various factors and uncertainties that may cause actual results to differ significantly from expectations. These factors and uncertainties include general economic conditions affecting the industries the Company serves; changes in the competitive environment or the effects of competition in the Company's markets; risks associated with international sales and operations; the Company's ability to consummate and successfully integrate future acquisitions; the Company's ability to successfully develop new products, open new facilities or transfer product lines; the price and availability of raw materials; compliance with government regulations, including environmental regulations; and the ability to maintain adequate liquidity and financing sources. A detailed discussion of these and other factors that may affect the Company's future results is contained in AMETEK's filings with the U.S. Securities and Exchange Commission, including its most recent reports on Form 10-K, 10-Q and 8-K. AMETEK disclaims any intention or obligation to update or revise any forward-looking statements, unless required by the securities laws to do so.

Item 4. Controls and Procedures

The Company maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management in a timely manner. Under the supervision and with the participation of our management, including the Company's principal executive officer and principal financial officer, we have evaluated the effectiveness of our system of disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of September 30, 2019. Based on that evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective at the reasonable assurance level.

Such evaluation did not identify any change in the Company's internal control over financial reporting during the quarter ended September 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Purchase of equity securities by the issuer and affiliated purchasers.

The following table reflects purchases of AMETEK, Inc. common stock by the Company during the three months ended September 30, 2019:

<u>Period</u>	<u>Total Number of Shares Purchased (1)(2)</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plan (2)</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan</u>
July 1, 2019 to July 31, 2019	2,579	\$ 90.97	2,579	\$ 494,493,031
August 1, 2019 to August 31, 2019	653	86.26	653	494,436,704
September 1, 2019 to September 30, 2019	—	—	—	494,436,704
Total	3,232	90.02	3,232	

- (1) Represents shares surrendered to the Company to satisfy tax withholding obligations in connection with employees' share-based compensation awards.
(2) Consists of the number of shares purchased pursuant to the Company's Board of Directors \$500 million authorization for the repurchase of its common stock announced in February 2019. Such purchases may be affected from time to time in the open market or in private transactions, subject to market conditions and at management's discretion.

Item 6. Exhibits

Exhibit Number	Description
10.1*	Form of Performance Restricted Stock Unit Agreement for Chief Executive Officer
10.2*	Form of Performance Restricted Stock Unit Agreement for US Employees
10.3*	Form of Performance Restricted Stock Unit Agreement for Non-US Employees
31.1*	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* Filed electronically herewith.

SIGNATURES

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

AMETEK, Inc.
(Registrant)

By: /s/ THOMAS M. MONTGOMERY
Thomas M. Montgomery
Senior Vice President – Comptroller
(Principal Accounting Officer)

November 1, 2019

**2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.**

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT ("Agreement"), made as of the Award Date, by and between AMETEK, Inc., a Delaware corporation (the "Company" or "AMETEK"), and the Recipient.

W I T N E S S E T H :

WHEREAS, the Company has adopted the 2011 Omnibus Incentive Compensation Plan of AMETEK, Inc. (the "Plan"), pursuant to which the Compensation Committee of the Board of Directors of the Company (the "Committee") may, inter alia, award Performance Restricted Stock Units to such employees or non-employee directors of the Company and its Affiliates as the Committee may determine, and subject to such terms, conditions and restrictions as the Committee may deem advisable; and

WHEREAS, pursuant to the Plan, the Committee has awarded to the Recipient a Performance Restricted Stock Unit, subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement;

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

1. Pursuant to the Plan, the Company hereby grants to the Recipient on the Award Date, a Performance Restricted Stock Unit award, and such units, the "Performance Restricted Stock Units," are subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the same meanings as defined in the Plan.

2. At such time the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, the Company will deliver to the Recipient an unrestricted certificate for a number of shares of Company Stock equal to the number of Performance Restricted Stock Units that became vested ("PRSU Shares") or an equivalent cash amount based on the value of a share of Company Stock, or a combination of the two, as determined by the Committee, in its discretion. The applicable date of delivery of the PRSU Shares or cash shall be no later than sixty (60) days after the date or event on which the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, except as set forth in Paragraph 17.

3. The Performance Restricted Stock Units (to the extent earned pursuant to Paragraph 4 below) shall become vested and nonforfeitable on the date the results are certified by the Committee which shall in any event occur within three months following the end of the Performance Period (the "Vest Date"). Vesting is contingent on continued employment throughout the Vest Date, except that:

(a) in the event of death or disability (as defined in the Termination and Change of Control Agreement, dated as of May 8, 2017) of the Recipient; or

(b) the Recipient's Separation from Service with the Company (or any successor or Affiliate of the Company) as a result of and concurrent with a Change of Control (as defined in the Plan)

the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date in an amount equal to the initial Performance Restricted Stock Unit award (the "Target Award").

In addition, in the event of the Recipient's attainment of at least fifty-five (55) years of age and at least ten (10) years of service with the Company (or any successor or Affiliate of the Company) at the Recipient's termination of employment date occurring on or after December 31st of the first year of the "Performance Period" (as such term is defined in Exhibit A), then the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date, to the extent that the performance goals are achieved.

Except to the extent, if any, that the Performance Restricted Stock Unit shall have become nonforfeitable pursuant to the foregoing provisions of this Paragraph 3, if the Recipient shall voluntarily or involuntarily leave the employ of the Company and its Affiliates prior to the Vest Date, the Performance Restricted Stock Unit (and any dividends, distributions and adjustments retained by the Company with respect thereto) shall be forfeited.

4. Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital ("ROTC") plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return ("TSR") by (b) the Target Award. The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award. The vested percentage applicable to ROTC and TSR will each be determined over the "Performance Period" (as such term is defined in Exhibit A) as illustrated in the schedules attached to this Agreement as Exhibit A.

5. The Recipient shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Performance Restricted Stock Units, or any interest therein other than by will or the laws of descent and distribution, unless and until the Performance Restricted Stock Units have been settled as provided in this Agreement.

6. Prior to the issuance of PRSU Shares, Recipient will have no rights as a shareholder of the Company with respect to this Performance Restricted Stock Unit award or the Performance Restricted Stock Units.

7. If the number of outstanding shares of Company Stock changes through the declaration of stock dividends or stock splits prior to the vesting date, the Restricted Stock Units subject to this Award automatically will be adjusted, according to the provisions of Section 5(e) of the Plan. In the event of any other change in the capital structure or the Company Stock or other corporate events or transactions involving the Company, the Committee is authorized to make appropriate adjustments to this award.

8. Recipient shall be credited with Dividend Equivalents with respect to outstanding Performance Restricted Stock Units prior to the applicable vesting date. Such Dividend Equivalents will be credited to the Recipient as a cash value plus interest, which shall be held by the Company subject hereto. For purposes of this Paragraph 8, interest shall be credited from the date a Dividend Equivalent with respect to the Performance Restricted Stock Units is made to the date on which the Company distributes such amounts to the Recipient, at the five-year Treasury Note rate, plus 0.5% as such rate is set forth in the Wall Street Journal as of the first business day of each calendar quarter. Dividend Equivalents shall be subject to the same terms and conditions, and shall vest and be paid, or be forfeited (if applicable), at the same time as the Restricted Stock Units to which they relate.

9. If, in connection with the grant, vesting or settlement of the Performance Restricted Stock Unit award or issuance of PRSU Shares with respect to vested Performance Restricted Stock Units, the Company (or any successor or Affiliate) shall be required to withhold amounts under applicable federal, state, local or foreign laws, rules or regulations, including income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Recipient's participation in the Plan and legally applicable to the Recipient ("Tax-Related Items"), the Company will withhold such number of shares of Company Stock (thus reducing the number of shares to be issued to the Recipient) as shall have a Fair Market Value, valued on the date on which Tax-Related Items are determined, equal to the amount required to be withheld to satisfy the Company (or successor or Affiliate's) withholding obligations. Notwithstanding anything in this Paragraph 9 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Company Stock underlying the Performance Restricted Stock Units will be withheld to satisfy any Tax-Related Items arising prior to the date of settlement of the Performance Restricted Stock Units for any portion of the Performance Restricted Stock Units that is considered an item of "nonqualified deferred compensation" subject to Section 409A, then the number of shares of Company Stock withheld shall not exceed the number of shares that equals the liability for the Tax-Related Items.

10. The Company and the Recipient each hereby agrees to be bound by the terms and conditions set forth in the Plan.

11. Any notices or other communications given in connection with this Agreement shall be sent either by registered or certified mail, return receipt requested, or by overnight mail, facsimile, or electronic mail to the Company and Recipient address or number of record or to such changed address or number as to which either party has given notice to the other party in accordance with this Paragraph 11. All notices shall be deemed given when so mailed, or if sent by facsimile or electronic mail, when electronic confirmation of the transmission is received, except that a notice of change of address shall be deemed given when received.

12. This Agreement and the Plan constitute the whole agreement between the parties hereto with respect to the Performance Restricted Stock Unit award.

13. This Agreement shall not be construed as creating any contract of employment between the Company and the Recipient and does not entitle the Recipient to any benefit other than that granted under this Agreement.

14. This Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns, and shall inure to the benefit of, and be binding on, the Recipient and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by the Recipient.

15. The Recipient understands that in order to perform its obligations under the Plan or for the implementation and administration of the Plan, the Company may collect, transfer, use, process, or hold certain personal or sensitive data about Recipient. Such data includes, but is not limited to Recipient's name, nationality, citizenship, work authorization, date of birth, age, government or tax identification number, passport number, brokerage account information, address, compensation and equity award history, and beneficiaries' contact information. Recipient explicitly consents to the collection, transfer (including to third parties in Recipient's home country or the United States or other countries, such as but not limited to human resources personnel, legal and tax advisors, and brokerage administrators), use, processing, and holding, electronically or otherwise, of his/her personal information in connection with this or any other equity award. At all times, the Company shall maintain the confidentiality of Recipient's personal information, except to the extent the Company is required to provide such information to governmental agencies or other parties and such actions will be undertaken by the Company only in accordance with applicable law.

16. This Agreement shall be subject to and construed in accordance with, the laws of the State of Delaware without giving effect to principles of conflicts of law.

17. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the Recipient's consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of cash or Company Stock pursuant to the Performance Restricted Stock Unit. The Company (including its Affiliates) shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A. Each amount to be paid under this Agreement shall be construed as a separately identified payment for purposes of Section 409A. In addition, notwithstanding anything herein to the contrary, if the Recipient is deemed on the date of his or her Separation from Service to be a "specified employee" within the meaning of that term under Section 409A and the Recipient is subject to U.S. federal taxation, then, to the extent the settlement of the Performance Restricted Stock Units following such Separation from Service is considered the payment of "non-qualified deferred compensation" under Section 409A payable on account of a "separation from service," such settlement shall be delayed until the first business day of the seventh month following the Recipient's Separation from Service, or, if earlier, on the date of the Recipient's death, solely to the extent such delayed payment is required in order to avoid a prohibited distribution under Section 409A.

18. The Recipient recognizes and acknowledges that, by reason of Recipient's employment by and service to the Company or an Affiliate, Recipient has had and will continue to have access to confidential information of the Company and its Affiliates, including, without limitation, information and knowledge pertaining to products and services offered, innovations, designs, ideas, plans, trade secrets, proprietary information, distribution and sales methods and systems, sales and profit figures, customer and client lists, and relationships between the Company and its Affiliates and other distributors, customers, clients, suppliers and others who have business dealings with the Company and its Affiliates ("Confidential Information"). The Recipient acknowledges that such Confidential Information is a valuable and unique asset and covenants that Recipient will not, either during or after Recipient's employment by the Company, use or disclose any such Confidential Information except to authorized representatives of the Company or as required in the performance of Recipient's duties and responsibilities. The Recipient shall not be required to keep confidential any Confidential Information which (i) is or becomes publicly available through no fault of the Recipient, (ii) is already in Recipient's possession (unless obtained from the Company (or an Affiliate) or one of its customers) or (iii) is required to be disclosed by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the Recipient shall provide the Company written notice of any such order prior to such disclosure to the extent practicable under the circumstances and permitted by applicable law. Further, the Recipient shall be free to use and employ Recipient's general skills, know-how and expertise, and to use, disclose and employ any contact information, generalized ideas, concepts, know-how, methods, techniques or skills, including, without limitation, those gained or learned during the course of the performance of Recipient's duties and responsibilities hereunder, so long as Recipient applies such information without disclosure or use of any Confidential Information. Upon the Recipient's Separation from Service, the Recipient will return (or destroy, if requested by Company) all Confidential Information to the Company to the fullest extent possible.

19. During the Recipient's employment and at any time thereafter, the Recipient agrees not to at any time make statements or representations, orally or in writing, that disparage the commercial reputation, goodwill or interests of the Company (or an Affiliate), or any current or former employee, officer, or director of the Company (or an Affiliate). Nothing in this Agreement shall limit or otherwise prevent (i) any person from providing truthful testimony or information in any proceeding or in response to any request from any governmental agency or any judicial, arbitral or self-regulatory forum or as otherwise required by law; (ii) either party from enforcing the other terms of this Agreement; (iii) the Company (or an Affiliate) from reviewing the Recipient's performance, conducting investigations and otherwise acting in compliance with applicable law, including making statements or reports in connection therewith, or making any public filings or reports that may be required by law; (iv) the Recipient from the performance of Recipient's duties while employed by the Company (or an Affiliate); or (v) the Recipient from making a report to any governmental agency or entity, including but not limited to, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, if Recipient has a reasonable belief that there has been a potential violation of

federal or state law or regulation or from making other disclosures that are protected under the whistleblower provisions of any applicable federal or state law or regulation. No prior authorization to make any such reports or disclosures is required and the Recipient is not required to notify the Company that Recipient has made such reports or disclosures. The Recipient, however, may not waive the Company's (or an Affiliate's) attorney-client privilege.

Exhibit A

2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital (“ROTC”) plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return (“TSR”) by (b) the number of initial Performance Restricted Stock Units granted (the “Target Award”). The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award.

The vested percentage applicable to ROTC and TSR will each be determined over the Performance Period as illustrated in the schedules set forth below. For purposes of this Agreement, the “Performance Period” means the period beginning January 1, 2019 and ending December 31, 2021.

Calculating ROTC. Annual ROTC is calculated by dividing EBITDA (earnings before interest, income taxes, depreciation and amortization), and adjusting for certain non-GAAP charges (i.e., realignment costs) and trailing EBITDA of acquisitions, by average net tangible capital. Average net tangible capital is the simple average calculation of beginning and ending net tangible assets (total assets less cash, less goodwill and less other intangibles, net), less net current liabilities (current liabilities, less short-term borrowings and current portion of long-term debt).

The Compensation Committee will make adjustments, on a case-by-case basis, to modify the calculation of ROTC to fairly represent changes in U.S. GAAP occurring during the target and/or performance periods in the measurement of ROTC performance against target.

Return on Tangible Capital (ROTC)

The vested percentage applicable to ROTC will be determined based on AMETEK, Inc. average annual ROTC (“Average ROTC”) as calculated below for the Performance Period in accordance with the following schedule:

Average ROTC	ROTC Vested Percentage
< 52%	0%
52%	50%
92%	100%
≥112%	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to ROTC will be 0% if the Average ROTC for the Performance Period is below 52%. In no event will the vested percentage applicable to ROTC be greater than 200%.

Average ROTC will equal the sum of the three annual ROTC calculations during the Performance Period divided by three.

Total Shareholder Return (TSR)

The vested percentage applicable to TSR will be determined based on AMETEK TSR (as defined below) over the Performance Period relative to the TSR of the S&P 500 Industrials Index during the same period in accordance with the following schedule:

<u>TSR Ranking Relative to S&P 500 Industrials</u>	<u>TSR Vested Percentage</u>
<30th percentile	0%
30th percentile	50%
50th percentile	100%
≥80th percentile	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to TSR will be 0% if AMETEK TSR ranks lower than the 30th percentile relative to the S&P 500 Industrials. In no event will the vested percentage applicable to TSR be greater than 200%.

For purposes of this Agreement, the term "TSR" means $[(a) - (b) + (c)] / (b)$, where (a) is the Stock Price (as defined below) on the last business day of the Performance Period, (b) is the Stock Price on the first business day of the Performance Period and (c) is dividends paid during the Performance Period. The term Stock Price means the average daily closing price of a share of common stock of the Company or the companies comprising the S&P 500 Industrials, as applicable, during the preceding 10 trading days. The Stock Price for the Company shall be adjusted to reflect a stock split, reverse stock split, spin-off or other similar extraordinary event affecting the shares in question without the issuer's receipt of consideration occurring during the Performance Period.

**2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.**

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT (“Agreement”), made as of the Award Date, by and between AMETEK, Inc., a Delaware corporation (the “Company” or “AMETEK”), and the Recipient.

W I T N E S S E T H :

WHEREAS, the Company has adopted the 2011 Omnibus Incentive Compensation Plan of AMETEK, Inc. (the “Plan”), pursuant to which the Compensation Committee of the Board of Directors of the Company (the “Committee”) may, *inter alia*, award Performance Restricted Stock Units to such employees or non-employee directors of the Company and its Affiliates as the Committee may determine, and subject to such terms, conditions and restrictions as the Committee may deem advisable; and

WHEREAS, pursuant to the Plan, the Committee has awarded to the Recipient a Performance Restricted Stock Unit, subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement;

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

1. Pursuant to the Plan, the Company hereby grants to the Recipient on the Award Date, a Performance Restricted Stock Unit award, and such units, the “Performance Restricted Stock Units,” are subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the same meanings as defined in the Plan.
2. At such time the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, the Company will deliver to the Recipient an unrestricted certificate for a number of shares of Company Stock equal to the number of Performance Restricted Stock Units that became vested (“PRSU Shares”) or an equivalent cash amount based on the value of a share of Company Stock, or a combination of the two, as determined by the Committee, in its discretion. The applicable date of delivery of the PRSU Shares or cash shall be no later than sixty (60) days after the date or event on which the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, except as set forth in Paragraph 17.
3. The Performance Restricted Stock Units (to the extent earned pursuant to Paragraph 4 below) shall become vested and nonforfeitable on the date the results are certified by the Committee which shall in any event occur within three months following the end of the Performance Period (the “Vest Date”). Vesting is contingent on continued employment throughout the Vest Date, except that:

- (a) in the event of death or Disability of the Recipient; or
- (b) the Recipient's Separation from Service with the Company (or any successor or Affiliate of the Company) as a result of and concurrent with a Change of Control (as defined in the Plan)

the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date in an amount equal to the initial Performance Restricted Stock Unit award (the "Target Award").

In addition, in the event of the Recipient's attainment of at least fifty-five (55) years of age and at least ten (10) years of service with the Company (or any successor or Affiliate of the Company) at the Recipient's termination of employment date occurring on or after December 31st of the first year of the "Performance Period" (as such term is defined in Exhibit A), then the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date, to the extent that the performance goals are achieved.

Except to the extent, if any, that the Performance Restricted Stock Unit shall have become nonforfeitable pursuant to the foregoing provisions of this Paragraph 3, if the Recipient shall voluntarily or involuntarily leave the employ of the Company and its Affiliates prior to the Vest Date, the Performance Restricted Stock Unit (and any dividends, distributions and adjustments retained by the Company with respect thereto) shall be forfeited.

4. Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital ("ROTC") plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return ("TSR") by (b) the Target Award. The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award. The vested percentage applicable to ROTC and TSR will each be determined over the "Performance Period" (as such term is defined in Exhibit A) as illustrated in the schedules attached to this Agreement as Exhibit A.

5. The Recipient shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Performance Restricted Stock Units, or any interest therein other than by will or the laws of descent and distribution, unless and until the Performance Restricted Stock Units have been settled as provided in this Agreement.

6. Prior to the issuance of PRSU Shares, Recipient will have no rights as a shareholder of the Company with respect to this Performance Restricted Stock Unit award or the Performance Restricted Stock Units.

7. If the number of outstanding shares of Company Stock changes through the declaration of stock dividends or stock splits prior to the vesting date, the Restricted Stock Units subject to this Award automatically will be adjusted, according to the provisions of Section 5(e) of the Plan. In the event of any other change in the capital structure or the Company Stock or other corporate events or transactions involving the Company, the Committee is authorized to make appropriate adjustments to this award.

8. Recipient shall be credited with Dividend Equivalents with respect to outstanding Performance Restricted Stock Units prior to the applicable vesting date. Such Dividend Equivalents will be credited to the Recipient as a cash value plus interest, which shall be held by the Company subject hereto. For purposes of this Paragraph 8, interest shall be credited from the date a Dividend Equivalent with respect to the Performance Restricted Stock Units is made to the date on which the Company distributes such amounts to the Recipient, at the five-year Treasury Note rate, plus 0.5% as such rate is set forth in the Wall Street Journal as of the first business day of each calendar quarter. Dividend Equivalents shall be subject to the same terms and conditions, and shall vest and be paid, or be forfeited (if applicable), at the same time as the Restricted Stock Units to which they relate.

9. If, in connection with the grant, vesting or settlement of the Performance Restricted Stock Unit award or issuance of PRSU Shares with respect to vested Performance Restricted Stock Units, the Company (or any successor or Affiliate) shall be required to withhold amounts under applicable federal, state, local or foreign laws, rules or regulations, including income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Recipient's participation in the Plan and legally applicable to the Recipient ("Tax-Related Items"), the Company will withhold such number of shares of Company Stock (thus reducing the number of shares to be issued to the Recipient) as shall have a Fair Market Value, valued on the date on which Tax-Related Items are determined, equal to the amount required to be withheld to satisfy the Company (or successor or Affiliate's) withholding obligations. Notwithstanding anything in this Paragraph 9 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Company Stock underlying the Performance Restricted Stock Units will be withheld to satisfy any Tax-Related Items arising prior to the date of settlement of the Performance Restricted Stock Units for any portion of the Performance Restricted Stock Units that is considered an item of "nonqualified deferred compensation" subject to Section 409A, then the number of shares of Company Stock withheld shall not exceed the number of shares that equals the liability for the Tax-Related Items.

10. The Company and the Recipient each hereby agrees to be bound by the terms and conditions set forth in the Plan.

11. Any notices or other communications given in connection with this Agreement shall be sent either by registered or certified mail, return receipt requested, or by overnight mail, facsimile, or electronic mail to the Company and Recipient address or number of record or to such changed address or number as to which either party has given notice to the other party in accordance with this Paragraph 11. All notices shall be deemed given when so mailed, or if sent by facsimile or electronic mail, when electronic confirmation of the transmission is received, except that a notice of change of address shall be deemed given when received.

12. This Agreement and the Plan constitute the whole agreement between the parties hereto with respect to the Performance Restricted Stock Unit award.

13. This Agreement shall not be construed as creating any contract of employment between the Company and the Recipient and does not entitle the Recipient to any benefit other than that granted under this Agreement.

14. This Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns, and shall inure to the benefit of, and be binding on, the Recipient and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by the Recipient.

15. The Recipient understands that in order to perform its obligations under the Plan or for the implementation and administration of the Plan, the Company may collect, transfer, use, process, or hold certain personal or sensitive data about Recipient. Such data includes, but is not limited to Recipient's name, nationality, citizenship, work authorization, date of birth, age, government or tax identification number, passport number, brokerage account information, address, compensation and equity award history, and beneficiaries' contact information. Recipient explicitly consents to the collection, transfer (including to third parties in Recipient's home country or the United States or other countries, such as but not limited to human resources personnel, legal and tax advisors, and brokerage administrators), use, processing, and holding, electronically or otherwise, of his/her personal information in connection with this or any other equity award. At all times, the Company shall maintain the confidentiality of Recipient's personal information, except to the extent the Company is required to provide such information to governmental agencies or other parties and such actions will be undertaken by the Company only in accordance with applicable law.

16. This Agreement shall be subject to and construed in accordance with, the laws of the State of Delaware without giving effect to principles of conflicts of law.

17. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the Recipient's consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of cash or Company Stock pursuant to the Performance Restricted Stock Unit. The Company (including its Affiliates) shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this

Agreement, including any taxes, penalties or interest imposed under Section 409A. Each amount to be paid under this Agreement shall be construed as a separately identified payment for purposes of Section 409A. In addition, notwithstanding anything herein to the contrary, if the Recipient is deemed on the date of his or her Separation from Service to be a “specified employee” within the meaning of that term under Section 409A and the Recipient is subject to U.S. federal taxation, then, to the extent the settlement of the Performance Restricted Stock Units following such Separation from Service is considered the payment of “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” such settlement shall be delayed until the first business day of the seventh month following the Recipient’s Separation from Service, or, if earlier, on the date of the Recipient’s death, solely to the extent such delayed payment is required in order to avoid a prohibited distribution under Section 409A.

18. The Recipient recognizes and acknowledges that, by reason of Recipient’s employment by and service to the Company or an Affiliate, Recipient has had and will continue to have access to confidential information of the Company and its Affiliates, including, without limitation, information and knowledge pertaining to products and services offered, innovations, designs, ideas, plans, trade secrets, proprietary information, distribution and sales methods and systems, sales and profit figures, customer and client lists, and relationships between the Company and its Affiliates and other distributors, customers, clients, suppliers and others who have business dealings with the Company and its Affiliates (“Confidential Information”). The Recipient acknowledges that such Confidential Information is a valuable and unique asset and covenants that Recipient will not, either during or after Recipient’s employment by the Company, use or disclose any such Confidential Information except to authorized representatives of the Company or as required in the performance of Recipient’s duties and responsibilities. The Recipient shall not be required to keep confidential any Confidential Information which (i) is or becomes publicly available through no fault of the Recipient, (ii) is already in Recipient’s possession (unless obtained from the Company (or an Affiliate) or one of its customers) or (iii) is required to be disclosed by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the Recipient shall provide the Company written notice of any such order prior to such disclosure to the extent practicable under the circumstances and permitted by applicable law. Further, the Recipient shall be free to use and employ Recipient’s general skills, know-how and expertise, and to use, disclose and employ any contact information, generalized ideas, concepts, know-how, methods, techniques or skills, including, without limitation, those gained or learned during the course of the performance of Recipient’s duties and responsibilities hereunder, so long as Recipient applies such information without disclosure or use of any Confidential Information. Upon the Recipient’s Separation from Service, the Recipient will return (or destroy, if requested by Company) all Confidential Information to the Company to the fullest extent possible.

19. During the Recipient’s employment and at any time thereafter, the Recipient agrees not to at any time make statements or representations, orally or in writing, that disparage the commercial reputation, goodwill or interests of the Company (or an Affiliate), or any current or former employee, officer, or director of the Company (or an Affiliate). Nothing in this Agreement shall limit or otherwise prevent (i) any person from providing truthful testimony or information in any proceeding or in response to any request from any governmental agency or

any judicial, arbitral or self-regulatory forum or as otherwise required by law; (ii) either party from enforcing the other terms of this Agreement; (iii) the Company (or an Affiliate) from reviewing the Recipient's performance, conducting investigations and otherwise acting in compliance with applicable law, including making statements or reports in connection therewith, or making any public filings or reports that may be required by law; (iv) the Recipient from the performance of Recipient's duties while employed by the Company (or an Affiliate); or (v) the Recipient from making a report to any governmental agency or entity, including but not limited to, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, if Recipient has a reasonable belief that there has been a potential violation of federal or state law or regulation or from making other disclosures that are protected under the whistleblower provisions of any applicable federal or state law or regulation. No prior authorization to make any such reports or disclosures is required and the Recipient is not required to notify the Company that Recipient has made such reports or disclosures. The Recipient, however, may not waive the Company's (or an Affiliate's) attorney-client privilege.

Exhibit A

2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital (“ROTC”) plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return (“TSR”) by (b) the number of initial Performance Restricted Stock Units granted (the “Target Award”). The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award.

The vested percentage applicable to ROTC and TSR will each be determined over the Performance Period as illustrated in the schedules set forth below. For purposes of this Agreement, the “Performance Period” means the period beginning January 1, 2019 and ending December 31, 2021.

Calculating ROTC. Annual ROTC is calculated by dividing EBITDA (earnings before interest, income taxes, depreciation and amortization), and adjusting for certain non-GAAP charges (i.e., realignment costs) and trailing EBITDA of acquisitions, by average net tangible capital. Average net tangible capital is the simple average calculation of beginning and ending net tangible assets (total assets less cash, less goodwill and less other intangibles, net), less net current liabilities (current liabilities, less short-term borrowings and current portion of long-term debt).

The Compensation Committee will make adjustments, on a case-by-case basis, to modify the calculation of ROTC to fairly represent changes in U.S. GAAP occurring during the target and/or performance periods in the measurement of ROTC performance against target.

Return on Tangible Capital (ROTC)

The vested percentage applicable to ROTC will be determined based on AMETEK, Inc. average annual ROTC (“Average ROTC”) as calculated below for the Performance Period in accordance with the following schedule:

Average ROTC	ROTC Vested Percentage
< 52%	0%
52%	50%
92%	100%
≥ 112%	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to ROTC will be 0% if the Average ROTC for the Performance Period is below 52%. In no event will the vested percentage applicable to ROTC be greater than 200%.

Average ROTC will equal the sum of the three annual ROTC calculations during the Performance Period divided by three.

Total Shareholder Return (TSR)

The vested percentage applicable to TSR will be determined based on AMETEK TSR (as defined below) over the Performance Period relative to the TSR of the S&P 500 Industrials Index during the same period in accordance with the following schedule:

<u>TSR Ranking Relative to S&P 500 Industrials</u>	<u>TSR Vested Percentage</u>
<30th percentile	0%
30th percentile	50%
50th percentile	100%
≥80th percentile	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to TSR will be 0% if AMETEK TSR ranks lower than the 30th percentile relative to the S&P 500 Industrials. In no event will the vested percentage applicable to TSR be greater than 200%.

For purposes of this Agreement, the term "TSR" means $[(a) - (b) + (c)] / (b)$, where (a) is the Stock Price (as defined below) on the last business day of the Performance Period, (b) is the Stock Price on the first business day of the Performance Period and (c) is dividends paid during the Performance Period. The term Stock Price means the average daily closing price of a share of common stock of the Company or the companies comprising the S&P 500 Industrials, as applicable, during the preceding 10 trading days. The Stock Price for the Company shall be adjusted to reflect a stock split, reverse stock split, spin-off or other similar extraordinary event affecting the shares in question without the issuer's receipt of consideration occurring during the Performance Period.

**2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.**

**PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT
FOR NON-U.S. RECIPIENTS**

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT FOR NON-U.S. RECIPIENTS, including any special terms and conditions for the recipient's country as set forth in the addendum ("Addendum") attached hereto (collectively, the "Agreement"), made as of the Award Date, by and between AMETEK, Inc., a Delaware corporation (the "Company" or "AMETEK"), and the Recipient.

W I T N E S S E T H :

WHEREAS, the Company has adopted the 2011 Omnibus Incentive Compensation Plan of AMETEK, Inc. (the "Plan"), pursuant to which the Compensation Committee of the Board of Directors of the Company (the "Committee") may, inter alia, award Performance Restricted Stock Units to such employees or non-employee directors of the Company and its Affiliates as the Committee may determine, and subject to such terms, conditions and restrictions as the Committee may deem advisable; and

WHEREAS, pursuant to the Plan, the Committee has awarded to the Recipient a Performance Restricted Stock Unit, subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement;

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

1. Pursuant to the Plan, the Company hereby grants to the Recipient on the Award Date, a Performance Restricted Stock Unit award, and such units, the "Performance Restricted Stock Units," are subject to the terms, conditions and restrictions set forth in the Plan and in this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the same meanings as defined in the Plan.

2. At such time the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, the Company will deliver to the Recipient an unrestricted certificate for a number of shares of Company Stock equal to the number of Performance Restricted Stock Units that became vested ("PRSU Shares") or an equivalent cash amount based on the value of a share of Company Stock, or a combination of the two, as determined by the Committee, in its discretion. The applicable date of delivery of the PRSU Shares or cash shall be no later than sixty (60) days after the date or event on which the Performance Restricted Stock Units become vested and nonforfeitable pursuant to Paragraph 3, except as set forth in Paragraph 17.

3. The Performance Restricted Stock Units (to the extent earned pursuant to Paragraph 4 below) shall become vested and nonforfeitable on the date the results are certified by the Committee which shall in any event occur within three months following the end of the Performance Period (the "Vest Date"). Vesting is contingent on continued employment throughout the Vest Date, except that:

(a) in the event of death or Disability of the Recipient; or

(b) the Recipient's Separation from Service with the Company (or any successor or Affiliate of the Company) as a result of and concurrent with a Change of Control (as defined in the Plan)

the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date in an amount equal to the initial Performance Restricted Stock Unit award (the "Target Award").

In addition, in the event of the Recipient's attainment of at least fifty-five (55) years of age and at least ten (10) years of service with the Company (or any successor or Affiliate of the Company) at the Recipient's termination of employment date occurring on or after December 31st of the first year of the "Performance Period" (as such term is defined in [Exhibit A](#)), then the Performance Restricted Stock Units shall become vested and nonforfeitable on the Vest Date, to the extent that the performance goals are achieved. For purposes of grants to Recipients outside the United States, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in an Employer's jurisdiction that likely would result in the favorable treatment that applies to Performance Restricted Stock Units under the Plan being deemed unlawful and/or discriminatory, the Company, in its sole discretion, shall have the power and authority to revise or strike certain provisions of the Agreement, including this paragraph 3, to the minimum extent necessary to make it valid and enforceable to the full extent permitted under the law.

Except to the extent, if any, that the Performance Restricted Stock Unit shall have become nonforfeitable pursuant to the foregoing provisions of this Paragraph 3, if the Recipient shall voluntarily or involuntarily leave the employ of the Company and its Affiliates prior to the Vest Date, the Performance Restricted Stock Unit (and any dividends, distributions and adjustments retained by the Company with respect thereto) shall be forfeited.

Furthermore, for purposes of the Performance Restricted Stock Units, the Recipient's Separation from Service will be deemed to occur (regardless of the reason for such Separation from Service, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Recipient is employed or rendering services, or the terms of his or her employment or service agreement, if any), and unless otherwise expressly provided in the Agreement or determined by the Company, the Recipient's right to vest in the Performance Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Recipient's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Recipient is employed or the terms of his or her employment agreement, if any). The Committee shall have exclusive discretion to determine when the Recipient is no longer actively providing services for purposes of his or her Performance Restricted Stock Units (including whether the Recipient may still be considered to be providing services while on a leave of absence).

4. Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital ("ROTC") plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return ("TSR") by (b) the Target Award. The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award. The vested percentage applicable to ROTC and TSR will each be determined over the "Performance Period" (as such term is defined in Exhibit A) as illustrated in the schedules attached to this Agreement as Exhibit A.

5. The Recipient shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Performance Restricted Stock Units, or any interest therein other than by will or the laws of descent and distribution, unless and until the Performance Restricted Stock Units have been settled as provided in this Agreement.

6. Prior to the issuance of PRSU Shares, Recipient will have no rights as a shareholder of the Company with respect to this Performance Restricted Stock Unit award or the Performance Restricted Stock Units.

7. If the number of outstanding shares of Company Stock changes through the declaration of stock dividends or stock splits prior to the vesting date, the Restricted Stock Units subject to this Award automatically will be adjusted, according to the provisions of Section 5(e) of the Plan. In the event of any other change in the capital structure or the Company Stock or other corporate events or transactions involving the Company, the Committee is authorized to make appropriate adjustments to this award.

8. Recipient shall be credited with Dividend Equivalents with respect to outstanding Performance Restricted Stock Units prior to the applicable vesting date. Such Dividend Equivalents will be credited to the Recipient as a cash value plus interest, which shall be held by the Company subject hereto. For purposes of this Paragraph 8, interest shall be credited from the date a Dividend Equivalent with respect to the Performance Restricted Stock Units is made to the date on which the Company distributes such amounts to the Recipient, at the five-year Treasury Note rate, plus 0.5% as such rate is set forth in the Wall Street Journal as of the first business day of each calendar quarter. Dividend Equivalents shall be subject to the same terms and conditions, and shall vest and be paid, or be forfeited (if applicable), at the same time as the Restricted Stock Units to which they relate.

9. The Recipient acknowledges and agrees that regardless of any action taken by the Company, or if different, the Subsidiary Corporation or Affiliate for which the Recipient provides services (the "Employer") with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Recipient's participation in the Plan and legally applicable to the Recipient ("Tax-Related Items"), the ultimate liability for all Tax- Related Items is and remains the Recipient's responsibility and may exceed the amount actually withheld by the Company and/or the Employer. The Recipient further acknowledges that the

Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related items in connection with any aspect of the Performance Restricted Stock Units, including but not limited to, the grant, vesting or settlement of the awards, or the subsequent sale of PRSU Shares acquired under the Plan; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the award to reduce or eliminate the Recipient's liability for Tax-Related Items or achieve a particular tax result. Further, if the Recipient is subject to Tax-Related Items in more than one jurisdiction, the Recipient acknowledges and agrees that the Company or Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Recipient agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to Tax-Related Items by one or a combination of the following:

- (a) withholding from Participant's wages or other cash compensation paid to Participant by the Company, the Employer or any other subsidiary;
- (b) withholding from the proceeds of the sale of PRSU Shares acquired at vesting of the Performance Restricted Stock Unit either through a voluntary sale or through a mandatory sale arranged by the Company (on the Recipient's behalf pursuant to this authorization) without further consent;
- (c) withhold such number of shares of Company Stock (thus reducing the number of shares to be issued to the Recipient) as shall have a Fair Market Value, valued on the date on which Tax-Related Items are determined, equal to the amount required to be withheld to satisfy the Company (or successor or Affiliate's) withholding obligations; or
- (d) any other method approved by the Committee and permitted by applicable laws.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Recipient may receive a refund of any over-withheld amount in cash (with no entitlement to the Company Stock equivalent) or, if not refunded, the Recipient may seek a refund from the local tax authorities. If the obligation for Tax-Related Items is satisfied by withholding shares of Company Stock, for tax purposes, the Recipient is deemed to have been issued the full number of PRSU Shares, notwithstanding that Company Stock is held back solely for purposes of paying the Tax-Related Items.

Finally, the Recipient agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the PRSU Shares or the proceeds of the sale of PRSU Shares, if the Recipient fails to comply with his or her obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Paragraph 9 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Company Stock underlying the Performance Restricted Stock Units will be withheld to satisfy any Tax-Related Items arising prior to the date of settlement of the Performance Restricted Stock Units for any portion of the Performance Restricted Stock Units that is considered an item of "nonqualified deferred compensation" subject to Section 409A, then the number of shares of Company Stock withheld shall not exceed the number of shares that equals the liability for the Tax-Related Items.

10. The Company and the Recipient each hereby agrees to be bound by the terms and conditions set forth in the Plan.

11. Any notices or other communications given in connection with this Agreement shall be sent either by registered or certified mail, return receipt requested, or by overnight mail, facsimile, or electronic mail to the Company and Recipient address or number of record or to such changed address or number as to which either party has given notice to the other party in accordance with this Paragraph 11. All notices shall be deemed given when so mailed, or if sent by facsimile or electronic mail, when electronic confirmation of the transmission is received, except that a notice of change of address shall be deemed given when received.

12. This Agreement and the Plan constitute the whole agreement between the parties hereto with respect to the Performance Restricted Stock Unit award.

13. In accepting the Performance Restricted Stock Unit award, the Recipient acknowledges, understands and agrees that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan; (ii) the grant of Performance Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants or benefits in lieu of Performance Restricted Stock Units, even if such awards have been granted in the past; (iii) all decisions with respect to future awards, if any, will be at the sole discretion of the Company; (iv) the grant and the Recipient's participation in the Plan shall not be construed as creating any contract of employment between the Company and the Recipient and does not entitle the Recipient to any benefit other than that granted under this Agreement; (v) the Recipient is voluntarily participating in the Plan; (vi) the Performance Restricted Stock Units and the PRSU Shares are not intended to replace any pension rights or compensation; (vii) the Performance Restricted Stock Units and the PRSU Shares, and the income from and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; (viii) the future value of the PRSU Shares is unknown, indeterminable and cannot be predicted with certainty; (ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Restricted Stock Units resulting from a Separation of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment or other laws in the jurisdiction where the

Recipient is employed or otherwise rendering services or the terms of the Recipient's employment or service agreement, if any), and in consideration of the grant, the Recipient agrees not to institute any claim against the Company, the Employer or any Subsidiary Corporation; (x) unless otherwise agreed with the Company, the Performance Restricted Stock Units and PRSU Shares, and the income from and value of same, are not granted as consideration for, or in connection with the service the Recipient may provide as a director of any Subsidiary Corporation or Affiliate; and (x) neither the Company, the Employer or any Parent Corporation or Subsidiary Corporation shall be liable for any foreign exchange rate fluctuation between the Recipient's local currency and the U.S. Dollar that may affect the value of the Performance Restricted Stock Units or any amounts due to the Recipient pursuant to the settlement of the awards or subsequent sale of PRSU Shares acquired upon settlement.

14. This Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns, and shall inure to the benefit of, and be binding on, the Recipient and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by the Recipient.

15. ***The Recipient hereby explicitly, voluntarily and unambiguously consents to the collection, use, and transfer, in electronic or other form, of the Recipient's personal data as described in this Agreement and any other Plan materials by and among, as applicable, the Employer, the Company and any other Subsidiary Corporation for the exclusive purposes of implementing, administering and managing the Recipient's participation in the Plan.***

The Recipient understands that the Company and the Employer may hold certain personal information about the Recipient, including, but not limited to, the Recipient's name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Performance Restricted Stock Units or any other entitlement to Company Stock awarded, canceled, exercised, vested, unvested or outstanding in the Recipient's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan.

The Recipient understands that Data may be transferred to Schwab Stock Plan Services, which may assist the Company (presently or in the future) with the implementation, administration and management of the Plan. The Recipient understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Recipient's country. The Recipient understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Recipient authorizes the Company, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Recipient's participation in the Plan. The Recipient understands that Data will be held only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan. The Recipient understands that he or she

may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Recipient understands that he or she is providing the consents herein on a purely voluntary basis. If the Recipient does not consent, or if the Recipient later seeks to revoke his or her consent, his or her employment or service relationship will not be affected; the only consequence of refusing or withdrawing the Recipient's consent is that the Company would not be able to grant the Performance Restricted Stock Units or other equity awards to the Recipient or administer or maintain such awards. Therefore, the Recipient understands that refusing or withdrawing his or her consent may affect the Recipient's ability to participate in the Plan. For more information on the consequences of the Recipient's refusal to consent or withdrawal of consent, the Recipient understands that he or she may contact his or her local human resources representative.

16. If the Recipient resides in a country outside the United States, or is otherwise subject to the laws of a country other than the United States, the Performance Restricted Stock Units and the PRSU Shares acquired under the Plan shall be subject to the additional terms and conditions for the Recipient's country set forth in the Addendum. Moreover, if the Recipient relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Recipient, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of the Agreement.

17. If the Recipient has received the Agreement or any other document related to the Performance Restricted Stock Units and/or the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

18. The Company reserves the right to impose other requirements on the Recipient's participation in the Plan, on the Performance Restricted Stock Units and on any PRSU Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Recipient to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. The Recipient acknowledges that a waiver by the Company of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Recipient or any other participant in the Plan.

20. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Recipient hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line electronic system established and maintained by the Company or a third party designated by the Company.

21. The provisions of this Agreement are severable and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, then such provisions will be enforced to the maximum extent possible and other provisions will remain fully effective and enforceable.

22. Notwithstanding any other provision of the Plan or the Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the PRSU Shares, the Company shall not be required to deliver any PRSU Shares upon settlement of the awards prior to the completion of any registration or qualification of the Company Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Recipient understands that the Company is under no obligations to register or qualify the Company Stock with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Company Stock. Further, the Recipient agrees that the Company shall have unilateral authority to amend the Agreement without his or her consent, to the extent necessary to comply with securities or other laws applicable to the issuance of Company Stock.

23. This Agreement shall be subject to and construed in accordance with, the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit and consent to the sole and exclusive jurisdiction of the State of Pennsylvania, United States of America and agree that such litigation will be conducted in Chester County, or the federal courts for the United States for the District of Pennsylvania and no other courts.

24. The Recipient acknowledges that there may be certain foreign asset and/or account reporting requirements which may affect the Recipient's ability to acquire or hold PRSU Shares acquired under the Plan or cash received from participating in the Plan in a brokerage or bank account outside of the Recipient's country. The Recipient may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Recipient may also be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to the Recipient's country through a designated bank or broker within a certain time after receipt. The Recipient acknowledges that it is his or her responsibility to be compliant with such regulations, and the Recipient should speak to his or her personal advisor on this matter.

25. The Recipient acknowledges that, depending on his or her country of residence, or broker's country of residence, or where the Company Stock is listed, the Recipient may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect his or her ability to accept, acquire, sell or attempt to sell or otherwise dispose of Company Stock, rights to Company Stock or rights linked to the value of Company Stock, during such times as the Recipient is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdiction of the Recipient's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Recipient places before possessing inside information. Furthermore,

the Recipient may be prohibited from (i) disclosing the inside information to any third party (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them to otherwise buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Recipient acknowledges that it is his or her responsibility to comply with any applicable restrictions as well as any applicable Company insider trading policy, and the Recipient is advised to speak to his personal advisor on this matter.

26. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Recipient’s participation in the Plan, or his or her acquisition of PRSU Shares. The Recipient should consult with his or her own tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

27. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder (“Section 409A”), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the Recipient’s consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of cash or Company Stock pursuant to the Performance Restricted Stock Unit. The Company (including its Affiliates) shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A. Each amount to be paid under this Agreement shall be construed as a separately identified payment for purposes of Section 409A. In addition, notwithstanding anything herein to the contrary, if the Recipient is deemed on the date of his or her Separation from Service to be a “specified employee” within the meaning of that term under Section 409A and the Recipient is subject to U.S. federal taxation, then, to the extent the settlement of the Performance Restricted Stock Units following such Separation from Service is considered the payment of “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” such settlement shall be delayed until the first business day of the seventh month following the Recipient’s Separation from Service, or, if earlier, on the date of the Recipient’s death, solely to the extent such delayed payment is required in order to avoid a prohibited distribution under Section 409A.

28. The Recipient recognizes and acknowledges that, by reason of Recipient’s employment by and service to the Company or an Affiliate, Recipient has had and will continue to have access to confidential information of the Company and its Affiliates, including, without limitation, information and knowledge pertaining to products and services offered, innovations, designs, ideas, plans, trade secrets, proprietary information, distribution and sales methods and systems, sales and profit figures, customer and client lists, and relationships between the Company and its Affiliates and other distributors, customers, clients, suppliers and others who have business dealings with the Company and its Affiliates (“Confidential Information”). The

Recipient acknowledges that such Confidential Information is a valuable and unique asset and covenants that Recipient will not, either during or after Recipient's employment by the Company, use or disclose any such Confidential Information except to authorized representatives of the Company or as required in the performance of Recipient's duties and responsibilities. The Recipient shall not be required to keep confidential any Confidential Information which (i) is or becomes publicly available through no fault of the Recipient, (ii) is already in Recipient's possession (unless obtained from the Company (or an Affiliate) or one of its customers) or (iii) is required to be disclosed by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the Recipient shall provide the Company written notice of any such order prior to such disclosure to the extent practicable under the circumstances and permitted by applicable law. Further, the Recipient shall be free to use and employ Recipient's general skills, know-how and expertise, and to use, disclose and employ any contact information, generalized ideas, concepts, know-how, methods, techniques or skills, including, without limitation, those gained or learned during the course of the performance of Recipient's duties and responsibilities hereunder, so long as Recipient applies such information without disclosure or use of any Confidential Information. Upon the Recipient's Separation from Service, the Recipient will return (or destroy, if requested by Company) all Confidential Information to the Company to the fullest extent possible.

29. During the Recipient's employment and at any time thereafter, the Recipient agrees not to at any time make statements or representations, orally or in writing, that disparage the commercial reputation, goodwill or interests of the Company (or an Affiliate), or any current or former employee, officer, or director of the Company (or an Affiliate). Nothing in this Agreement shall limit or otherwise prevent (i) any person from providing truthful testimony or information in any proceeding or in response to any request from any governmental agency or any judicial, arbitral or self-regulatory forum or as otherwise required by law; (ii) either party from enforcing the other terms of this Agreement; (iii) the Company (or an Affiliate) from reviewing the Recipient's performance, conducting investigations and otherwise acting in compliance with applicable law, including making statements or reports in connection therewith, or making any public filings or reports that may be required by law; (iv) the Recipient from the performance of Recipient's duties while employed by the Company (or an Affiliate); or (v) the Recipient from making a report to any governmental agency or entity, including but not limited to, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, if Recipient has a reasonable belief that there has been a potential violation of federal or state law or regulation or from making other disclosures that are protected under the whistleblower provisions of any applicable federal or state law or regulation. No prior authorization to make any such reports or disclosures is required and the Recipient is not required to notify the Company that Recipient has made such reports or disclosures. The Recipient, however, may not waive the Company's (or an Affiliate's) attorney-client privilege.

**2011 OMNIBUS INCENTIVE COMPENSATION PLAN OF
AMETEK, INC.**
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

Except as otherwise provided in this Agreement and subject to adjustments permitted by the Plan, the number of Performance Restricted Stock Units which will vest under this Agreement, if any, will be determined by multiplying (a) the sum of (i) 0.5 times the vested percentage applicable to Return on Tangible Capital ("ROTC") plus (ii) 0.5 times the vested percentage applicable to Relative Total Shareholder Return ("TSR") by (b) the number of initial Performance Restricted Stock Units granted (the "Target Award"). The maximum number of Performance Restricted Stock Units which can vest is 200% of the Target Award and the minimum number of Performance Restricted Stock Units which can vest is 0% of the Target Award.

The vested percentage applicable to ROTC and TSR will each be determined over the Performance Period as illustrated in the schedules set forth below. For purposes of this Agreement, the "Performance Period" means the period beginning January 1, 2019 and ending December 31, 2021.

Calculating ROTC. Annual ROTC is calculated by dividing EBITDA (earnings before interest, income taxes, depreciation and amortization), and adjusting for certain non-GAAP charges (i.e., realignment costs) and trailing EBITDA of acquisitions, by average net tangible capital. Average net tangible capital is the simple average calculation of beginning and ending net tangible assets (total assets less cash, less goodwill and less other intangibles, net), less net current liabilities (current liabilities, less short-term borrowings and current portion of long-term debt).

The Compensation Committee will make adjustments, on a case-by-case basis, to modify the calculation of ROTC to fairly represent changes in U.S. GAAP occurring during the target and/or performance periods in the measurement of ROTC performance against target.

Return on Tangible Capital (ROTC)

The vested percentage applicable to ROTC will be determined based on AMETEK, Inc. average annual ROTC ("Average ROTC") as calculated below for the Performance Period in accordance with the following schedule:

<u>Average ROTC</u>	<u>ROTC Vested Percentage</u>
< 52%	0%
52%	50%
92%	100%
≥112%	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to ROTC will be 0% if the Average ROTC for the Performance Period is below 52%. In no event will the vested percentage applicable to ROTC be greater than 200%.

Average ROTC will equal the sum of the three annual ROTC calculations during the Performance Period divided by three.

Total Shareholder Return (TSR)

The vested percentage applicable to TSR will be determined based on AMETEK TSR (as defined below) over the Performance Period relative to the TSR of the S&P 500 Industrials Index during the same period in accordance with the following schedule:

TSR Ranking Relative to S&P 500 Industrials	TSR Vested Percentage
<30th percentile	0%
30th percentile	50%
50th percentile	100%
≥80th percentile	200%

Vested percentages between the amounts shown will be calculated by linear interpolation. The vested percentage applicable to TSR will be 0% if AMETEK TSR ranks lower than the 30th percentile relative to the S&P 500 Industrials. In no event will the vested percentage applicable to TSR be greater than 200%.

For purposes of this Agreement, the term “TSR” means $[(a) - (b) + (c)] / (b)$, where (a) is the Stock Price (as defined below) on the last business day of the Performance Period, (b) is the Stock Price on the first business day of the Performance Period and (c) is dividends paid during the Performance Period. The term Stock Price means the average daily closing price of a share of common stock of the Company or the companies comprising the S&P 500 Industrials, as applicable, during the preceding 10 trading days. The Stock Price for the Company shall be adjusted to reflect a stock split, reverse stock split, spin-off or other similar extraordinary event affecting the shares in question without the issuer’s receipt of consideration occurring during the Performance Period.

ADDENDUM

SPECIAL TERMS AND CONDITIONS TO

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT FOR NON-U.S. RECIPIENTS

Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Performance Restricted Stock Unit Agreement for Non-U.S. Recipients (the "Agreement") or in the 2011 Omnibus Incentive Compensation Plan of AMETEK, Inc. (the "Plan").

Terms and Conditions

This Addendum includes special terms and conditions that govern the Performance Restricted Stock Units granted to the Recipient under the Plan if he or she resides and/or works in one of the countries listed below. If the Recipient is a citizen (or is considered as such for local law purposes) of a country other than the country in which he or she is currently residing and/or working, or if he or she relocates to another country after the Performance Restricted Stock Units are granted, the Recipient acknowledges and agrees that the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Recipient.

Notifications

This Addendum also includes information regarding securities law, exchange controls and certain other issues of which the Recipient should be aware with respect to participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of October 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Recipient not rely on the information contained herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date by the time he or she vests in the Performance Restricted Stock Units or sells PRSU Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Recipient's particular situation, and the Company is not in a position to assure the Recipient of a particular result. Accordingly, the Recipient is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Recipient's particular situation.

Finally, if the Recipient is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which he or she is currently residing and/or working, or if the Recipient relocated to another country after the grant of Performance Restricted Stock Units, the notifications contained herein may not be applicable to the Recipient in the same manner.

CANADA

Terms and Conditions

Nature of Grant. The following provision replaces paragraph 13 of the Agreement:

For purposes of the Performance Restricted Stock Units, the Recipient's Separation from Service shall be deemed to occur (regardless of the reason for such Separation from Service, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Recipient is employed or rendering services, or the terms of his or her employment or service agreement, if any) as of the date that is the earliest of (i) the date of Separation from Service, (ii) the date on which the Recipient receives a notice of Separation from Service, and (iii) the date on which the Recipient is no longer actively providing services to the Company, Affiliate or Subsidiary Corporation, and shall not be extended by any period following such day during which he or she is in receipt of or eligible to receive any notice of Separation from Service, pay in lieu of notice of Separation from Service, severance pay or any other payments or damages, whether arising under statute, contract or common law. The Committee shall have exclusive discretion to determine when the Recipient is no longer actively providing services for purposes of the Performance Restricted Stock Units (including whether the Recipient may still be considered to be providing services while on a leave of absence).

The following provisions apply if the Recipient resides in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as any documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Pour Recevoir Des Informations en Anglais. Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement, à la présente convention.

Data Privacy. The following provision supplements paragraph 15 of the Agreement:

The Recipient hereby authorizes the Company and the Company's representatives to discuss and obtain all relevant information from all personnel, professional or non-professional, involved in the administration of the Plan. The Recipient further authorizes the Company, Affiliate and/or Subsidiary Corporation to disclose and discuss such information with their advisors. The Recipient also authorizes the Company, Affiliate and/or Subsidiary Corporation to record such information and to keep such information in the Recipient's employment file.

Notifications

Securities Law Information. The Recipient is permitted to sell the PRSU Shares acquired under the Plan through the designated broker appointed under the Plan, provided the sale of shares takes place outside of Canada through the facilities of a stock exchange on which the Company Stock is listed.

Foreign Asset/Account Reporting Information. Canadian residents are required to report to the tax authorities any foreign property held outside of Canada (including Performance Restricted Stock Units and PRSU Shares acquired under the Plan) annually on form T1 135 (Foreign Income Verification Statement) if the total value of the foreign property exceeds C\$100,000 at any time during the year. Thus, if the C\$100,000 cost threshold is exceeded by other foreign property held by the Recipient, the Performance Restricted Stock Units must be reported (generally at nil cost). For purposes of such reporting, Company Stock acquired under the Plan may be reported at their adjusted cost base. The adjusted costs basis of stock is generally equal to the fair market value of the stock at the time of acquisition; however, if the Recipient owns other stock (*e.g.*, acquired under other circumstances or at another time), the adjusted cost basis may have to be averaged with the adjusted costs basis of the other stock. *The Recipient should consult his or her personal legal advisor to ensure compliance with applicable reporting obligations.*

CHINA

Terms and Conditions

The following terms and conditions apply only if the Recipient is subject to, as determined by the Company in its sole discretion, the Circular on Issues concerning Administration of Foreign Exchange Used for Domestic Individuals Participation in Equity Incentive Plan of Companies Listed Overseas (“Circular 7”) issued by the State Administration of Foreign Exchange (“SAFE”).

Immediate Sale Restriction. Due to exchange control laws in the People’s Republic of China, the Recipient understands and agrees that the Company may require that any PRSU Shares acquired upon the vesting and settlement of the Performance Restricted Stock Units be immediately sold. The Recipient further acknowledges and agrees that shares of Company Stock may be sold to satisfy any tax withholding obligation of the Employer with respect to the Performance Restricted Stock Units. If the Company, in its discretion, does not exercise its right to require the automatic sale of PRSU Shares issuable upon vesting, as described herein, the Recipient understands and agrees that any PRSU Shares acquired by the Recipient under the Plan must be sold no later six (6) month after the Recipient’s Separation from Service, or within any other such time frame as permitted by the Company or required by the China SAFE. The Recipient understands that any PRSU Shares acquired by the Recipient under the Plan that have not been sold within six (6) months of the Recipient’s Separation from Service will be automatically sold by a designated broker at the Company’s discretion, pursuant to this authorization.

The Recipient agrees that the Company is authorized to instruct the designated broker to assist with the mandatory sale of such shares (on the Recipient’s behalf pursuant to this authorization), and the Recipient expressly authorizes the designated broker to complete such sale of PRSU Shares. The Recipient also agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale (including, without limitation, as to the transfers of the proceeds and other exchange control matters noted below) and shall otherwise cooperate with the Company with respect to such matters, provided that the Recipient shall not be permitted to exercise any influence over how, when or whether the

sale occurs. The Recipient acknowledges that the designated broker is under no obligation to arrange for the sale of the PRSU Shares at any particular price. Due to fluctuations in the Company Stock price and/or applicable exchange rates between vesting and (if later) the date on which the PRSU Shares are sold, the amount of proceeds ultimately distributed to the Recipient may be more or less than the market value of the PRSU Shares upon vesting (which is the amount relevant to determining the Recipient's liability for Tax-Related Items). The Recipient understands and agrees that the Company is not responsible for the amount of any loss the Recipient may incur and the Company assumes no liability for any fluctuations in Company Stock price and/or any applicable exchange rate.

Upon the sale of the PRSU Shares, the Company agrees to pay the cash proceeds from the sale (less any Tax-Related Items, brokerage fees or commissions) to the Recipient in accordance with the applicable exchange control laws and regulations, including, but not limited to, restrictions set forth in this Addendum for China below under "Exchange Control Requirements."

Exchange Control Requirements. By accepting the Performance Restricted Stock Unit award, the Recipient understands and agrees that, pursuant to local exchange control requirements, the Recipient will be required to immediately repatriate the cash proceeds from the sale of the PRSU Shares to China. The Recipient further understands that, under local law, such repatriation of cash proceeds may need to be effectuated through a special exchange control account established by the Company and/or a Subsidiary Corporation, and the Recipient hereby consents and agrees that any proceeds from the sale of any PRSU Shares the Recipient acquires may be transferred to such special account prior to being delivered to the Recipient. The Recipient further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China. The proceeds may be paid to the Recipient in U. S. dollars or in local currency, at the Company's discretion. If the proceeds are paid in U.S. dollars, the Recipient understands and agrees that he or she will be required to set up a U.S. dollar bank account in China (if the Recipient does not already have one) so that the proceeds may be deposited into this account. If the proceeds are paid in local currency, the Recipient further understands and agrees that the Company and/or the Employer is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local currency due to exchange control restrictions. The Recipient agrees to bear any currency fluctuation risk between the time the cash proceeds are received and the time the cash proceeds are distributed to the Recipient through the special account described above. The Recipient further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with China exchange control requirements.

DENMARK

Terms and Conditions

Danish Stock Option Act. In accepting the Performance Restrict Stock Units, the Recipient acknowledges that he or she has received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act. To the extent more favorable to the Recipient and required to comply with the Stock Option Act, the terms set forth in the Employer Statement will apply to the Recipient's participation in the Plan.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements paragraph 13 of the Agreement:

In accepting the Performance Restricted Stock Units, the Recipient acknowledges that he or she understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Notifications

Exchange Control and Tax Reporting Information. The Recipient may hold Company Stock acquired under the Plan in a safety-deposit account (e.g., a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the Company Stock is held with a non-Danish broker or bank, the Recipient is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, the Recipient must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. Both the Recipient and the bank/broker must sign the Declaration V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the safety-deposit account. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Recipient acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Company Stock acquired under the Plan and held in such account to the Danish Tax Administration as part of the Recipient's annual income tax return. By signing the Form V, the Recipient at the same time authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: www.skat.dk/getFile.aspx?Id=47392.

In addition, when the Recipient opens a deposit account or a brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, the Recipient must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both the Recipient and the bank/broker must sign the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Recipient acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Recipient's annual income tax return. By signing the Declaration K, the Recipient at the same time authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/getFile.aspx?Id=42409&newwindow=true.

Foreign Asset/Account Reporting Information. If the Recipient establishes an account holding Company Stock or cash outside Denmark, the Recipient must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described above.

FRANCE

Terms and Conditions

Non-Tax-Qualified Award. The Performance Restricted Stock Units are not eligible for the specific tax and social regime provided by section L. 225-197-1 to L. 225-197-6 of the French Commercial Code and the relevant sections of the French Tax Code or French Social Security Code.

Language Consent. By accepting the Agreement providing for the terms and conditions of the Recipient's grant, the Recipient confirms having read and understood the documents relating to this grant (the Plan and the Agreement) which were provided in the English language. The Recipient accepts the terms of these documents accordingly.

Consentement relative à la réception d'informations en langue anglaise. En acceptant le Contrat d'Attribution décrivant les termes et conditions de l'attribution, le Beneficiaire confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat d' Attribution) qui ont été communiqués en langue anglaise. Le Beneficiaire accepte les termes en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information. The Recipient may hold Company Stock acquired under the Plan provided the Recipient declares all foreign and bank and brokerage accounts (including accounts opened or closed during the tax year) in the Recipient's tax return. Failure to comply may trigger significant penalties.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In the event that the Recipient makes or receives a payment in excess of this amount, he or she must report the payment to Bundesbank electronically using the "General Statistics Reporting Portal" ("Allgemeines Meldeportal Statistik") available via Bundesbank's website (www.bundesbank.de).

Data Protection. The Company and the Employer will at all times, in operating and administering the Plan, adhere to the applicable data protection laws, in particular the GDPR and the German Federal Data Protection Act and, if applicable internal codes or policies applicable to them. The Recipient has received from the Company or, if different, from his Employer, a privacy notice according to Art.13, 14 GDPR describing the details on the processing of his personal data in connection with the Plan. For the avoidance of doubt, the Company and/or Employer is not processing any personal data of the Recipient on the basis of the consent set out in paragraph 15 of this Agreement. If the Recipient will be asked for his consent for specific data processing operations this will be done by a separate declaration of consent.

HONG KONG

Terms and Conditions

Restrictions on Sale of Company Stock. Any Company Stock received at vesting is accepted as a personal investment. In the event the Performance Restricted Stock Units vest and Company Stock is issued to the Recipient within six (6) months of the award grant, the Recipient agrees that he or she will not sell any Company Stock acquired prior to the six-month anniversary of the grant.

Notifications

Securities Law Information. *WARNING: Neither the grant of the Performance Restricted Stock Units nor the issuance of PRSU Shares upon vesting constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company or its affiliates. The Agreement, including the Addendum, the Plan and other incidental communication materials distributed in connection with the Performance Restricted Stock Units (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are intended only for the personal use of each eligible employee of the Company or its affiliates and may not be distributed to any other person. If the Recipient has any questions regarding the contents of the Agreement, including the Addendum or the Plan, the Recipient should obtain independent professional advice.*

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for purposes of ORSO, then the Recipient’s grant shall be void.

ITALY

Terms and Conditions

Data Privacy. The following provision replaces paragraph 15 of the Agreement in its entirety:

The Recipient understands that the Company and any Subsidiary Corporation may hold certain personal information about the Recipient, including, but not limited to, the Recipient’s name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number (to the extent permitted under Italian law), salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary Corporation, details of all Performance Restricted Stock Units or other entitlement to common units or equivalent benefits granted, awarded, canceled, exercised, vested, unvested or outstanding in the Recipient’s favor, and that the Company and the Employer will process said data and other data lawfully received from third parties (“Data”) for the exclusive purpose of implementing, managing and administering the Recipient’s participation in the Plan and complying with applicable laws, including community legislation.

The Recipient also understands that providing the Company with Data is necessary to effectuate the Recipient's participation in the Plan and that the Recipient's refusal to do so would make it impossible for the Company to perform its contractual obligations and may affect the Recipient's ability to participate in the Plan. The controllers of Data processing are Ametek, Inc. with registered offices at 1100 Cassatt Road, Berwyn, PA 19312, U.S.A., which is also the Company's representative in Italy for privacy purposes pursuant to GDPR and Legislative Decree no. 196/2003, as amended by Legislative Decree no. 101/2018.

The Recipient understands that Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing such Data and the data processor ("Processor"). An updated list of Processors and other transferees of Data is available upon request from the Employer.

Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. The Recipient understands that Data may also be transferred to the Recipient's stock plan service provider, Schwab Stock Plan Services, or such other administrator that may be engaged by the Company in the future. The Recipient further understands that the Company and/or any Subsidiary Corporation will transfer Data among themselves as necessary for the purpose of the implementation, administration and management of the Recipient's participation in the Plan. The Data recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purpose of implementing, administering, and managing the Recipient's participation in the Plan. The Recipient understands that these recipients may be acting as controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law. Should the Company exercise its discretion in suspending or terminating the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Recipient understands that Data processing for the purposes specified in the Agreement shall take place under automated or non-automated conditions, anonymously when possible, and with confidentiality and security provisions, as set forth by applicable laws, with specific reference to GDPR and Legislative Decree no. 196/2003, as amended by Legislative Decree no. 101/2018. The processing activity, including the transfer of Data abroad, including outside of the European Economic Area, as specified in the Agreement does not require the Recipient's consent thereto as the processing is necessary for the performance of legal and contractual obligations related to implementation, administration and management of the Plan. The Recipient understands that, pursuant to GDPR and Legislative Decree no. 196/2003, as amended by Legislative Decree no. 101/2018, the Recipient has the right at any moment to, without limitation, obtain information on Data held, access and verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Data processing by contacting the Recipient's local human resources representative. Finally, the Recipient is aware that Data will not be used for direct marketing purposes.

Grant Terms Acknowledgement. By accepting the Performance Restricted Stock Units, the Recipient acknowledges having received and reviewed the Plan and the Agreement, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. The Recipient further acknowledges that he or she has specifically read and expressly approves the following provisions of the Agreement: paragraphs 3, 9, 18 and 24.

Reporting requirements and taxes on financial activities held abroad

Individuals fiscally resident in Italy who hold abroad financial activities directly (i.e. without the interposition of an Italian financial intermediary), are required to fill in a specific section of the personal income tax return (so called "RW form"); they are also obliged to pay a flat tax at the rate of 0.2% on the value of such activities.

MEXICO

Terms and Conditions

Acknowledgement of the Agreement. By accepting the Performance Restricted Stock Units, the Recipient acknowledges that he or she has received a copy of the Plan and the Agreement, including this Addendum, which he or she has reviewed. The Recipient further acknowledges that he or she accepts all the provisions of the Plan and the Agreement, including this Addendum. The Recipient also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in paragraph 13 of the Agreement, which clearly provides as follows:

- (1) The Recipient's participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Recipient's participation in it are offered by the Company on a wholly discretionary basis;
- (3) The Recipient's participation in the Plan is voluntary; and
- (4) The Company and its Subsidiary Corporations are not responsible for any decrease in the value of any PRSU Shares acquired under the Plan.

Labor Law Acknowledgement and Policy Statement. By accepting the Performance Restricted Stock Units, the Recipient acknowledges that the Company, with registered offices at 1100 Cassatt Road, Berwyn, PA 19312, U.S.A., is solely responsible for the administration of the Plan. The Recipient further acknowledges that his or her participation in the Plan, the grant of Performance Restricted Stock Units and any acquisition of PRSU Shares under the Plan do not constitute an employment relationship between the Recipient and the Company because the Recipient is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Recipient expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Recipient and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Recipient's employment.

The Recipient further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Recipient's participation in the Plan at any time, without any liability to the Recipient.

Finally, the Recipient hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that he or she therefore grants a full and broad release to the Company, its parent, subsidiaries, branches, representation offices, stockholders, officers, agents or legal representatives, with respect to any claim that may arise.

Spanish Translation

Reconocimiento del Convenio de Concesión. Al aceptar el Premio,¹ el Recipiente reconoce que ha recibido y revisado una copia del Plan y del Convenio, incluyendo este Apéndice. Además, el Recipiente reconoce y acepta todas las disposiciones del Plan y del Convenio, incluyendo este Apéndice. El Recipiente también reconoce que ha leído y aprobado de forma expresa los términos y condiciones establecidos en el párrafo 13 del Convenio, que claramente establece lo siguiente:

- (1) La participación del Recipiente en el Plan no constituye un derecho adquirido;
- (2) El Plan y la participación del Recipiente en lo mismo es ofrecido por la Compañía de manera completamente discrecional;
- (3) La participación del Recipiente en el Plan es voluntaria; y
- (4) La Compañía y sus Corporaciones Subsidiarias no son responsables por ninguna disminución en el valor de las Acciones de PRSU (en Inglés, "PRSU Shares") adquiridas en virtud del Plan.

Reconocimiento del Derecho Laboral y Declaración de la Política. Al aceptar el Premio, el Recipiente reconoce que la Compañía, con domicilio social en 1100 Cassatt Road, Berwyn, PA 19312, E.U.A., es la única responsable de la administración del Plan. Además, el Recipiente reconoce que su participación en el Plan, la concesión del Premio y cualquier adquisición de Acciones de PRSU en virtud del Plan no constituyen una relación laboral entre el Recipiente y la Compañía, en virtud de que el Recipiente está participando en el Plan sobre una base totalmente comercial. Por lo anterior, el Recipiente expresamente reconoce que el Plan y los beneficios

¹El término "Premio" se refiere al término "Performance Restricted Stock Units" en Inglés.

que puedan derivarse de su participación no establecen ningún derecho entre el Recipiente y el Empleador y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por el Empleador, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o modificación de los términos y condiciones en el empleo del Recipiente.

Además, el Recipiente comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Compañía, por lo que la misma se reserva el derecho absoluto de modificar y/o suspender la participación del Recipiente en el Plan en cualquier momento, sin responsabilidad alguna al Recipiente.

Finalmente, el Recipiente manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de la Compañía, por cualquier indemnización o daño relacionado con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Recipiente libera de la manera más amplia y total de responsabilidad a la Compañía, su padre y sus subsidiarias, sucursales, oficinas de representación, accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

UNITED KINGDOM

Terms and Conditions

Form of Settlement. Notwithstanding any discretion in the Plan or anything contrary in the Agreement, the Performance Restricted Stock Units are payable in PRSU Shares only.

Responsibility for Taxes. The following provisions supplement paragraph 9 of the Agreement:

Without limitation to any provision of the Agreement, the Recipient agrees that the Recipient is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Recipient also agrees to indemnify and keep indemnified the Company and, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Recipient's behalf.

Notwithstanding the foregoing, in the event that the Recipient is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Recipient understands that he or she may not be able to indemnify the Company for the amount of any income tax not collected from or paid by the Recipient, in case the indemnification could be considered to be a loan. In this case, the income tax not collected or paid may constitute a benefit to the Recipient on which additional income tax and National Insurance contributions may be payable. The Recipient understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any National Insurance contributions due on this additional benefit, which may also be recovered from the Recipient at any time by any of the means referred to in paragraph 9 of the Agreement.

Data Protection. The Company and the Employer will at all times, in operating and administering the Plan, be bound by the provisions (as from time to time in force) of the internal code and/or policies that regulate the Company's compliance with applicable data privacy laws and for this purpose, the Recipient has received from the Company or, if different, his Employer, a privacy notice that includes details of how his personal data may be used in connection with the Plan.

For the avoidance of doubt, the Company and/or the Employer is not processing any personal data of a Recipient on the basis of the consent set out in paragraph 15 of the Agreement.

SINGAPORE

Securities Law Information. The Performance Restricted Stock Units are being granted to the Recipient pursuant to the "Qualifying Person" exemption under section 273(1)(i) of the Securities and Futures Act of Singapore (Cap. 289). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If a Recipient is a director or CEO of a Singaporean Subsidiary Corporation or Affiliate, Recipient is subject to a requirement to notify such entity of the receipt of an interest (i.e. Performance Restricted Stock Units or PRSU Shares) in the Company and on the sale of any such interest. Notifications must be made within two (2) business days of the date of acquiring or disposing of any interest in the Company or the date of becoming a director / CEO.

Insider-Trading Notification. The Recipient should be aware of Singapore's insider-trading rules, which may impact his or her acquisition or disposal of shares or rights to shares under the Plan. Under the Singapore insider-trading rules, the Recipient is prohibited from selling shares (including PRSU Shares) when he or she possesses information, not generally available, which the Recipient knows or should know will have a material effect on the price of the shares once such information is generally available.

Central Provident Fund ("CPF") Contributions. Notwithstanding Paragraph 9 of the Agreement, if the Recipient is a citizen or permanent resident of Singapore, the Recipient and the Recipient's employer shall make contributions to the CPF Board in accordance with the Central Provident Fund Act (Cap. 36) of Singapore as amended from time to time (the "**CPF Scheme**"). In relation to such contributions, the Recipient's employer shall deduct from the Recipient's salary the mandatory contributions required to be made by the Recipient under the CPF Scheme.

Leaving Singapore Withholding Tax Notification. Any foreign citizen or Singapore permanent resident leaving Singapore for more than 3 months and ceasing employment shall be taxed on a "deemed exercise" basis in respect of any Performance Restricted Stock Units which have been granted in respect of his/her Singapore employment and are not forfeited at the point of cessation of his/her employment. The deemed gains are based on the market value one month before the Recipient ceases employment in Singapore or the date of grant (whichever is the later). If the actual gain is less than the deemed gain, the Recipient may seek a refund within 4 years from that year of assessment.

SWITZERLAND

Labor Law Acknowledgement (to be signed by Employee).

- The Employee agrees to participate in the Omnibus Incentive Compensation Plan (the “Plan”) sponsored by AMETEK, INC.
- The Employee expressly acknowledges that the contractual party to the Plan is AMETEK, Inc. and that participation in the Plan, the grant of Performance Restricted Stock Units and any acquisition of PRSU Shares under the Plan do not constitute an employment relationship between the Employee and AMETEK, INC.
- The Employee is aware of and accepts Paragraph 23 of the Plan which states that the Plan is governed by the laws of the State of Delaware and that place of jurisdiction is Chester County, or the federal courts for the United States for the District of Pennsylvania.

Place:

Date:

Name of Swiss Employee:

Non-U.S. EE Perf RSU 2019
Grant Plan: 11UNP1 PRSU-EE-nonUS-2011 Legal Plan

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SPECIAL NOTICE FOR EMPLOYEES IN DENMARK

EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the “Stock Option Act”), you are entitled to receive the following information regarding participation in the Ametek, Inc. 2011 Omnibus Incentive Compensation Plan (the “Plan”) in a separate written statement.

This statement contains only the information mentioned in the Stock Option Act, while the other terms and conditions of your performance restricted stock unit (“PRSU”) grant are described in detail in the Plan, Performance Restricted Stock Unit Agreement for Global Recipients (the “Agreement”) and the applicable country-specific supplement, which have been made available to you.

1. Date of grant of unfunded right to receive stock upon satisfying certain conditions

The grant date of your PRSUs is the date that the Company approved a grant for you, which is set forth in the Agreement.

2. Terms or conditions for grant of a right to future award of stock

Only persons identified in Section 6 of the Plan are eligible to participate in the Plan. The grant of PRSUs under the Plan is offered at the sole discretion of the Company and is intended to achieve the purposes identified in Section 1 of the Plan, including (among other things) encouraging share ownership in the Company by employees of the Company and any parents and subsidiaries that exist now or in the future. The Company may decide, in its sole discretion, not to make any PRSU grants to you in the future. Under the terms of the Plan, the Agreement and the applicable country-specific supplement, you have no entitlement or claim to receive future PRSU grants or awards in lieu of PRSUs.

3. Vesting Date or Period

Generally, your PRSUs will vest over a number of years, and subject to performance criteria, as provided in your Agreement. Your PRSUs shall be converted into an equivalent number of shares of the common stock of the Company upon vesting, assuming the performance criteria is also met.

4. Exercise Price

No exercise price is payable upon the vesting of your PRSUs and the issuance of shares of the Company’s common stock to you in accordance with the vesting schedule described above.

5. Your rights upon termination of employment

The treatment of your PRSUs upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan, the Agreement and the applicable country-specific supplement are more favorable to you than Sections 4 and 5 of the Stock Option Act.

6. Financial aspects of participating in the Plan

The grant of PRSUs has no immediate financial consequences for you. The value of the PRSUs is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

AMETEK, INC.

1100 Cassatt Road

Berwyn, PA 19132

U.S.A.

Non-U.S. EE Perf RSU 2019

Grant Plan: 11UNP1 PRSU-EE-nonUS-2011 Legal Plan

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CERTIFICATIONS

I, David A. Zapico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMETEK, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 1, 2019

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive Officer

CERTIFICATIONS

I, William J. Burke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMETEK, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 1, 2019

/s/ WILLIAM J. BURKE

William J. Burke

Executive Vice President – Chief Financial Officer

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Zapico, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID A. ZAPICO

David A. Zapico

Chairman of the Board and Chief Executive Officer

Date: November 1, 2019

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Burke, Executive Vice President – Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WILLIAM J. BURKE

William J. Burke

Executive Vice President – Chief Financial Officer

Date: November 1, 2019

A signed original of this written statement required by Section 906 has been provided to AMETEK, Inc. and will be retained by AMETEK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.