

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 26, 2015

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 - 001-34045

Colfax Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

54-1887631
(I.R.S. Employer
Identification Number)

**420 National Business Parkway, 5th Floor Annapolis Junction,
Maryland**

(Address of principal executive offices)

20701
(Zip Code)

(301) 323-9000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of June 26, 2015, there were 124,225,831 shares of the registrant's common stock, par value \$.001 per share, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Dollars in thousands, except per share amounts
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
Net sales	\$ 1,025,375	\$ 1,199,336	\$ 1,936,445	\$ 2,253,667
Cost of sales	697,338	811,165	1,313,970	1,539,864
Gross profit	328,037	388,171	622,475	713,803
Selling, general and administrative expense	222,629	279,029	435,861	510,611
Restructuring and other related charges	8,834	13,474	12,587	19,786
Operating income	96,574	95,668	174,027	183,406
Interest expense	14,249	13,624	26,293	25,946
Income before income taxes	82,325	82,044	147,734	157,460
Provision for (benefit from) income taxes	23,496	(116,300)	32,630	(95,721)
Net income	58,829	198,344	115,104	253,181
Less: income attributable to noncontrolling interest, net of taxes	5,702	6,559	9,921	14,606
Net income attributable to Colfax Corporation	53,127	191,785	105,183	238,575
Dividends on preferred stock	—	—	—	2,348
Preferred stock conversion inducement payment	—	—	—	19,565
Net income available to Colfax Corporation common shareholders	\$ 53,127	\$ 191,785	\$ 105,183	\$ 216,662
Net income per share - basic	\$ 0.43	\$ 1.55	\$ 0.85	\$ 1.83
Net income per share - diluted	\$ 0.42	\$ 1.53	\$ 0.84	\$ 1.81

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Dollars in thousands
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
Net income	\$ 58,829	\$ 198,344	\$ 115,104	\$ 253,181
Other comprehensive income (loss):				
Foreign currency translation	117,484	46,531	(72,241)	40,882
Unrealized (loss) gain on hedging activities, net of tax of \$11,638, \$258, \$14,428 and \$125	(9,922)	3,292	12,259	3,124
Changes in deferred tax related to pension and other postretirement benefit cost	1,707	1,934	3,817	1,934
Amounts reclassified from Accumulated other comprehensive loss:				
Net pension and other postretirement benefit cost, net of tax of \$1,733, \$132, \$2,671 and \$305	1,858	1,741	4,074	3,634
Other comprehensive income (loss)	111,127	53,498	(52,091)	49,574
Comprehensive income	169,956	251,842	63,013	302,755
Less: comprehensive income attributable to noncontrolling interest	4,013	8,691	5,356	13,510
Comprehensive income attributable to Colfax Corporation	<u>\$ 165,943</u>	<u>\$ 243,151</u>	<u>\$ 57,657</u>	<u>\$ 289,245</u>

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
Dollars in thousands, except share amounts
(Unaudited)

	June 26, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 212,210	\$ 305,448
Trade receivables, less allowance for doubtful accounts of \$24,338 and \$27,256	1,024,816	1,029,150
Inventories, net	447,305	442,732
Other current assets	320,895	323,148
Total current assets	2,005,226	2,100,478
Property, plant and equipment, net	671,991	727,435
Goodwill	2,860,075	2,873,023
Intangible assets, net	983,294	1,043,583
Other assets	489,431	491,842
Total assets	\$ 7,010,017	\$ 7,236,361
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 6,738	\$ 9,855
Accounts payable	738,493	780,287
Accrued liabilities	458,110	496,207
Total current liabilities	1,203,341	1,286,349
Long-term debt, less current portion	1,376,932	1,526,955
Other liabilities	1,001,104	1,070,613
Total liabilities	3,581,377	3,883,917
Equity:		
Common stock, \$0.001 par value; 400,000,000 shares authorized; 124,225,831 and 123,730,578 issued and outstanding	124	124
Additional paid-in capital	3,215,963	3,200,832
Retained earnings	494,744	389,561
Accumulated other comprehensive loss	(491,217)	(443,691)
Total Colfax Corporation equity	3,219,614	3,146,826
Noncontrolling interest	209,026	205,618
Total equity	3,428,640	3,352,444
Total liabilities and equity	\$ 7,010,017	\$ 7,236,361

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
Dollars in thousands, except share amounts and as noted
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	Shares	\$ Amount					
Balance at January 1, 2015	123,730,578	\$ 124	\$ 3,200,832	\$ 389,561	\$ (443,691)	\$ 205,618	\$ 3,352,444
Net income	—	—	—	105,183	—	9,921	115,104
Distributions to noncontrolling owners	—	—	—	—	—	(1,948)	(1,948)
Other comprehensive loss, net of tax of \$13.3 million	—	—	—	—	(47,526)	(4,565)	(52,091)
Common stock-based award activity	429,253	—	11,703	—	—	—	11,703
Contribution to defined benefit pension plan	66,000	—	3,428	—	—	—	3,428
Balance at June 26, 2015	124,225,831	\$ 124	\$ 3,215,963	\$ 494,744	\$ (491,217)	\$ 209,026	\$ 3,428,640

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in thousands
(Unaudited)

	Six Months Ended	
	June 26, 2015	June 27, 2014
Cash flows from operating activities:		
Net income	\$ 115,104	\$ 253,181
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and impairment charges	71,113	86,754
Stock-based compensation expense	8,716	8,362
Non-cash interest expense	8,294	4,574
Deferred income tax provision (benefit)	1,168	(152,208)
Changes in operating assets and liabilities:		
Trade receivables, net	(35,117)	(49,468)
Inventories, net	(21,522)	(19,620)
Accounts payable	(13,596)	(65,352)
Changes in other operating assets and liabilities	(67,291)	(29,151)
Net cash provided by operating activities	66,869	37,072
Cash flows from investing activities:		
Purchases of fixed assets, net	(18,318)	(42,209)
Acquisition, net of cash acquired	—	(948,800)
Net cash used in investing activities	(18,318)	(991,009)
Cash flows from financing activities:		
Borrowings under term credit facility	750,000	150,000
Payments under term credit facility	(1,214,122)	—
Proceeds from borrowings on revolving credit facilities and other	966,403	997,442
Repayments of borrowings on revolving credit facilities and other	(637,136)	(760,454)
Proceeds from issuance of common stock, net	2,987	612,663
Preferred stock conversion inducement payment	—	(19,565)
Payments of dividend on preferred stock	—	(3,853)
Other	(3,625)	(9,776)
Net cash (used in) provided by financing activities	(135,493)	966,457
Effect of foreign exchange rates on Cash and cash equivalents	(6,296)	10,148
(Decrease) increase in Cash and cash equivalents	(93,238)	22,668
Cash and cash equivalents, beginning of period	305,448	311,301
Cash and cash equivalents, end of period	\$ 212,210	\$ 333,969

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Colfax Corporation (the "Company" or "Colfax") is a diversified global industrial manufacturing and engineering company that provides gas- and fluid-handling and fabrication technology products and services to customers around the world under the Howden, ESAB and Colfax Fluid Handling brand names.

The Condensed Consolidated Financial Statements included in this quarterly report have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements.

The Condensed Consolidated Balance Sheet as of December 31, 2014 is derived from the Company's audited financial statements. During the six months ended June 26, 2015, adjustments were made retrospectively to provisional amounts recorded as of December 31, 2014, primarily due to the Company's valuation of specific items related to an acquisition that occurred in the three months ended June 27, 2014. See Note 3, "Acquisitions" for additional information regarding these adjustments. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted in accordance with the SEC's rules and regulations for interim financial statements. The Condensed Consolidated Financial Statements included herein should be read in conjunction with the audited financial statements and related footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Form 10-K"), filed with the SEC on February 17, 2015.

The Condensed Consolidated Financial Statements reflect, in the opinion of management, all adjustments, which consist solely of normal recurring adjustments, necessary to present fairly the Company's financial position and results of operations as of and for the periods indicated. Significant intercompany transactions and accounts are eliminated in consolidation.

The Company makes certain estimates and assumptions in preparing its Condensed Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses for the periods presented. Actual results may differ from those estimates.

The results of operations for the three and six months ended June 26, 2015 are not necessarily indicative of the results of operations that may be achieved for the full year. Quarterly results are affected by seasonal variations in the Company's business. As our gas- and fluid-handling customers seek to fully utilize capital spending budgets before the end of the year, historically our shipments have peaked during the fourth quarter. Also, all of our European operations typically experience a slowdown during the July and August and December holiday seasons. General economic conditions may, however, impact future seasonal variations.

2. Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU No. 2014-09"). ASU No. 2014-09 clarifies the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance affects entities that enter into contracts with customers to transfer goods or services, and supersedes prior GAAP guidance, namely Accounting Standards Codification Topic 605—Revenue Recognition. On July 9, 2015, the FASB voted and approved to defer the effective date of ASU 2014-09 by one year. As a result, ASU No. 2014-09 will be effective for fiscal years beginning after December 15, 2017, with early adoption permitted but not prior to the original effective date of annual periods beginning after December 15, 2016. ASU 2014-09 is to be applied retrospectively, or on a modified retrospective basis. The Company is currently evaluating the impact of adopting ASU No. 2014-09 on its Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-03, "Interest—Imputation of Interest (Subtopic 835-30)" ("ASU No. 2015-03"). ASU No. 2015-03 aims to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Currently, debt issuance costs are presented as a deferred charge under GAAP. ASU No. 2015-03 is effective for fiscal years beginning after December 15, 2015, and is to be applied retrospectively, with early adoption permitted. The Company has early adopted ASU No. 2015-03 during the three months ended June 26, 2015 resulting in \$2.8 million of debt issuance costs presented as a direct deduction to the Company's Long-term debt in the Condensed Consolidated Balance Sheet as of June 26, 2015. The retrospective application of ASU No. 2015-03 decreased Other assets and Long-term debt by \$2.4 million in the Condensed Consolidated Balance Sheet as of December 31, 2014.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-07, "Fair Value Measurement (Topic 820)-Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (Subtopic 835-30)" ("ASU No. 2015-07"). ASU No. 2015-07 aims to remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Investments that calculate net asset value per share (or its equivalent), but for which the practical expedient is not applied will continue to be included in the fair value hierarchy along with the related required disclosures. ASU No. 2015-07 is effective for fiscal years beginning after December 15, 2015, and is to be applied retrospectively, with early adoption permitted. The Company plans to early adopt ASU No. 2015-07 in the Notes to Financial Statements as of December 31, 2015 and will apply the disclosure provisions of ASU 2015-07 to all investments measured using the net asset value per share practical expedient.

3. Acquisitions

Subsequent to quarter-end, on June 30, 2015, Colfax completed the acquisition of the Roots™ blowers and compressors business unit ("Roots"), also known as Industrial Air & Gas Technologies, from GE Oil & Gas (the "Roots Acquisition") for approximately \$185 million. Roots is a leading supplier of blower and compressor technologies which service a broad range of end markets, including wastewater treatment, chemical production, and power generation. The acquisition of Roots, with expected annual sales of approximately \$120 million, will build on Howden's global strength in compressors and blowers and will add important application expertise and product solutions to the portfolio. Due to the timing of the Roots Acquisition, the Company is in the process of determining the purchase price allocation and thus, certain disclosures, including a reasonable estimate of Goodwill, are impracticable at this time.

On April 14, 2014, Colfax completed the acquisition of Victor Technologies Holdings, Inc. (the "Victor Acquisition"). During the six months ended June 26, 2015, the Company retrospectively adjusted provisional amounts with respect to the Victor Acquisition that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. The aggregate adjustments for the six months ended June 26, 2015 increased the Goodwill balance by \$0.1 million, primarily due to finalization of the Company's valuation of certain deferred tax assets and liabilities offset by finalization of the valuation of certain fixed assets and an adjustment to a VAT tax position in a specific foreign entity.

4. Net Income Per Share

Net income per share available to Colfax Corporation common shareholders was computed as follows:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
(In thousands, except share data)				
<i>Computation of Net income per share - basic:</i>				
Net income available to Colfax Corporation common shareholders	\$ 53,127	\$ 191,785	\$ 105,183	\$ 216,662
Weighted-average shares of Common stock outstanding - basic	124,250,487	123,808,859	124,103,220	118,279,102
Net income per share - basic	\$ 0.43	\$ 1.55	\$ 0.85	\$ 1.83
<i>Computation of Net income per share - diluted:</i>				
Net income available to Colfax Corporation common shareholders	\$ 53,127	\$ 191,785	\$ 105,183	\$ 216,662
Weighted-average shares of Common stock outstanding - basic	124,250,487	123,808,859	124,103,220	118,279,102
Net effect of potentially dilutive securities - stock options and restricted stock units	1,011,251	1,676,621	1,078,247	1,638,638
Weighted-average shares of Common stock outstanding - diluted ⁽¹⁾	125,261,738	125,485,480	125,181,467	119,917,740
Net income per share - diluted	\$ 0.42	\$ 1.53	\$ 0.84	\$ 1.81

⁽¹⁾ For the period from January 1, 2014 through February 12, 2014, Net income per share - diluted was calculated consistently with the if-converted method in accordance with GAAP until the outstanding shares of Series A Perpetual Convertible Preferred Stock were converted to Common stock on February 12, 2014. However, weighted-average shares outstanding - diluted for the six months ended June 27, 2014 excludes the weighted average effect of 2.8 million Common stock equivalents for the period from January 1, 2014 through February 12, 2014, as their inclusion would be anti-dilutive.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The weighted-average computation of the dilutive effect of potentially issuable shares of Common stock under the treasury stock method for the three months ended June 26, 2015 and June 27, 2014 excludes approximately 2.2 million and 0.7 million of outstanding stock-based compensation awards, respectively, as their inclusion would be anti-dilutive. The weighted-average computation of the dilutive effect of potentially issuable shares of Common stock under the treasury stock method for the six months ended June 26, 2015 and June 27, 2014 excludes approximately 2.1 million and 0.6 million of outstanding stock-based compensation awards, respectively, as their inclusion would be anti-dilutive.

5. Income Taxes

During the three months ended June 26, 2015, Income before income taxes was \$82.3 million and the Provision for income taxes was \$23.5 million. The effective tax rate of 28.5% for the three months ended June 26, 2015 differs from the U.S. federal statutory rate primarily due to international tax rates, which are lower than the U.S. tax rate, offset in part by losses in certain jurisdictions where a tax benefit is not expected to be recognized in 2015.

During the six months ended June 26, 2015, Income before income taxes was \$147.7 million and the Provision for income taxes was \$32.6 million. The effective tax rate of 22.1% for the six months ended June 26, 2015 differs from the U.S. federal statutory rate primarily due to a tax benefit of \$13.0 million associated with the resolution of a certain liability for unrecognized tax benefits and international tax rates, which are lower than the U.S. tax rate, offset in part by losses in certain jurisdictions where a tax benefit is not expected to be recognized in 2015.

Income before income taxes was \$82.0 million and \$157.5 million and the Benefit from income taxes was \$116.3 million and \$95.7 million for the three and six months ended June 27, 2014, respectively. The Benefit from income taxes for both periods was impacted by the reassessment of the realizability of certain deferred tax assets as a result of the effect of the Victor Acquisition on expected future income. This reassessment resulted in a decrease in the Company's valuation allowance against U.S. deferred tax assets. The reduction in the valuation allowance created a non-cash income tax benefit for the three and six months ended June 27, 2014 of \$113.1 million. Additionally, a tax benefit of \$19.4 million was included in Benefit from income taxes in the Condensed Consolidated Statements of Income for the three and six months ended June 27, 2014 associated with the resolution of a liability for unrecognized tax benefits. These items are the principal reasons for a tax benefit rather than a tax provision, which would result from the application of the U.S. federal statutory rate to the reported Income before income taxes for the three and six months ended June 27, 2014.

6. Equity

Common Stock

On May 21, 2015, the Company contributed 66,000 shares of newly issued Colfax Common stock to its U.S. defined benefit pension plan.

Accumulated Other Comprehensive (Loss) Income

The following tables present the changes in the balances of each component of Accumulated other comprehensive (loss) income including reclassifications out of Accumulated other comprehensive (loss) income for the six months ended June 26, 2015 and June 27, 2014. All amounts are net of tax and noncontrolling interest.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

	Accumulated Other Comprehensive Loss Components			
	Net Unrecognized Pension And Other Post-Retirement Benefit Cost	Foreign Currency Translation Adjustment	Unrealized Gain On Hedging Activities	Total
	(In thousands)			
Balance at January 1, 2015	\$ (240,513)	\$ (227,059)	\$ 23,881	\$ (443,691)
Other comprehensive income (loss) before reclassifications:				
Foreign currency translation adjustment	4,530	(76,639)	(155)	(72,264)
Gain on long-term intra-entity foreign currency transactions	—	4,620	—	4,620
Gain on net investment hedges	—	—	10,212	10,212
Unrealized gain on cash flow hedges	—	—	2,015	2,015
Other	3,817	—	—	3,817
Other comprehensive income (loss) before reclassifications	8,347	(72,019)	12,072	(51,600)
Amounts reclassified from Accumulated other comprehensive loss	4,074	—	—	4,074
Net current period Other comprehensive income (loss)	12,421	(72,019)	12,072	(47,526)
Balance at June 26, 2015	\$ (228,092)	\$ (299,078)	\$ 35,953	\$ (491,217)

	Accumulated Other Comprehensive (Loss) Income Components			
	Net Unrecognized Pension And Other Post-Retirement Benefit Cost	Foreign Currency Translation Adjustment	Unrealized Loss On Hedging Activities	Total
	(In thousands)			
Balance at January 1, 2014	\$ (163,092)	\$ 123,021	\$ (6,529)	\$ (46,600)
Other comprehensive income before reclassifications:				
Foreign currency translation adjustment	(512)	32,974	19	32,481
Gain on long-term intra-entity foreign currency transactions	—	9,531	—	9,531
Gain on net investment hedges	—	—	4,773	4,773
Unrealized loss on cash flow hedges	—	—	(1,683)	(1,683)
Other	1,934	—	—	1,934
Other comprehensive income before reclassifications	1,422	42,505	3,109	47,036
Amounts reclassified from Accumulated other comprehensive (loss) income	3,634	—	—	3,634
Net current period Other comprehensive income	5,056	42,505	3,109	50,670
Balance at June 27, 2014	\$ (158,036)	\$ 165,526	\$ (3,420)	\$ 4,070

The effect on Net income of amounts reclassified out of each component of Accumulated other comprehensive (loss) income for the three and six months ended June 26, 2015 and June 27, 2014 is as follows:

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

	Three Months Ended June 26, 2015			Six Months Ended June 26, 2015		
	Amounts Reclassified From Accumulated Other Comprehensive Loss			Amounts Reclassified From Accumulated Other Comprehensive Loss		
	Tax Benefit	Total	Total	Tax Benefit	Total	Total
	(In thousands)					
Pension and other post-retirement benefit cost:						
Amortization of net loss ⁽¹⁾	\$ 3,522	\$ (1,733)	\$ 1,789	\$ 6,614	\$ (2,671)	\$ 3,943
Amortization of prior service cost ⁽¹⁾	69	—	69	131	—	131
	\$ 3,591	\$ (1,733)	\$ 1,858	\$ 6,745	\$ (2,671)	\$ 4,074

	Three Months Ended June 27, 2014			Six Months Ended June 27, 2014		
	Amounts Reclassified From Accumulated Other Comprehensive (Loss) Income			Amounts Reclassified From Accumulated Other Comprehensive (Loss) Income		
	Tax Benefit	Total	Total	Tax Benefit	Total	Total
	(In thousands)					
Pension and other post-retirement benefit cost:						
Amortization of net loss ⁽¹⁾	\$ 1,811	\$ (132)	\$ 1,679	\$ 3,815	\$ (305)	\$ 3,510
Amortization of prior service cost ⁽¹⁾	62	—	62	124	—	124
	\$ 1,873	\$ (132)	\$ 1,741	\$ 3,939	\$ (305)	\$ 3,634

⁽¹⁾Included in the computation of net periodic benefit cost (income). See Note 10, "Net Periodic Benefit Cost - Defined Benefit Plans" for additional details.

During the six months ended June 26, 2015 and June 27, 2014, Noncontrolling interest decreased by \$4.6 million and \$1.1 million, respectively, as a result of Other comprehensive loss, primarily due to foreign currency translation adjustment.

7. Inventories, Net

Inventories, net consisted of the following:

	June 26, 2015	December 31, 2014
	(In thousands)	
Raw materials	\$ 159,068	\$ 164,115
Work in process	80,566	81,110
Finished goods	258,158	239,808
	497,792	485,033
Less: customer progress payments	(14,647)	(7,728)
Less: allowance for excess, slow-moving and obsolete inventory	(35,840)	(34,573)
Inventories, net	\$ 447,305	\$ 442,732

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

8. Debt

Long-term debt consisted of the following:

	June 26, 2015	December 31, 2014
	(In thousands)	
Term loans	\$ 730,538	\$ 1,210,474
Trade receivables financing arrangement	80,000	80,000
Revolving credit facilities and other	573,132	246,336
Total Debt	1,383,670	1,536,810
Less: current portion	(6,738)	(9,855)
Long-term debt	\$ 1,376,932	\$ 1,526,955

On June 5, 2015, the Company entered into a credit agreement (the "Credit Agreement") by and among the Company, as the borrower, certain U.S. subsidiaries of the Company identified therein, as guarantors, each of the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, swing line lender and global coordinator.

The proceeds of the loans under the Credit Agreement were used by the Company to repay in full its preexisting senior secured credit facility, by and among the Company, Colfax UK Holdings Ltd, the other subsidiaries of the Company party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent (the "Deutsche Bank Credit Agreement"), as well as for working capital and general corporate purposes. The Credit Agreement consists of a term loan in an aggregate amount of \$750.0 million (the "Term Loan") and a revolving credit facility which totals \$1.0 billion in commitments (the "Revolver"), each of which matures in five years. The Revolver contains a \$50.0 million swing line loan sub-facility.

The Term Loan and the Revolver bear interest, at the election of the Company, at either the base rate (as defined in the Credit Agreement) or the Eurocurrency rate (as defined in the Credit Agreement), in each case, plus the applicable interest rate margin. The Term Loan and the Revolver initially bear interest either at the Eurocurrency rate plus 1.50% or at the base rate plus 0.50%, and in future quarters will bear interest either at the Eurocurrency rate or the base rate plus the applicable interest rate margin based upon either, whichever results in the lower applicable interest rate margin (subject to certain exceptions), the Company's total leverage ratio and the corporate family rating of the Company as determined by Standard & Poor's and Moody's (ranging from 1.25% to 2.00%, in the case of the Eurocurrency margin, and 0.25% to 1.00%, in the case of the base rate margin). Each swing line loan denominated in dollars will bear interest at the base rate plus the applicable interest rate margin and each swing line loan denominated in any other currency available under the credit facility will bear interest at the Eurocurrency rate plus the applicable interest rate margin.

In conjunction with the Credit Agreement, the Company recorded a charge to Interest expense in the Condensed Consolidated Statement of Income for the three months ended June 26, 2015 of \$4.7 million to write-off certain deferred financing fees and original issue discount and expensed approximately \$0.4 million of costs incurred in connection with the refinancing of the Deutsche Bank Credit Agreement. The Company had an original issue discount of \$7.3 million and deferred financing fees of \$10.5 million included in its Condensed Consolidated Balance Sheet as of June 26, 2015, which will be accreted to Interest expense primarily using the effective interest method, over the life of the Credit Agreement. As of June 26, 2015, the weighted-average interest rate of borrowings under the Credit Agreement was 1.64%, excluding accretion of original issue discount, and there was \$467.3 million available on the revolving credit facility.

The Company is also party to letter of credit facilities with total capacity of \$735.7 million. Total letters of credit of \$364.0 million were outstanding as of June 26, 2015.

On December 22, 2014, the Company entered into a receivables financing facility, pursuant to which it established a wholly owned, special purpose bankruptcy-remote subsidiary which purchases trade receivables from certain of the Company's subsidiaries on an ongoing basis and pledges them to support its obligation as borrower under the receivables financing facility. This special purpose subsidiary has a separate legal existence from its parent and its assets are not available to satisfy the claims of creditors of the selling subsidiaries or any other member of the consolidated group. Availability of funds may fluctuate over time given changes in eligible receivable balances, but will not exceed the \$80 million program limit. As of June 26, 2015, the total outstanding borrowings under the receivables financing facility were \$80 million and the interest rate was 0.9%. The scheduled termination date for the receivables financing facility is December 21, 2015, which may be extended from time to time. The facility contains representations, warranties, covenants and indemnities customary for facilities of this type. The facility does not contain any covenants that the Company views as materially constraining to the activities of its business.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The contractual maturities of the Company's debt as of June 26, 2015 are as follows⁽¹⁾:

	(In thousands)	
Remainder of 2015	\$	5,877
2016		5,620
2017		4,452
2018		4,142
2019		131,166
2020		1,242,500
Total contractual maturities		1,393,757
Debt discount ⁽²⁾		(10,087)
Total debt	\$	1,383,670

⁽¹⁾ Represents scheduled payments required under the Credit Agreement through June 5, 2020, as well as the contractual maturities of other debt outstanding as of June 26, 2015, and reflects management's intention to repay scheduled maturities of the term loans outstanding under the Credit Agreement and the trade receivables financing arrangement (if not extended) with proceeds from the revolving credit facility.

⁽²⁾ Includes \$2.8 million of deferred debt issuance costs pursuant to the adoption of ASU 2015-03. See Note 2, "Recently Issued Accounting Pronouncements" for further discussion.

Certain U.S. subsidiaries of the Company have agreed to guarantee the obligations of the Company under the Credit Agreement. The Credit Agreement contains customary covenants limiting the ability of the Company and its subsidiaries to, among other things, incur debt or liens, merge or consolidate with others, dispose of assets, make investments or pay dividends. In addition, the Credit Agreement contains financial covenants requiring the Company to maintain a total leverage ratio, as defined therein, of not more than 3.5 to 1.0 and minimum interest coverage ratio, as defined therein, of 3.0 to 1.0, measured at the end of each quarter. The Credit Agreement contains various events of default (including failure to comply with the covenants under the Credit Agreement and related agreements) and upon an event of default the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding under the Term Loan and the Revolver. As of June 26, 2015, the Company is in compliance with the covenants under the Credit Agreement.

9. Accrued Liabilities

Accrued liabilities in the Condensed Consolidated Balance Sheets consisted of the following:

	June 26, 2015		December 31, 2014 ⁽¹⁾	
	(In thousands)			
Accrued payroll	\$	118,376	\$	120,068
Advance payments from customers		55,626		58,049
Accrued taxes and deferred tax liability - current portion		50,097		58,823
Accrued asbestos-related liability		52,259		50,175
Warranty liability - current portion		40,951		47,966
Accrued restructuring liability - current portion		11,873		21,846
Accrued third-party commissions		11,929		11,026
Other		116,999		128,254
Accrued liabilities	\$	458,110	\$	496,207

⁽¹⁾ During the six months ended June 26, 2015 the Company retrospectively adjusted provisional amounts with respect to an acquisition completed during the three months ended June 27, 2014 to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. See Note 3, "Acquisitions" for further discussion regarding these adjustments.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

Warranty Liability

The activity in the Company's warranty liability consisted of the following:

	Six Months Ended	
	June 26, 2015	June 27, 2014
(In thousands)		
Warranty liability, beginning of period	\$ 51,135	\$ 65,512
Accrued warranty expense	8,685	10,978
Changes in estimates related to pre-existing warranties	(2,696)	(2,764)
Cost of warranty service work performed	(12,641)	(12,830)
Acquisition	—	4,488
Foreign exchange translation effect	(2,013)	(4,336)
Warranty liability, end of period	<u>\$ 42,470</u>	<u>\$ 61,048</u>

Accrued Restructuring Liability

The Company's restructuring programs include a series of restructuring actions to reduce the structural costs of the Company.

A summary of the activity in the Company's restructuring liability included in Accrued liabilities and Other liabilities in the Condensed Consolidated Balance Sheets is as follows:

	Six Months Ended June 26, 2015				
	Balance at Beginning of Period	Provisions	Payments	Foreign Currency Translation	Balance at End of Period ⁽³⁾
(In thousands)					
Restructuring and other related charges:					
Gas and Fluid Handling:					
Termination benefits ⁽¹⁾	\$ 7,551	\$ 1,642	\$ (5,608)	\$ (435)	\$ 3,150
Facility closure costs ⁽²⁾	1,445	1,745	(2,087)	(117)	986
	<u>8,996</u>	<u>3,387</u>	<u>(7,695)</u>	<u>(552)</u>	<u>4,136</u>
Non-cash impairment		1,918			
		<u>5,305</u>			
Fabrication Technology:					
Termination benefits ⁽¹⁾	11,155	4,265	(9,229)	43	6,234
Facility closure costs ⁽²⁾	1,937	3,017	(3,287)	59	1,726
	<u>13,092</u>	<u>7,282</u>	<u>(12,516)</u>	<u>102</u>	<u>7,960</u>
Corporate and Other:					
Facility closure costs ⁽²⁾	922	—	(213)	5	714
	<u>922</u>	<u>—</u>	<u>(213)</u>	<u>5</u>	<u>714</u>
	<u>\$ 23,010</u>	<u>\$ 10,669</u>	<u>\$ (20,424)</u>	<u>\$ (445)</u>	<u>\$ 12,810</u>
Non-cash impairment		1,918			
		<u>\$ 12,587</u>			

⁽¹⁾ Includes severance and other termination benefits, including outplacement services. The Company recognizes the cost of involuntary termination benefits at the communication date or ratably over any remaining expected future service period. Voluntary termination benefits are recognized as a liability and an expense when employees accept the offer and the amount can be reasonably estimated.

⁽²⁾ Includes the cost of relocating associates, relocating equipment and lease termination expense in connection with the closure of facilities.

⁽³⁾ As of June 26, 2015, \$11.9 million and \$0.9 million of the Company's restructuring liability was included in Accrued liabilities and Other liabilities, respectively.

The Company expects to incur Restructuring and other related charges of approximately \$35 million during the remainder of 2015 related to these restructuring activities.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

10. Net Periodic Benefit Cost - Defined Benefit Plans

The following table sets forth the components of net periodic benefit cost (income) of the Company's defined benefit pension plans and other post-retirement employee benefit plans:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
(In thousands)				
Pension Benefits-U.S. Plans:				
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	4,288	4,766	8,581	9,322
Expected return on plan assets	(6,019)	(6,119)	(12,039)	(11,934)
Amortization	1,898	1,298	3,799	2,596
Net periodic benefit cost (income)	\$ 167	\$ (55)	\$ 341	\$ (16)
Pension Benefits-Non U.S. Plans:				
Service cost	\$ 818	\$ 1,015	\$ 2,025	\$ 1,912
Interest cost	9,777	12,681	19,536	25,087
Expected return on plan assets	(9,153)	(10,914)	(17,809)	(21,643)
Amortization	1,501	465	2,579	1,123
Net periodic benefit cost	\$ 2,943	\$ 3,247	\$ 6,331	\$ 6,479
Other Post-Retirement Benefits:				
Service cost	\$ 51	\$ 39	\$ 102	\$ 73
Interest cost	313	285	639	583
Amortization	192	110	367	220
Net periodic benefit cost	\$ 556	\$ 434	\$ 1,108	\$ 876

11. Financial Instruments and Fair Value Measurements

The carrying values of financial instruments, including Trade receivables and Accounts payable, approximate their fair values due to their short-term maturities. The estimated fair value of the Company's debt of \$1.4 billion and \$1.5 billion as of June 26, 2015 and December 31, 2014, respectively, was based on current interest rates for similar types of borrowings and is in Level Two of the fair value hierarchy. The estimated fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

A summary of the Company's assets and liabilities that are measured at fair value for each fair value hierarchy level for the periods presented is as follows:

	June 26, 2015			
	Level One	Level Two	Level Three	Total
	(In thousands)			
Assets:				
Cash equivalents	\$ 23,720	\$ —	\$ —	\$ 23,720
Foreign currency contracts related to sales - designated as hedges	—	7,256	—	7,256
Foreign currency contracts related to sales - not designated as hedges	—	1,625	—	1,625
Foreign currency contracts related to purchases - designated as hedges	—	405	—	405
Foreign currency contracts related to purchases - not designated as hedges	—	293	—	293
Deferred compensation plans	—	3,670	—	3,670
	<u>\$ 23,720</u>	<u>\$ 13,249</u>	<u>\$ —</u>	<u>\$ 36,969</u>
Liabilities:				
Foreign currency contracts related to sales - designated as hedges	\$ —	\$ 4,555	\$ —	\$ 4,555
Foreign currency contracts related to sales - not designated as hedges	—	1,140	—	1,140
Foreign currency contracts related to purchases - designated as hedges	—	898	—	898
Foreign currency contracts related to purchases - not designated as hedges	—	90	—	90
Deferred compensation plans	—	3,670	—	3,670
	<u>\$ —</u>	<u>\$ 10,353</u>	<u>\$ —</u>	<u>\$ 10,353</u>

	December 31, 2014			
	Level One	Level Two	Level Three	Total
	(In thousands)			
Assets:				
Cash equivalents	\$ 23,143	\$ —	\$ —	\$ 23,143
Foreign currency contracts related to sales - designated as hedges	—	4,524	—	4,524
Foreign currency contracts related to sales - not designated as hedges	—	1,007	—	1,007
Foreign currency contracts related to purchases - designated as hedges	—	1,980	—	1,980
Foreign currency contracts related to purchases - not designated as hedges	—	478	—	478
Deferred compensation plans	—	2,941	—	2,941
	<u>\$ 23,143</u>	<u>\$ 10,930</u>	<u>\$ —</u>	<u>\$ 34,073</u>
Liabilities:				
Foreign currency contracts related to sales - designated as hedges	\$ —	\$ 7,163	\$ —	\$ 7,163
Foreign currency contracts related to sales - not designated as hedges	—	2,793	—	2,793
Foreign currency contracts related to purchases - designated as hedges	—	695	—	695
Foreign currency contracts related to purchases - not designated as hedges	—	661	—	661
Deferred compensation plans	—	2,941	—	2,941
	<u>\$ —</u>	<u>\$ 14,253</u>	<u>\$ —</u>	<u>\$ 14,253</u>

There were no transfers in or out of Level One, Two or Three during the six months ended June 26, 2015.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

Foreign Currency Contracts

As of June 26, 2015 and December 31, 2014, the Company had foreign currency contracts with the following notional values:

	June 26, 2015	December 31, 2014
	(In thousands)	
Foreign currency contracts sold - not designated as hedges	\$ 136,407	\$ 124,838
Foreign currency contracts sold - designated as hedges	217,610	250,743
Foreign currency contracts purchased - not designated as hedges	40,235	36,080
Foreign currency contracts purchased - designated as hedges	50,376	53,944
Total foreign currency derivatives	<u>\$ 444,628</u>	<u>\$ 465,605</u>

The Company recognized the following in its Condensed Consolidated Financial Statements related to its derivative instruments:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(In thousands)			
Contracts Designated as Hedges:				
Foreign Currency Contracts - related to customer sales contracts:				
Unrealized gain (loss)	\$ 6,267	\$ 230	\$ 508	\$ (1,158)
Realized gain (loss)	3,050	554	3,502	(255)
Foreign Currency Contracts - related to supplier purchase contracts:				
Unrealized gain (loss)	2,229	356	(324)	(249)
Realized (loss) gain	(3,263)	(329)	(1,950)	108
Unrealized (loss) gain on net investment hedges ⁽¹⁾	(18,473)	2,788	10,212	4,773
Contracts Not Designated in a Hedge Relationship:				
Foreign Currency Contracts - related to customer sales contracts:				
Unrealized gain (loss)	1,746	133	2,272	(36)
Realized loss	(535)	(763)	(4,261)	(1,714)
Foreign Currency Contracts - related to supplier purchases contracts:				
Unrealized gain (loss)	531	(1,762)	387	(2,457)
Realized (loss) gain	(165)	424	414	1,774

⁽¹⁾ The unrealized (loss) gain on net investment hedges is attributable to the change in valuation of Euro denominated debt.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

12. Commitments and Contingencies

For further description of the Company's litigation and contingencies, reference is made to Note 15, "Commitments and Contingencies" in the Notes to Consolidated Financial Statements in our 2014 Form 10-K.

Asbestos and Other Product Liability Contingencies

Claims activity since December 31 related to asbestos claims is as follows⁽¹⁾:

	Six Months Ended	
	June 26, 2015	June 27, 2014
	(Number of claims)	
Claims unresolved, beginning of period	21,681	22,393
Claims filed ⁽²⁾	2,502	2,339
Claims resolved ⁽³⁾	(2,180)	(2,210)
Claims unresolved, end of period	22,003	22,522

⁽¹⁾ Excludes claims filed by one legal firm that have been "administratively dismissed."

⁽²⁾ Claims filed include all asbestos claims for which notification has been received or a file has been opened.

⁽³⁾ Claims resolved include all asbestos claims that have been settled, dismissed or that are in the process of being settled or dismissed based upon agreements or understandings in place with counsel for the claimants.

The Company's Condensed Consolidated Balance Sheets included the following amounts related to asbestos-related litigation:

	June 26, 2015	December 31, 2014
	(In thousands)	
Current asbestos insurance asset ⁽¹⁾	\$ 34,062	\$ 34,540
Long-term asbestos insurance asset ⁽²⁾	272,775	282,679
Long-term asbestos insurance receivable ⁽²⁾	90,115	82,340
Accrued asbestos liability ⁽³⁾	52,259	50,175
Long-term asbestos liability ⁽⁴⁾	336,364	346,099

⁽¹⁾ Included in Other current assets in the Condensed Consolidated Balance Sheets.

⁽²⁾ Included in Other assets in the Condensed Consolidated Balance Sheets.

⁽³⁾ Represents current reserves for probable and reasonably estimable asbestos-related liability cost that the Company believes its subsidiaries will pay through the next 15 years, overpayments by certain insurers and unpaid legal costs related to defending themselves against asbestos-related liability claims and legal action against the Company's insurers, which is included in Accrued liabilities in the Condensed Consolidated Balance Sheets.

⁽⁴⁾ Included in Other liabilities in the Condensed Consolidated Balance Sheets.

Management's analyses are based on currently known facts and a number of assumptions. However, projecting future events, such as new claims to be filed each year, the average cost of resolving each claim, coverage issues among layers of insurers, the method in which losses will be allocated to the various insurance policies, interpretation of the effect on coverage of various policy terms and limits and their interrelationships, the continuing solvency of various insurance companies, the amount of remaining insurance available, as well as the numerous uncertainties inherent in asbestos litigation could cause the actual liabilities and insurance recoveries to be higher or lower than those projected or recorded which could materially affect the Company's financial condition, results of operations or cash flow.

Various aspects of the final judgments of the Delaware Court of Chancery and Superior Court for a specific subsidiary have been appealed to the Delaware Supreme Court, and an oral argument before the Delaware Supreme Court was held on May 27, 2015. The Delaware Supreme Court has certified certain questions of law to the New York Court of Appeals, New York's highest appellate court, including the question of what allocation methodology should be applied to the subsidiary's policies. In the event that the New York court were to apply a methodology other than "all sums", the subsidiary's future expected recovery would likely be reduced by amounts that we estimate could range from minimal to \$30 million.

In the litigation involving another subsidiary, the New Jersey Supreme Court refused to grant certification of the appeals, effectively ending the matter. This will have no material impact on the Company's financial condition or results of operations.

Other Litigation Matters

On April 10, 2015, the Court of Chancery of the State of Delaware dismissed with prejudice, in its entirety and on the merits, the derivative action brought in March 2014 by two alleged stockholders of the Company against our directors, BDT CF Acquisition Vehicle, LLC and BDT Capital Partners, LLC.

The Company is also involved in various other pending legal proceedings arising out of the ordinary course of the Company's business. None of these legal proceedings are expected to have a material adverse effect on the financial condition, results of operations or cash flow of the Company. With respect to these proceedings and the litigation and claims described in the preceding paragraphs, management of the Company believes that it will either prevail, has adequate insurance coverage or has established appropriate accruals to cover potential liabilities. Any costs that management estimates may be paid related to these proceedings or claims are accrued when the liability is considered probable and the amount can be reasonably estimated. There can be no assurance, however, as to the ultimate outcome of any of these matters, and if all or substantially all of these legal proceedings were to be determined adverse to the Company, there could be a material adverse effect on the financial condition, results of operations or cash flow of the Company.

13. Segment Information

The Company conducts its operations through three operating segments: gas handling, fluid handling and fabrication technology. The gas-handling and fluid-handling operating segments are aggregated into a single reportable segment. A description of the Company's reportable segments is as follows:

- ***Gas and Fluid Handling*** - a global supplier of a broad range of gas- and fluid-handling products, including heavy-duty centrifugal and axial fans, rotary heat exchangers, gas compressors, pumps, fluid-handling systems, controls and specialty valves, which serves customers in the power generation, oil, gas and petrochemical, mining, marine (including defense) and general industrial and other end markets; and
- ***Fabrication Technology*** - a global supplier of welding equipment and consumables, cutting equipment and consumables and automated welding and cutting systems.

Certain amounts not allocated to the two reportable segments and intersegment eliminations are reported under the heading "Corporate and other." The Company's management evaluates the operating results of each of its reportable segments based upon Net sales and segment operating income (loss), which represents Operating income (loss) before Restructuring and other related charges.

COLFAX CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

The Company's segment results were as follows:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
(In thousands)				
Net sales:				
Gas and fluid handling	\$ 504,875	\$ 568,940	\$ 927,084	\$ 1,142,889
Fabrication technology	520,500	630,396	1,009,361	1,110,778
	<u>\$ 1,025,375</u>	<u>\$ 1,199,336</u>	<u>\$ 1,936,445</u>	<u>\$ 2,253,667</u>
Segment operating income (loss)⁽¹⁾:				
Gas and fluid handling	\$ 64,206	\$ 45,690	\$ 100,463	\$ 101,688
Fabrication technology	53,874	77,088	111,220	130,951
Corporate and other	(12,672)	(13,636)	(25,069)	(29,447)
	<u>\$ 105,408</u>	<u>\$ 109,142</u>	<u>\$ 186,614</u>	<u>\$ 203,192</u>

⁽¹⁾ The following is a reconciliation of Income before income taxes to segment operating income:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
(In thousands)				
Income before income taxes	\$ 82,325	\$ 82,044	\$ 147,734	\$ 157,460
Interest expense	14,249	13,624	26,293	25,946
Restructuring and other related charges	8,834	13,474	12,587	19,786
Segment operating income	<u>\$ 105,408</u>	<u>\$ 109,142</u>	<u>\$ 186,614</u>	<u>\$ 203,192</u>

The detail of the Company's Net sales by product type is as follows:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
(In thousands)				
Gas handling	\$ 365,786	\$ 401,011	\$ 666,025	\$ 825,178
Fluid handling	139,089	167,929	261,059	317,711
Welding and cutting	520,500	630,396	1,009,361	1,110,778
Total Net sales	<u>\$ 1,025,375</u>	<u>\$ 1,199,336</u>	<u>\$ 1,936,445</u>	<u>\$ 2,253,667</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of Colfax Corporation ("Colfax," "the Company," "we," "our," and "us") should be read in conjunction with the Condensed Consolidated Financial Statements and related footnotes included in Part I. Item 1. "Financial Statements" of this Quarterly Report on Form 10-Q for the quarterly period ended June 26, 2015 (this "Form 10-Q") and the Consolidated Financial Statements and related footnotes included in Part II. Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Form 10-K") filed with the Securities and Exchange Commission (the "SEC") on February 17, 2015.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Form 10-Q that are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Form 10-Q is filed with the SEC. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements regarding: projections of revenue, profit margins, expenses, tax provisions and tax rates, earnings or losses from operations, impact of foreign exchange rates, cash flows, pension and benefit obligations and funding requirements, synergies or other financial items; plans, strategies and objectives of management for future operations including statements relating to potential acquisitions, compensation plans or purchase commitments; developments, performance or industry or market rankings relating to products or services; future economic conditions or performance; the outcome of outstanding claims or legal proceedings including asbestos-related liabilities and insurance coverage litigation; potential gains and recoveries of costs; assumptions underlying any of the foregoing; and any other statements that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future. Forward-looking statements may be characterized by terminology such as "believe," "anticipate," "should," "would," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy," "targets," "aims," "seeks," "sees," and similar expressions. These statements are based on assumptions and assessments made by our management in light of their experience and perception of historical trends, current conditions, expected future developments and other factors we believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including but not limited to the following:

- changes in the general economy, as well as the cyclical nature of the markets we serve;
- a significant or sustained decline in commodity prices, including oil;
- our ability to identify, finance, acquire and successfully integrate attractive acquisition targets;
- our exposure to unanticipated liabilities resulting from acquisitions;
- our ability and the ability of our customers to access required capital at a reasonable cost;
- our ability to accurately estimate the cost of or realize savings from our restructuring programs;
- the amount of and our ability to estimate our asbestos-related liabilities;
- the solvency of our insurers and the likelihood of their payment for asbestos-related costs;
- material disruptions at any of our manufacturing facilities;
- noncompliance with various laws and regulations associated with our international operations, including anti-bribery laws, export control regulations and sanctions and embargoes;
- risks associated with our international operations;
- risks associated with the representation of our employees by trade unions and work councils;

- our exposure to product liability claims;
- potential costs and liabilities associated with environmental, health and safety laws and regulations;
- failure to maintain, protect and defend our intellectual property rights;
- the loss of key members of our leadership team;
- restrictions in our credit agreement entered into on June 5, 2015 by and among the Company, as the borrower, certain U.S. subsidiaries of the Company identified therein, as guarantors, each of the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, swing line lender and global coordinator (the "Credit Agreement") that may limit our flexibility in operating our business;
- impairment in the value of intangible assets;
- the funding requirements or obligations of our defined benefit pension plans and other post-retirement benefit plans;
- significant movements in foreign currency exchange rates;
- availability and cost of raw materials, parts and components used in our products;
- new regulations and customer preferences reflecting an increased focus on environmental, social and governance issues, including new regulations related to the use of conflict minerals;
- service interruptions, data corruption, cyber-based attacks or network security breaches affecting our information technology infrastructure;
- risks arising from changes in technology;
- the competitive environment in our industry;
- changes in our tax rates or exposure to additional income tax liabilities;
- our ability to manage and grow our business and execution of our business and growth strategies;
- the level of capital investment and expenditures by our customers in our strategic markets;
- our financial performance; and
- other risks and factors, listed in Item 1A. "Risk Factors" in Part I of our 2014 Form 10-K.

Any such forward-looking statements are not guarantees of future performance and actual results, developments and business decisions may differ materially from those envisaged by such forward-looking statements. These forward-looking statements speak only as of the date this Form 10-Q is filed with the SEC. We do not assume any obligation and do not intend to update any forward-looking statement except as required by law. See Part I. Item 1A. "Risk Factors" in our 2014 Form 10-K for a further discussion regarding some of the reasons that actual results may be materially different from those that we anticipate.

Overview

We report our operations through the following reportable segments:

- **Gas and Fluid Handling** - a global supplier of a broad range of gas- and fluid-handling products, including heavy-duty centrifugal and axial fans, rotary heat exchangers, gas compressors, pumps, fluid-handling systems and controls and specialty valves, which serves customers in the power generation, oil, gas and petrochemical, mining, marine (including defense) and general industrial and other end markets; and
- **Fabrication Technology** - a global supplier of welding equipment and consumables, cutting equipment and consumables and automated welding and cutting systems.

Certain amounts not allocated to the two reportable segments and intersegment eliminations are reported under the heading "Corporate and other."

Colfax has a global geographic footprint, with production facilities in Europe, North America, South America, Asia, Australia and Africa. Through our reportable segments, we serve a global customer base across multiple markets through a combination of direct sales and third-party distribution channels. Our customer base is highly diversified and includes commercial, industrial and government customers.

We employ a comprehensive set of tools that we refer to as the Colfax Business System ("CBS"). CBS is our business management system. It is a repeatable, teachable process that we use to create superior value for our customers, shareholders and associates. Rooted in our core values, it is our culture. CBS provides the tools and techniques to ensure that we are continuously improving our ability to meet or exceed customer requirements on a consistent basis.

Results of Operations

The following discussion of Results of Operations addresses the comparison of the periods presented. The Company's management evaluates the operating results of each of its reportable segments based upon Net sales and segment operating income (loss), which represents Operating income before Restructuring and other related charges.

Items Affecting Comparability of Reported Results

The comparability of our operating results for the second quarter and six months ended June 26, 2015 to the comparable 2014 period is affected by the following additional significant items:

Strategic Acquisitions

We complement our organic growth plans with strategic acquisitions. Acquisitions can significantly affect our reported results and can complicate period to period comparisons of results. As a consequence, we report the change in our Net sales between periods both from existing and acquired businesses. Orders and order backlog are presented only for the gas- and fluid-handling segment, where this information is relevant. The change in Net sales due to acquisitions represents the change in sales due to the following acquisition:

Fabrication Technology

On April 14, 2014, Colfax completed the acquisition of Victor Technologies Holdings, Inc. ("Victor") for net cash consideration of \$948.8 million (the "Victor Acquisition"). Victor is a pre-eminent global manufacturer of cutting, gas control and specialty welding solutions. The acquisition complemented the geographic footprint of our fabrication technology segment and expanded our product portfolio into new segments and applications.

Foreign Currency Fluctuations

A significant portion of our Net sales, approximately 73% and 72% for the three and six months ended June 26, 2015, respectively, is derived from operations outside the U.S., with the majority of those sales denominated in currencies other than the U.S. dollar. Because much of our manufacturing and employee costs are outside the U.S., a significant portion of our costs are also denominated in currencies other than the U.S. dollar. Changes in foreign exchange rates can impact our results of operations and are quantified when significant to our discussion. The strengthening of the U.S. dollar since the second quarter of 2014 has had a significant impact on our reported results in 2015. For the second quarter of 2015 and the six months ended June 26, 2015, changes in foreign exchange rates have reduced Net sales by approximately 12%. Changes in foreign exchange rates also reduced Income before income taxes by approximately 13% and 14% respectively, for the second quarter of 2015 and six months ended June 26, 2015. The changes in foreign exchange rates since December 31, 2014 decreased net assets by approximately 3%.

In February 2015, the Venezuelan government introduced a marginal foreign exchange system ("SIMADI") which replaces an auction-based foreign exchange system that began operating on March 24, 2014 ("SICAD II"), which we previously used to remeasure our Venezuelan operations. During the six months ended June 26, 2015, we have determined the SIMADI to be the most appropriate rate with which to remeasure our Venezuelan operations from the multiple current legal mechanisms in Venezuela to exchange currency. As of the second quarter and six months ended June 26, 2015, our Venezuelan operations represented less than 1% of our Total assets and Net sales. The foreign currency transaction loss recognized related to the adoption of the SIMADI did not have a material impact on our Condensed Consolidated Statement of Income for the six months ended June 26, 2015.

Seasonality

As our gas- and fluid-handling customers seek to fully utilize capital spending budgets before the end of the year, historically our shipments have peaked during the fourth quarter. Also, all of our European operations typically experience a slowdown during the July and August and December holiday seasons. General economic conditions may, however, impact future seasonal variations.

Sales, Orders and Backlog

Our consolidated Net sales decreased from Net sales of \$1,199.3 million in the second quarter of 2014 to \$1,025.4 million in the second quarter of 2015. Our Net sales decreased from Net sales of \$2,253.7 million in the six months ended June 27, 2014 to \$1,936.4 million in the six months ended June 26, 2015. The following tables present components of our consolidated Net sales and, for our gas- and fluid-handling segment, components of orders and order backlog:

	Net Sales		Orders ⁽¹⁾	
	\$	%	\$	%
(In millions)				
For the three months ended June 27, 2014	\$ 1,199.3		\$ 593.8	
<i>Components of Change:</i>				
Existing businesses ⁽²⁾	(53.9)	(4.5)%	(28.1)	(4.7)%
Acquisition ⁽³⁾	19.4	1.6 %	—	— %
Foreign currency translation ⁽⁴⁾	(139.4)	(11.6)%	(63.4)	(10.7)%
	(173.9)	(14.5)%	(91.5)	(15.4)%
For the three months ended June 26, 2015	\$ 1,025.4		\$ 502.3	

	Net Sales		Orders ⁽¹⁾		Backlog at Period End	
	\$	%	\$	%	\$	%
(In millions)						
As of and for the six months ended June 27, 2014	\$ 2,253.7		\$ 1,177.2		\$ 1,584.8	
<i>Components of Change:</i>						
Existing businesses ⁽²⁾	(183.2)	(8.1)%	(112.8)	(9.6)%	(55.0)	(3.5)%
Acquisition ⁽³⁾	123.3	5.5 %	—	— %	—	— %
Foreign currency translation ⁽⁴⁾	(257.4)	(11.5)%	(115.1)	(9.8)%	(165.4)	(10.4)%
	(317.3)	(14.1)%	(227.9)	(19.4)%	(220.4)	(13.9)%
As of and for the six months ended June 26, 2015	\$ 1,936.4		\$ 949.3		\$ 1,364.4	

⁽¹⁾ Represents contracts for products or services, net of cancellations for the period, for our gas- and fluid-handling segment.

⁽²⁾ Excludes the impact of foreign exchange rate fluctuations and acquisitions, thus providing a measure of growth due to factors such as price, product mix and volume.

⁽³⁾ Represents the incremental sales as a result of the Victor Acquisition.

⁽⁴⁾ Represents the difference between prior year sales, orders and order backlog valued at the actual prior year foreign exchange rates and prior year sales, orders and order backlog valued at current year foreign exchange rates.

The decrease in Net sales from existing businesses during the second quarter of 2015 compared to the second quarter of 2014 was attributable to decreases of \$49.0 million in our fabrication technology segment and \$4.9 million in our gas- and fluid-handling segment. Orders, net of cancellations, from existing businesses for our gas- and fluid-handling segment decreased during the second quarter of 2015 in comparison to the second quarter of 2014 due to declines in the marine, general industrial and other and mining end markets, partially offset by growth in the oil, gas and petrochemical and power generation end markets.

The decrease in Net sales from existing businesses during the six months ended June 26, 2015 compared to the six months ended June 27, 2014 was attributable to decreases of \$103.5 million in our gas- and fluid-handling segment and \$79.7 million in our fabrication technology segment. Orders, net of cancellations, from existing businesses for our gas- and fluid-handling segment decreased during the six months ended June 26, 2015 compared to the six months ended June 27, 2014 due to declines in the power generation, marine, mining, and general industrial and other end markets, partially offset by growth in the oil, gas and petrochemical end market.

Business Segments

As discussed further above, the Company reports results in two reportable segments: gas and fluid handling and fabrication technology. The following table summarizes Net sales by reportable segment for each of the following periods:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(In millions)			
Gas and Fluid Handling	\$ 504.9	\$ 568.9	\$ 927.1	\$ 1,142.9
Fabrication Technology	520.5	630.4	1,009.3	1,110.8
Total Net sales	\$ 1,025.4	\$ 1,199.3	\$ 1,936.4	\$ 2,253.7

Gas and Fluid Handling

We design, manufacture, install and maintain gas- and fluid-handling products for use in a wide range of markets, including power generation, oil, gas and petrochemical, mining, marine (including defense) and general industrial and other. Our gas-handling products are principally marketed under the Howden brand name. Howden's primary products are heavy-duty fans, rotary heat exchangers and compressors. The fans and heat exchangers are used in coal-fired and other types of power stations, both in combustion and emissions control applications, underground mines, steel sintering plants and other industrial facilities that require movement of large volumes of air in harsh applications. Howden's compressors are mainly used in the oil, gas and petrochemical end market. Our fluid-handling products are marketed by Colfax Fluid Handling under a portfolio of brands including Allweiler and Imo. Colfax Fluid Handling is a supplier of a broad range of fluid-handling products, including pumps, fluid-handling systems and controls, and specialty valves.

The following table summarizes selected financial data for our gas- and fluid-handling segment:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(Dollars in millions)			
Net sales	\$ 504.9	\$ 568.9	\$ 927.1	\$ 1,142.9
Gross profit	156.5	172.7	286.0	335.2
Gross profit margin	31.0%	30.4%	30.8%	29.3%
Restructuring and other related charges	\$ 2.7	\$ 6.6	\$ 5.3	\$ 9.5
Selling, general and administrative expense	92.2	127.1	185.5	233.6
Selling, general and administrative expense as a percentage of Net sales	18.3%	22.3%	20.0%	20.4%
Segment operating income	\$ 64.3	\$ 45.7	\$ 100.5	\$ 101.7
Segment operating income margin	12.7%	8.0%	10.8%	8.9%

The \$4.9 million Net sales decrease due to existing businesses during the second quarter of 2015 in comparison to the second quarter of 2014, as discussed and defined under "Sales, Orders and Backlog" above, was due to a decrease in the general industrial and other end market, mostly offset by increases in all other end markets. Additionally, changes in foreign exchange rates had a negative impact on Net sales of \$59.1 million. Gross profit decreased in the second quarter of 2015 reflecting the impact of changes in foreign exchange rates and lower volumes. Gross profit margin increased during the second quarter of 2015 in comparison to the second quarter of 2014 as improved margins through cost control and restructuring savings were more than sufficient to offset the impact of lower volumes. Selling, general and administrative expense for the second quarter of 2015 decreased compared to the second quarter of 2014 primarily due to changes in foreign exchange rates, a decrease in acquisition integration costs and the positive benefit of restructuring actions to reduce structural costs and integrate acquisitions made during the fourth quarter of 2013. Additionally, Selling, general and administrative expense for the second quarter of 2014 includes a \$12.1 million impairment loss related to identifiable intangible assets, a \$4.0 million loss on disposition of a small fluid-handling business line and a \$1.3 million foreign currency loss from the use of the SICAD II exchange rate at our Venezuelan fluid-handling business.

The \$103.5 million Net sales decrease due to existing businesses during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014, as discussed and defined under "Sales, Orders and Backlog" above, was due to declines in the oil, gas and petrochemical, power generation and general industrial and other end markets, partially offset by increases in the marine and mining end markets. Additionally, changes in foreign exchange rates had a negative impact on Net sales of \$112.3 million. Gross profit decreased in the six months ended June 26, 2015 reflecting the impact of changes in foreign exchange rates

and lower volumes. Gross profit margin increased during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014 as improved margins through cost control and restructuring savings were more than sufficient to offset the impact of lower volumes. Selling, general and administrative expense for the six months ended June 26, 2015 decreased compared to the six months ended June 27, 2014 primarily due to the reasons discussed previously when comparing the second quarter of 2015 to the second quarter of 2014. Additionally, Selling, general and administrative expense for the six months ended June 27, 2014 includes the incremental losses discussed previously when comparing the second quarter of 2015 to the second quarter of 2014.

Fabrication Technology

We formulate, develop, manufacture and supply consumable products and equipment for use in the cutting and joining of steels, aluminum and other metals and metal alloys. Our fabrication technology products are marketed under several brand names, most notably ESAB and Victor, which we believe are well known in the international cutting and welding industry. ESAB's comprehensive range of cutting and welding consumables includes electrodes, cored and solid wire and fluxes. ESAB's fabrication technology equipment ranges from portable welding machines to large customized cutting and automated welding systems. The Victor Acquisition complemented the geographic footprint of our fabrication technology segment and expanded our cutting equipment and consumables, gas control and specialty welding product lines. Products are sold into a wide range of end markets, including oil & gas, power generation, wind power, shipbuilding, pipelines, mobile/off-highway equipment and mining.

The following table summarizes selected financial data for our fabrication technology segment:

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(Dollars in millions)			
Net sales	\$ 520.5	\$ 630.4	\$ 1,009.3	\$ 1,110.8
Gross profit	171.6	215.5	336.5	378.6
Gross profit margin	33.0%	34.2%	33.3%	34.1%
Restructuring and other related charges	\$ 6.2	\$ 6.8	\$ 7.3	\$ 10.2
Selling, general and administrative expense	117.7	138.3	225.2	247.6
Selling, general and administrative expense as a percentage of Net sales	22.6%	21.9%	22.3%	22.3%
Segment operating income	\$ 53.9	\$ 77.1	\$ 111.2	\$ 131.0
Segment operating income margin	10.4%	12.2%	11.0%	11.8%

The \$49.0 million Net sales decrease due to existing businesses during the second quarter of 2015 in comparison to the second quarter of 2014, as discussed and defined under "Sales, Orders and Backlog" above, was primarily the result of a decrease in equipment sales and consumable volumes in most regions. Additionally, changes in foreign exchange rates had a negative impact on Net sales of \$80.3 million. Gross profit decreased during the second quarter of 2015, which was primarily the result of changes in foreign exchange rates and lower volumes. Gross profit margin decreased during the second quarter of 2015 primarily due to the impact of lower overall volumes. The decrease in Selling, general and administrative expense during the second quarter of 2015 compared to the second quarter of 2014 was primarily due to changes in foreign exchange rates, cost control activities and the impact of lower volumes. Additionally, Selling, general and administrative expense for the second quarter of 2014 includes a \$5.0 million loss from the use of the SICAD II exchange rate at our Venezuelan fabrication technology business.

The \$79.7 million Net sales decrease due to existing businesses during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014, as discussed and defined under "Sales, Orders and Backlog" above, was primarily the result of a decrease in equipment sales and consumable volumes in most regions. Additionally, changes in foreign exchange rates had a negative impact on Net sales of \$145.1 million. Gross profit decreased in the six months ended June 26, 2015, primarily due to the impact of changes in foreign exchange rates and lower overall volumes, which were partially offset by acquisition-related growth. Gross profit margin decreased during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014 primarily due to the impact of lower volumes. Selling, general and administrative expense for the six months ended June 26, 2015 decreased compared to the six months ended June 27, 2014 primarily due to the reasons discussed previously when comparing the second quarter of 2015 to the second quarter of 2014, partially offset by an acquisition-related increase of \$24.1 million. Also, Selling, general and administrative expense for the six months ended June 27, 2014 includes the foreign currency loss at our Venezuelan fabrication technology business discussed previously.

Gross Profit - Total Company

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(Dollars in millions)			
Gross profit	\$ 328.0	\$ 388.2	\$ 622.5	\$ 713.8
Gross profit margin	32.0%	32.5%	32.1%	31.7%

The \$60.2 million decrease in Gross profit during the second quarter of 2015 in comparison to the second quarter of 2014 was attributable to a decrease of \$16.2 million in our gas- and fluid-handling segment, and a decrease of \$44.0 million in our fabrication technology segment. The \$91.3 million decrease in Gross profit during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014 was attributable to a decrease of \$49.2 million in our gas- and fluid-handling segment, and a decrease of \$42.1 million in our fabrication technology segment. Gross profit decreased during the second quarter of 2015 in comparison to the second quarter of 2014 primarily due to changes in foreign exchange rates and lower overall volumes. Gross profit decreased during the six months ended June 26, 2015 in comparison to the six months ended June 27, 2014 primarily due to changes in foreign exchange rates and lower overall volumes, which were partially offset by acquisition-related growth. Gross profit margin decreased during the second quarter of 2015 in comparison to the comparable prior year period primarily due to a decrease in volumes from existing businesses. Gross profit margin increased during the six months ended June 26, 2015 in comparison to the comparable prior year period as the impact of cost control and restructuring savings in our gas- and fluid-handling segment were sufficient to offset the volume declines from existing businesses. Changes in foreign exchange rates during the second quarter of 2015 had a \$46.0 million negative impact on Gross profit in comparison to the second quarter of 2014. Changes in foreign exchange rates during the six months ended June 26, 2015 had a \$84.9 million negative impact on Gross profit in comparison to the six months ended June 27, 2014.

Operating Expenses - Total Company

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(Dollars in millions)			
Selling, general and administrative expense	\$ 222.6	\$ 279.0	\$ 435.9	\$ 510.6
Selling, general and administrative expense as a percentage of Net sales	21.7%	23.3%	22.5%	22.7%
Restructuring and other related charges	\$ 8.8	\$ 13.5	\$ 12.6	\$ 19.8

Selling, general and administrative expense decreased by \$56.4 million and \$74.7 million during the second quarter of 2015 and six months ended June 26, 2015, respectively, in comparison to the comparable 2014 periods primarily due to a decrease in acquisition integration costs and the positive benefit of restructuring actions to reduce structural costs and integrate acquisitions. These items were partially offset by a \$24.1 million acquisition-related increase in Selling, general and administrative expense during the six months ended June 26, 2015. Additionally, Selling, general and administrative expense for both the second quarter and six months ended June 27, 2014 includes a \$12.1 million impairment loss related to identifiable intangible assets and a \$6.3 million foreign currency loss from the use of the SICAD II exchange rate at our Venezuelan businesses. Restructuring and other related charges decreased during the second quarter of 2015 and six months ended June 26, 2015 in comparison to the comparable 2014 periods primarily due to a decrease in restructuring actions to reduce the structural costs associated with the acquisitions during the fourth quarter of 2013. Changes in foreign exchange rates during the second quarter of 2015 and six months ended June 26, 2015, decreased Selling, general and administrative expense by \$33.5 million and \$59.3 million, respectively, in comparison to the comparable 2014 periods.

Interest Expense - Total Company

	Three Months Ended		Six Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
	(In millions)			
Interest expense	\$ 14.2	\$ 13.6	\$ 26.3	\$ 25.9

The increase in Interest expense during the second quarter of 2015 and the six months ended June 26, 2015 in comparison to the comparable 2014 periods primarily relates to the \$4.7 million write-off of certain deferred financings fees and original issue discount in connection with the refinancing of our credit agreement, partially offset by decreases attributable to lower outstanding borrowing levels and lower amortization of original issue discount.

Provision for (Benefit from) Income Taxes - Total Company

The effective tax rate for the second quarter of 2015 was 28.5%, which was lower than the U.S. federal statutory tax rate primarily due to international tax rates, which are lower than the U.S. tax rate, offset in part by losses in certain jurisdictions where a tax benefit is not expected to be recognized in 2015.

The effective tax rate for the six months ended June 26, 2015 was 22.1%, which was lower than the U.S. federal statutory tax rate primarily due to a tax benefit of \$13.0 million associated with the resolution of a certain liability for unrecognized tax benefits and international tax rates, which are lower than the U.S. tax rate, offset in part by losses in certain jurisdictions where a tax benefit is not expected to be recognized in 2015.

Income before income taxes was \$82.0 million and \$157.5 million and the Benefit from income taxes was \$116.3 million and \$95.7 million for the second quarter and six months ended June 27, 2014, respectively. The Benefit from income taxes for both periods was impacted by the reassessment of the realizability of certain deferred tax assets as a result of the effect of the Victor Acquisition on expected future income. This reassessment resulted in a decrease in the Company's valuation allowance against U.S. deferred tax assets. The reduction in the valuation allowance created a non-cash income tax benefit for the second quarter and six months ended June 27, 2014 of \$113.1 million. Additionally, a tax benefit of \$19.4 million was included in Benefit from income taxes in the Condensed Consolidated Statements of Income for the three and six months ended June 27, 2014 associated with the resolution of a liability for unrecognized tax benefits. These items are the principal reasons for a tax benefit rather than a tax provision, which would result from the application of the U.S. federal statutory rate to the reported Income before income taxes for the second quarter and six months ended June 27, 2014.

Liquidity and Capital Resources

Overview

We have financed our capital and working capital requirements through a combination of cash flows from operating activities, borrowings under our bank credit facilities and the issuances of equity. We expect that our primary ongoing requirements for cash will be for working capital, funding of acquisitions, capital expenditures, asbestos-related cash outflows and funding of our pension plans. If determined appropriate for strategic acquisitions or other corporate purposes, we believe we could raise additional funds in the form of debt or equity.

Equity Capital

On May 21, 2015, we contributed 66,000 shares of newly issued Colfax Common stock to our U.S. defined benefit pension plan.

Borrowing Arrangements

On June 5, 2015, we entered into a Credit Agreement by and among the Company, as the borrower, certain U.S. subsidiaries of the Company identified therein, as guarantors, each of the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, swing line lender and global coordinator, to extend the life of our borrowing facility to five years, adjust principal amortization, and modify the underlying covenants and security requirements.

The proceeds of the loans under the Credit Agreement were used by the Company to repay in full its preexisting senior secured credit facility, by and among the Company, Colfax UK Holdings Ltd, the other subsidiaries of the Company party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, as well as for working capital and general corporate purposes. The Credit Agreement consists of a term loan in an aggregate amount of \$750.0 million and a revolving credit facility which totals \$1.0 billion in commitments, each of which matures in five years. The Revolver contains a \$50.0 million swing line loan sub-facility.

The Term Loan and the Revolver bear interest, at the election of the Company, at either the base rate (as defined in the Credit Agreement) or the Eurocurrency rate (as defined in the Credit Agreement), in each case, plus the applicable interest rate margin. The Term Loan and the Revolver initially bear interest either at the Eurocurrency rate plus 1.50% or at the base rate plus 0.50%, and in future quarters will bear interest either at the Eurocurrency rate or the base rate plus the applicable interest rate margin based upon either, whichever results in the lower applicable interest rate margin (subject to certain exceptions), the Company's total leverage ratio and the corporate family rating of the Company as determined by Standard & Poor's and Moody's (ranging from 1.25% to 2.00%, in the case of the Eurocurrency margin, and 0.25% to 1.00%, in the case of the base rate margin). Each swing line loan denominated in dollars will bear interest at the base rate plus the applicable interest rate margin and each swing

line loan denominated in any other currency available under the credit facility will bear interest at the Eurocurrency rate plus the applicable interest rate margin.

In conjunction with the Credit Agreement, we recorded a charge to Interest expense in the Condensed Consolidated Statement of Income for the three months ended June 26, 2015 of \$4.7 million to write-off certain deferred financing fees and original issue discount and expensed approximately \$0.4 million of costs incurred in connection with the refinancing. The Company had an original issue discount of \$7.3 million and deferred financing fees of \$10.5 million included in its Condensed Consolidated Balance Sheet as of June 26, 2015, which will be accreted to Interest expense primarily using the effective interest method, over the life of the Credit Agreement. As of June 26, 2015, the weighted-average interest rate of borrowings under the Credit Agreement was 1.64%, excluding accretion of original issue discount, and there was \$467.3 million available on the revolving credit facility.

We are also party to letter of credit facilities with total capacity of \$735.7 million. Total letters of credit of \$364.0 million were outstanding as of June 26, 2015.

On December 22, 2014, we entered into a receivables financing facility, pursuant to which it established a wholly owned, special purpose bankruptcy-remote subsidiary which purchases trade receivables from certain of the Company's subsidiaries on an ongoing basis and pledges them to support its obligation as borrower under the receivables financing facility. This special purpose subsidiary has a separate legal existence from its parent and its assets are not available to satisfy the claims of creditors of the selling subsidiaries or any other member of the consolidated group. Availability of funds may fluctuate over time given changes in eligible receivable balances, but will not exceed the \$80 million program limit. As of June 26, 2015, the total outstanding borrowings under the receivables financing facility were \$80 million and the interest rate was 0.9%. The scheduled termination date for the receivables financing facility is December 21, 2015, which may be extended from time to time. The facility contains representations, warranties, covenants and indemnities customary for facilities of this type. The facility does not contain any covenants that the Company views as materially constraining to the activities of its business.

Certain U.S. subsidiaries of the Company have agreed to guarantee the obligations of the Company under the Credit Agreement. The Credit Agreement contains customary covenants limiting the ability of the Company and its subsidiaries to, among other things, incur debt or liens, merge or consolidate with others, dispose of assets, make investments or pay dividends. In addition, the Credit Agreement contains financial covenants requiring the Company to maintain a total leverage ratio, as defined therein, of not more than 3.5 to 1.0 and minimum interest coverage ratio, as defined therein, of 3.0 to 1.0, measured at the end of each quarter. The Credit Agreement contains various events of default (including failure to comply with the covenants under the Credit Agreement and related agreements) and upon an event of default the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding under the Term Loan and the Revolver. The Company is in compliance with all such covenants as of June 26, 2015. We believe that our sources of liquidity, including the Credit Agreement, are adequate to fund our operations for the next twelve months.

Cash Flows

As of June 26, 2015, we had \$212.2 million of Cash and cash equivalents, a decrease of \$93.2 million from \$305.4 million as of December 31, 2014. The following table summarizes the change in Cash and cash equivalents during the periods indicated:

	Six Months Ended	
	June 26, 2015	June 27, 2014
	(In millions)	
Net cash provided by operating activities	\$ 66.9	\$ 37.1
Purchases of fixed assets, net	(18.3)	(42.2)
Acquisition, net of cash acquired	—	(948.8)
Net cash used in investing activities	(18.3)	(991.0)
(Repayments of) proceeds from borrowings, net	(134.9)	387.0
Proceeds from issuance of common stock, net	3.0	612.7
Preferred stock conversion inducement payment	—	(19.6)
Other	(3.6)	(13.6)
Net cash (used in) provided by financing activities	(135.5)	966.5
Effect of foreign exchange rates on Cash and cash equivalents	(6.3)	10.1
(Decrease) increase in Cash and cash equivalents	\$ (93.2)	\$ 22.7

Cash flows from operating activities can fluctuate significantly from period to period due to changes in working capital and the timing of payments for items such as pension funding and asbestos-related costs. Changes in significant operating cash flow items are discussed below.

- Net cash received or paid for asbestos-related costs, net of insurance proceeds, including the disposition of claims, defense costs and legal expenses related to litigation against our insurers, creates variability in our operating cash flows. We had net cash outflows of \$10.9 million and \$22.0 million during the six months ended June 26, 2015 and six months ended June 27, 2014, respectively.
- Funding requirements of our defined benefit plans, including pension plans and other post-retirement benefit plans, can vary significantly from period to period due to changes in the fair value of plan assets and actuarial assumptions. For the six months ended June 26, 2015 and six months ended June 27, 2014, cash contributions for defined benefit plans were \$24.4 million and \$38.0 million, respectively.
- During the six months ended June 26, 2015 and six months ended June 27, 2014, cash payments of \$20.4 million and \$19.2 million, respectively, were made related to our restructuring initiatives.
- Changes in net working capital also affected the operating cash flows for the periods presented. We define working capital as Trade receivables, net and Inventories, net reduced by Accounts payable. During the six months ended June 26, 2015, net working capital consumed cash of \$70.2 million, before the impact of foreign exchange, primarily due to an increase in receivables and inventory levels, and a decrease in payables. The principal contributors to the increase in working capital were higher inventory and receivable levels within the fabrication technology segment, and an increase in receivables and a decrease in payables in our gas- and fluid-handling segment. During the six months ended June 27, 2014, net working capital increased, primarily due to a decrease in payables as well as increases in inventory and receivable levels. While increased working capital in the first half of the year is in line with seasonal trends, the 2014 increase was much higher than normal. The principal contributors to this higher than normal increase were the reduction in payables from high levels at year-end and significant costs in excess of billings on long-term contracts as of June 27, 2014.

Cash flows from financing activities during the six months ended June 26, 2015 were impacted by the refinancing of the Credit Agreement further discussed under "—Borrowing Arrangements" above.

Cash flows from investing activities during the six months ended June 27, 2014 were impacted by the net cash outflows of \$948.8 million associated with the Victor Acquisition.

Cash flows from financing activities for the six months ended June 27, 2014 were impacted by the Victor Acquisition. The Victor Acquisition was funded through net proceeds of \$610.4 million from the sale of newly issued Common stock and \$338.4 million of borrowings under our previous credit agreement. Cash flows from financing activities during the six months ended June 27, 2014 were also impacted by the conversion of the Series A Perpetual Convertible Preferred Stock in February of 2014.

Our Cash and cash equivalents as of June 26, 2015 includes \$204.3 million held in jurisdictions outside the U.S., which may be subject to tax penalties if repatriated into the U.S. and other restrictions.

Critical Accounting Policies

The methods, estimates and judgments that we use in applying our critical accounting policies have a significant impact on our results of operations and financial position. We evaluate our estimates and judgments on an ongoing basis. Our estimates are based upon our historical experience, our evaluation of business and macroeconomic trends and information from other outside sources, as appropriate. Our experience and assumptions form the basis for our judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may vary from what our management anticipates and different assumptions or estimates about the future could have a material impact on our results of operations and financial position. There have been no significant additions to the methods, estimates and judgments included in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" in our 2014 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in short-term interest rates, foreign currency exchange rates and commodity prices that could impact our results of operations and financial condition. We address our exposure to these risks through our normal operating and financing activities. We do not enter into derivative contracts for trading purposes.

Interest Rate Risk

We are subject to exposure from changes in short-term interest rates related to interest payments on our borrowing arrangements. Under the Credit Agreement and the receivables financing facility, substantially all of our borrowings as of June 26, 2015 are variable-rate facilities based on LIBOR or EURIBOR. In order to mitigate our interest rate risk, we periodically enter into interest rate swap or collar agreements. A hypothetical increase in the interest rate of 1.00% during the second quarter and six months ended June 26, 2015 would have increased Interest expense by approximately \$3.6 million and \$7.3 million, respectively.

Exchange Rate Risk

We have manufacturing sites throughout the world and sell our products globally. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar and against the currencies of other countries in which we manufacture and sell products and services. During the second quarter and six months ended June 26, 2015, approximately 73% and 72% of our sales were derived from operations outside the U.S. We have significant manufacturing operations in European countries that are not part of the Eurozone. Sales revenues are more highly weighted toward the Euro and U.S. dollar. We also have significant contractual obligations in U.S. dollars that are met with cash flows in other currencies as well as U.S. dollars. To better match revenue and expense as well as cash needs from contractual liabilities, we regularly enter into cross currency swaps and forward contracts.

We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries. The Euro denominated borrowings under the Credit Agreement provide a natural hedge to a portion of our European net asset position. The effect of a change in currency exchange rates on our net investment in international subsidiaries, net of the translation effect of the Company's Euro denominated borrowings, is reflected in the Accumulated other comprehensive loss component of Equity. A 10% depreciation in major currencies, relative to the U.S. dollar as of June 26, 2015 (net of the translation effect of our Euro denominated borrowings) would result in a reduction in Equity of approximately \$190 million.

We also face exchange rate risk from transactions with customers in countries outside the U.S. and from intercompany transactions between affiliates. Although we use the U.S. dollar as our functional currency for reporting purposes, we have manufacturing sites throughout the world, and a substantial portion of our costs are incurred and sales are generated in foreign currencies. Costs incurred and sales recorded by subsidiaries operating outside of the U.S. are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. In particular, the Company has more sales in European currencies than it has expenses in those currencies. Although a significant portion of this difference is hedged, when European currencies strengthen or weaken against the U.S. dollar, operating profits are increased or decreased, respectively.

We have generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will, therefore, continue to affect the reported amount of sales, profit, assets and liabilities in our Condensed Consolidated Financial Statements.

Commodity Price Risk

We are exposed to changes in the prices of raw materials used in our production processes. Commodity futures contracts are periodically used to manage such exposure. As of June 26, 2015, our open commodity futures contracts were not material.

See Note 11, "Financial Instruments and Fair Value Measurements" in our Notes to Condensed Consolidated Financial Statements included in this Form 10-Q for additional information regarding our derivative instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 26, 2015. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective in providing reasonable assurance that the information required to be disclosed in this report on Form 10-Q has been recorded, processed, summarized and reported as of the end of the period covered by this report on Form 10-Q.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f)) identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Discussion of legal proceedings is incorporated by reference to Note 12, "Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements included in Part I. Item 1. "Financial Statements" of this Form 10-Q.

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. The following risk factors are provided to update the risk factors included in "Part I. Item 1A. Risk Factors" in our 2014 Form 10-K for the entry into the new Credit Agreement on June 5, 2015 by and among the Company, as the borrower, certain U.S. subsidiaries of the Company identified therein, as guarantors, each of the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, swing line lender and global coordinator.

We may require additional capital to finance our operating needs and to finance our growth. If the terms on which the additional capital is available are unsatisfactory, if the additional capital is not available at all or if we are not able to fully access credit under the Credit Agreement, we may not be able to pursue our growth strategy.

Our growth strategy will require additional capital investment to complete acquisitions, integrate the completed acquisitions into our existing operations and expand into new markets.

We intend to pay for future acquisitions using cash, capital stock, notes, assumption of indebtedness or any combination of the foregoing. To the extent that we do not generate sufficient cash internally to provide the capital we require to fund our growth strategy and future operations, we will require additional debt or equity financing. This additional financing may not be available or, if available, may not be on terms acceptable to us. Further, high volatility in the capital markets and in our stock price may make it difficult for us to access the capital markets at attractive prices, if at all. If we are unable to obtain sufficient additional capital in the future, it may limit our ability to implement fully our growth strategy. Even if future debt financing is available, it may result in (i) increased interest expense, (ii) increased term loan payments, (iii) increased leverage and (iv) decreased income available to fund further acquisitions and expansion. It may also limit our ability to withstand competitive pressures and make us more vulnerable to economic downturns. If future equity financing is available, issuances of our equity securities may significantly dilute our existing stockholders.

In addition, our credit facility agreement includes restrictive covenants which could limit our financial flexibility. See "The Credit Agreement contains restrictions that may limit our flexibility in operating our business." below.

The Credit Agreement contains restrictions that may limit our flexibility in operating our business.

The Credit Agreement contains various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of, the capital stock of Colfax and its wholly-owned subsidiaries;
- make certain investments;
- create liens on certain assets to secure debt;
- consolidate, merge, sell or otherwise dispose of all or substantially all our assets; and
- enter into certain transactions with affiliates.

In addition, under the Credit Agreement, we are required to satisfy and maintain compliance with a total leverage ratio and an interest coverage ratio. Limitations imposed by the Credit Agreement's various covenants could have a materially adverse effect on our business, financial condition and results of operations.

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

On May 21, 2015, the Company contributed 66,000 shares of newly issued Colfax Common stock to its U.S. defined benefit pension plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

On July 20, 2015, the Board of Directors (the "Board") of the Company approved amendments to the Company's Amended and Restated Bylaws ("Bylaws"), which became effective immediately. The amendments, amongst other changes:

- Elaborate on various procedural aspects relating to meetings of stockholders, including the information to be provided by a stockholder who wishes to introduce business or nominate a director candidate, the process and effect of providing notice of stockholders' meetings, and the authority of the Board and the meeting chair to adopt and enforce rules for the conduct of stockholders' meetings and to convene, adjourn and/or recess such meetings. (Sections 2.2, 2.4, 2.11, and 3.3)
- Confirm that directors may provide that their written consent to an action will become effective at a later date. (Section 3.5.4)
- Add a new Section 3.9, which establishes emergency bylaws addressing how the Board could act in the event of an emergency, disaster or catastrophe as described in Section 110 of the Delaware General Corporation Law.
- Add a new Article 8, which provides that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another state court located within the State of Delaware or the federal district court for the District of Delaware) will be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee or stockholder of the Company to the Company or the Company's stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws, (d) any action asserting a claim governed by the internal affairs doctrine, or (e) any other action asserting an internal corporate claim as defined in Section 115 of the Delaware General Corporation Law. This new Article 8 is designed to save the Company and its stockholders from the increased expense of defending against duplicative litigation brought in multiple courts, and also to provide that claims involving Delaware law are decided by Delaware courts.

The description of the amendments to the Bylaws is qualified in its entirety by reference to the text of the Bylaws as amended, attached hereto as Exhibit 3.02.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
3.01*	Amended and Restated Certificate of Incorporation.
3.02**	Colfax Corporation Amended and Restated Bylaws.
10.01***	Credit Agreement, dated as of June 5, 2015, among Colfax Corporation, as the borrower, certain U.S. subsidiaries of Colfax Corporation identified therein, as guarantors, each of the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent, swing line lender and global coordinator.
10.02**	Colfax Corporation Executive Officer Severance Plan
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted 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 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
*	Incorporated by reference to Exhibit 3.01 to Colfax Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on January 30, 2012.
**	Filed herewith.
***	Incorporated by reference to Exhibit 99.1 to Colfax Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on June 5, 2015.

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.

Registrant: Colfax Corporation

By:

/s/ STEVEN E. SIMMS President and Chief Executive Officer
Steven E. Simms (Principal Executive Officer) July 23, 2015

/s/ C. SCOTT BRANNAN Senior Vice President, Finance,
C. Scott Brannan Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer) July 23, 2015

COLFAX CORPORATION

AMENDED AND RESTATED BYLAWS

Adopted Effective

as of

July 20, 2015

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**AMENDED AND RESTATED BYLAWS OF
COLFAX CORPORATION**

1. OFFICES

1.1 Registered Office

The name and address of the current registered agent of Colfax Corporation (the “**Corporation**”) in the State of Delaware are: The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.2 Other Offices

The Corporation may also have offices and may keep the books and records of the Corporation except as otherwise required by law, at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or as may be necessary or useful in connection with the business of the Corporation.

2. MEETINGS OF STOCKHOLDERS

2.1 Place of Meetings

All meetings of the stockholders shall be held at such place as may be fixed from time to time by the Board of Directors, the Chairperson, the Chief Executive Officer or the President. Notwithstanding the foregoing, the Board of Directors may determine that the meeting shall not be held at any place, but may instead be held by means of remote communication.

2.2 Annual Meetings

The Corporation shall hold annual meetings of stockholders on such date and at such time as shall be designated from time to time by the Board of Directors, the Chairperson, the Chief Executive Officer or the President, at which stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

2.2.1 Stockholder Proposed Business

Any stockholder wishing to bring business before an annual meeting of stockholders must deliver to the Secretary a timely notice in writing of the stockholder’s intention to do so and such business must be a proper subject for stockholder action. To be timely, the stockholder’s notice must be delivered to the Secretary at the principal executive offices of the Corporation no later than the close of business on the 90th day nor earlier than the 120th day prior to the first anniversary of the preceding year’s annual meeting, except that if the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary, or if no annual meeting was held in the preceding year the Corporation must receive the notice not earlier than on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which the Corporation provides notice or public disclosure of the date of the meeting. In no event shall the public announcement of an adjournment, recess or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above. The notice must include the following information: (i) the name and address of the stockholder who is making a proposal, as they appear on the Corporation’s books, and of the beneficial

owner, if any, on whose behalf the proposal is made; (ii) the nature of the business being proposed and the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment) and also the reasons for conducting such business at the meeting and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Securities Exchange Act of 1934 (the “**Exchange Act**”)) in such business of such stockholder and beneficial owner (within the meaning of Section 13(d) of the Exchange Act), if any, on whose behalf the proposal is made; (iii) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, as of the date of notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation owned of record by the stockholder and such beneficial owner as of the record date of the meeting (except as otherwise provided in **Section 2.2.2**); (iv) as to the stockholder giving the notice and any such beneficial owner, whether and the extent to which, as of the date of the stockholder’s notice, any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including without limitation any derivatives, short positions, profit interests, options, or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss, manage risk or benefit from stock price changes of any class or series of the Corporation’s stock for, or to maintain, increase or decrease the voting power of, such stockholder or any such beneficial owner with respect to any share of stock of the Corporation and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in **Section 2.2.2**); (v) a representation that the stockholder is a holder of record of Corporation capital stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to introduce the business specified in the notice; (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve or adopt the proposal and/or (b) otherwise to solicit proxies from stockholders in support of such proposal and, if so, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation; (vii) if applicable, a description of all agreements, arrangements or understandings between the stockholder (and any such beneficial owner) and each nominee and any other person or persons, (including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of the Exchange Act Schedule 13D, regardless of whether the requirement to file a Schedule 13D is applicable) naming such person or persons, pursuant to which the proposal of business is to be made by the stockholder and a representation that the stockholder will notify the Corporation in writing with five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in **Section 2.2.2**); and (viii) such other information that the Board of Directors may request in its discretion. If the Chairperson or other presiding officer at the annual meeting determines that a person was not properly nominated for election as a director, or other business was not properly brought before the meeting, the person will not be eligible for election as a director, or the business proposed by the notifying stockholder will not be conducted at the meeting, as the case may be.

2.2.2 Record Date Requirements

Notwithstanding anything in **Section 2.2.1** to the contrary, if the record date for determining the stockholders entitled to vote at any meeting of stockholders is different from the record date for determining the stockholders entitled to notice of the meeting, a stockholder's notice required by this **Section 2.2** shall set forth a representation that the stockholder will notify the Corporation in writing within five business days after the record date for determining the stockholders entitled to vote at the meeting, or by the date of the meeting (whichever is earlier), of the information required under **Section 2.2.1(iii), (iv) and (vii)**, and such information when provided to the Corporation shall be current as of the record date for determining the stockholders entitled to vote at the meeting.

2.2.3 Requirements for Entities

For the purposes of **Section 2.2.1 (iii), (iv), (vi) and (vii)**, including as required by **Section 2.2.2**, if a stockholder or beneficial owner is an entity, information required of such entity is also required as to each director, executive, managing member or control person of such entity.

2.2.4 Requirement to Appear

Notwithstanding the foregoing provisions of this **Section 2.2**, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this **Section 2.2**, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

2.2.5 Inapplicability to Exchange Act Rule 14a-8

This **Section 2.2** shall not apply to a proposal proposed to be made by a stockholder if the stockholder has notified the Corporation of his or her intention to present the proposal at an annual or special meeting only pursuant to and in compliance with Rule 14a-8 under the Exchange Act and such proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such meeting.

2.3 Special Meetings and Stockholder Action

A special meeting of the stockholders of the Corporation may be called only by the Chairperson of the Board of Directors or a majority of the Board of Directors.

Stockholder action may be taken only at a duly called and convened annual or special meeting of the stockholders and may not be taken by written consent.

2.4 Notice of Meetings

Notice of any meeting of stockholders, stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining the stockholders entitled to notice of the meeting), and (if it is a special meeting) the purpose or purposes for which the meeting is

called, shall be given to each stockholder entitled to vote at such meeting (as of the record date for determining the stockholders entitled to notice of the meeting) not less than ten nor more than sixty days before the date of the meeting (except to the extent that such notice is waived or is not required as provided in the General Corporation Law of the State of Delaware (the “**Delaware General Corporation Law**”), the certificate of incorporation of the Corporation as it may be amended from time to time (the “**Certificate of Incorporation**”) or these Bylaws). Notice may be given personally, by mail or by electronic transmission in accordance with Section 232 of the Delaware General Corporation Law. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to each stockholder at such stockholder’s address as it appears on the records of the Corporation. Notice by electronic transmission shall be deemed given as provided in Section 232 of the Delaware General Corporation Law. An affidavit that notice has been given, executed by the Secretary of the Corporation, Assistant Secretary or any transfer agent or other agent of the Corporation, shall be *prima facie* evidence of the facts stated in the notice in the absence of fraud. Notice shall be deemed to have been given to all stockholders who share an address if notice is given in accordance with the “householding” rules set forth in Rule 14a-3(e) under the Exchange Act and Section 233 of the Delaware General Corporation Law. Such notice shall be given in accordance with, and shall be deemed effective as set forth in, Sections 222 (or any successor section or sections) of the Delaware General Corporation Law.

2.5 Waivers of Notice

Whenever the giving of any notice is required by a provision of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, a written waiver thereof signed by the person or persons entitled to said notice, or a waiver thereof by electronic transmission by the person or persons entitled to said notice, delivered to the Corporation, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance of a stockholder at a meeting shall constitute a waiver of notice (1) of such meeting, except when the stockholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (2) (if it is a special meeting) of consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the stockholder objects to considering the matter at the beginning of the meeting.

2.6 Business at Special Meetings

Business transacted at any special meeting of stockholders shall be limited to matters properly brought before the meeting by or at the direction of the Board of Directors.

2.7 List of Stockholders

After the record date for a meeting of stockholders has been fixed, at least ten days before such meeting, the officer who has charge of the stock ledger of the Corporation shall make a list of all stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder (but not the electronic mail address or other electronic contact information, unless the Board of Directors so directs) and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (2) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then such list shall also, for the duration of the meeting, be produced and kept open to the examination of any stockholder who is present at the time and place of the meeting.

If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.8 Quorum at Meetings

Stockholders may take action on a matter at a meeting only if a quorum exists with respect to that matter. Unless or except to the extent that the presence of a larger number may be required by law, the holders of a majority of the shares entitled to vote at the meeting, and who are present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for all purposes. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Once a share is represented for any purpose at a meeting (other than solely to object (1) to holding the meeting or transacting business at the meeting, or (2) (if it is a special meeting) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice), it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. The chairperson of the meeting or the holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time. If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and, except as otherwise required by these Bylaws, all matters shall be determined by a majority of the votes cast at such meeting.

2.9 Voting and Proxies

Unless otherwise provided in the Delaware General Corporation Law or in the Corporation's Certificate of Incorporation, and subject to the other provisions of these Bylaws, each stockholder shall be entitled to one vote on each matter, in person or by proxy, for each share of the Corporation's capital stock that has voting power and that is held by such stockholder. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed appointment of proxy shall be irrevocable if the appointment form states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. If authorized by the Board of Directors, and subject to such guidelines as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, participate in a meeting of stockholders and be deemed present in person and vote at such meeting whether such meeting is held at a designated place or solely by means of remote communication, provided that (1) the Corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (2) the Corporation implements reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (3) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action is maintained by the Corporation.

2.10 Required Vote

When a quorum is present at any meeting of stockholders, all matters shall be determined, adopted and approved by the affirmative vote (which need not be by ballot) of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote with respect to the matter, unless the proposed action is one upon which, by express provision of the Delaware General Corporation Law, these Bylaws or the Certificate of Incorporation, a different vote is specified and required, in which case such express provision shall govern and control with respect to that vote on that matter. If the Certificate of Incorporation provides for more or less than one vote for any share, on any matter, every reference in these Bylaws to a majority or other proportion of stock, voting stock or shares shall refer to a majority or other proportion of the votes of such stock, voting stock or shares. Where a separate vote by a class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class.

Except as otherwise required by law, these Bylaws or the Certificate of Incorporation, each director shall be elected by a majority of the votes cast with respect to that director's election at an any meeting of stockholders for the election of directors at which a quorum is present, provided, however, that directors shall be elected by the vote of a plurality of the votes cast at a meeting at which a quorum is present if, as of the tenth (10th) day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders of the Corporation, the number of nominees exceeds the number of directors to be elected (a "Contested Election"). For purposes of this paragraph, a majority of the votes cast means that the number of shares voted "for" a director's election exceeds the number of votes cast "against" that director's election (with "abstentions" and "broker nonvotes" not counted as a vote cast either "for" or "against" that director's election).

2.11 Conduct of Meetings

Meetings of stockholders shall be presided over by the Chairperson of the Board of Directors, if any, or in his or her absence, by the Chief Executive Officer or, in his or her absence, by another person designated by the Board of Directors. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the chairperson of the meeting shall appoint, shall act as secretary of the meeting and keep a record of the proceedings thereof.

The Board of Directors may adopt such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairperson of the meeting shall have the authority to adopt and enforce such rules and regulations for the conduct of any meeting of stockholders and the safety of those in attendance as, in the judgment of the chairperson, are necessary, appropriate or convenient for the conduct of the meeting. Rules and regulations for the conduct of meetings of stockholders, whether adopted by the Board of Directors or by the chairperson of the meeting, may include without limitation, establishing: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies and such other persons as the chairperson of the meeting shall permit; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted for consideration of each agenda

item and for questions and comments by participants; (vi) procedures for the opening and closing of the polls for balloting and matters which are to be voted on by ballot (if any); and (vii) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting. Subject to any rules and regulations adopted by the Board of Directors, the chairperson of the meeting may convene and, for any or no reason, from time to time, adjourn and/or recess any meeting of stockholders pursuant to **Section 2.8**.

3. DIRECTORS

3.1 Powers

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things, subject to any limitation set forth in the Certificate of Incorporation or as otherwise may be provided in the Delaware General Corporation Law. The Board of Directors shall from time to time designate one of its members as Chairperson of the Board of Directors and may designate another of its members as Vice Chairman of the Board of Directors. The Chairperson shall (when present) preside at all meetings of the Board of Directors and shall ensure that all orders and resolutions of the Board of Directors are carried into effect.

3.2 Number and Election

The number of directors that shall constitute the whole Board of Directors shall be fixed from time to time by an action of not less than a majority of the directors then in office. The number may not be less than three or more than nine unless approved by an action of not less than two-thirds of the directors then in office. Directors need not be stockholders. Each director shall hold office until his or her successor is elected and qualified, or until their earlier death or resignation or removal in the manner hereinafter provided. Any incumbent director who is nominated for election by the Board of Directors or a committee thereof shall, as a condition to such nomination submit an irrevocable letter of resignation to the Chairperson of the Board contingent on (i) that person not receiving a majority of the votes cast (as defined in **Section 2.10**) in an election that is not a Contested Election, and (ii) acceptance of that resignation by the Board of Directors in accordance with the policies and procedures adopted by the Board of Directors for such purpose. If a nominee who is already serving as a director fails to receive a majority of the votes cast (as defined in **Section 2.10**) in an election that is not a Contested Election, the Board of Directors shall promptly consider whether to accept or reject the conditional resignation of such nominee, or whether other action should be taken. The Board of Directors shall take action upon the conditional resignation and publicly disclose its decision and the rationale behind it no later than 90 days following the certification of the election results. The Board of Directors, in making its decision, may consider any factors and other information that they consider appropriate and relevant. The director whose resignation is being considered will not participate in the Board's decision.

If the Board of Directors accepts a director's resignation pursuant to this **Section 3.2**, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to **Section 3.4** of these Bylaws.

3.3 Nomination of Directors

3.3.1 Nominations by Directors

The Board of Directors shall nominate candidates to stand for election as directors; and other candidates also may be nominated by any stockholder of the Corporation in accordance with the notice requirements provided for in this **Section 3.3**.

3.3.2 Nominations by Stockholders

Any stockholder wishing to nominate persons for election as directors at an annual meeting must deliver to the Secretary a timely notice in writing of such stockholder's intention to do so. To be timely, the stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation no later than the close of business on the 90th day nor earlier than the 120th day prior to the first anniversary of the preceding year's annual meeting, except that if the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary, or if no annual meeting was held in the preceding year, the Corporation must receive the notice not earlier than on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which the Corporation provides notice or public disclosure of the date of the meeting. In no event shall the public announcement of an adjournment, recess or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. The notice must include the following information: (i) the name and address of the stockholder who intends to make the nomination, as they appear on the Corporation's books, and of the beneficial owner, if any, on whose behalf the nomination is made, and the name and address of the person or persons to be nominated; (ii) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, as of the date of notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation owned of record by the stockholder and such beneficial owner as of the record date of the meeting (except as otherwise provided in **Section 3.3.5**); (iii) as to the stockholder giving the notice and any such beneficial owner, whether and the extent to which, as of the date of the stockholder's notice, any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including without limitation any derivatives, short positions, profit interests, options, or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss, manage risk or benefit from stock price changes of any class or series of the Corporation's stock for, or to maintain, increase or decrease the voting power of, such stockholder or any such beneficial owner with respect to any share of stock of the Corporation and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in **Section 3.3.5**); (iv) a representation that the stockholder is a holder of record of Corporation capital stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons; (v) if applicable, a description of all agreements, arrangements or understandings between the stockholder (and any such beneficial owner) and each nominee and any other person or persons, (including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of the Exchange Act Schedule 13D, regardless of whether the requirement to file a Schedule 13D is applicable) naming such person or persons, pursuant to which the nomination is to be made by the stockholder and a representation that the stockholder will notify the Corporation in writing with five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in **Section 3.3.5**); (vi) such other information

regarding each nominee to be proposed by such stockholder as would be required to be included in a proxy statement filed under the SEC's proxy rules if the nominee had been nominated, or intended to be nominated, by the Board of Directors; (vii) the written consent of each nominee to serve as a director if elected; (viii) a statement whether such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation in the form required of incumbent directors set forth in **Section 3.2**; and (ix) such other information that the Board of Directors may request in its discretion. The Board of Directors may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as one of its directors. If the Chairperson or other presiding officer at the meeting determines that a person was not properly nominated for election as a director, the person will not be eligible for election as a director.

3.3.3 Nominations for Additional Directorships

Notwithstanding anything in the first sentence of **Section 3.3.2** to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by **Section 3.3.2** shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

3.3.4 Nominations at Special Meetings

Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in **Section 3.3.2** is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in **Section 3.3.2**. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by **Section 3.3.2** shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

3.3.5 Record Date Requirements

Notwithstanding anything in this **Section 3.3** to the contrary, if the record date for determining the stockholders entitled to vote at any meeting of stockholders is different from the record date for determining the stockholders entitled to notice of the meeting, a stockholder's notice required by this

Section 3.3 shall set forth a representation that the stockholder will notify the Corporation in writing within five business days after the record date for determining the stockholders entitled to vote at the meeting, or by the date of the meeting (whichever is earlier), of the information required under **Section 3.3.2 (ii), (iii) and (v)**, and such information when provided to the Corporation shall be current as of the record date for determining the stockholders entitled to vote at the meeting.

3.3.6 Requirements for Entities

For the purposes of **Section 3.3.2 (ii), (iii), and (v)**, including as required by **Section 3.3.5**, if a stockholder or beneficial owner is an entity, information required of such entity is also required as to each director, executive, managing member or control person of such entity.

3.3.7 Requirement to Appear

Notwithstanding the foregoing provisions of this **Section 3.3**, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination, such nomination shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this **Section 3.3.7**, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

3.4 Vacancies

If there is a newly created directorship resulting from an increase in the authorized number of directors, or if the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal or other cause, the Board, provided that a quorum is then in office and present, or a majority of the directors then in office if less than a quorum is then in office, or the sole remaining director, may elect a successor for the unexpired term and until his or her successor is elected and qualified. Any director so chosen shall hold office until the next election of directors. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

3.5 Meetings

3.5.1 Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.5.2 Special Meetings

Special meetings of the Board of Directors may be called by the Chairperson, the Chief Executive Officer or the President on one day's notice to each director, either personally or by telephone, express delivery service (so that the scheduled delivery date of the notice is at least one day in advance of the meeting), telegram, facsimile transmission, electronic mail (effective when directed to an electronic mail address of the director), or other electronic transmission, as defined in Section 232(c) (or any successor section) of the Delaware General Corporation Law (effective when directed to the director), and on five

days' notice by mail (effective upon deposit of such notice in the mail). The notice need not describe the purpose of a special meeting.

3.5.3 Telephone Meetings

Members of the Board of Directors may participate in a meeting of the Board of Directors by any communication by means of which all participating directors can simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

3.5.4 Action Without Meeting

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be evidenced by one or more consents in writing or by electronic transmission describing the action taken, signed by each director, and delivered to the Corporation for inclusion in the minute book. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action shall be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any consent shall be revocable prior to becoming effective.

3.5.5 Waiver of Notice of Meeting

A director may waive any notice required by provisions of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws before or after the date and time stated in the notice. Except as set forth below, the waiver must be in writing, signed by the director entitled to the notice, or made by electronic transmission by the director entitled to the notice, and delivered to the Corporation for inclusion in the minute book. Notwithstanding the foregoing, a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.6 Quorum and Vote at Meetings

At all meetings of the Board of Directors, a quorum of the Board of Directors consists of a majority of the total number of directors prescribed pursuant to **Section 3.2** of these Bylaws. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by provisions of the Delaware General Corporation Law or by the Certificate of Incorporation or by these Bylaws.

3.7 Committees of Directors

The Board of Directors may designate one or more committees, each committee to consist of one or more directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by unanimous vote, appoint another member of the Board of Directors to act at the meeting in the place of such absent or disqualified member. Any such committee, to the extent

provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or adopting, amending or repealing any bylaw of the Corporation; and unless the resolution designating the committee, these Bylaws or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors, when required. Unless otherwise specified in the Board of Directors' resolution appointing the Committee, all provisions of the Delaware General Corporation Law and these Bylaws relating to meetings, action without meetings, notice (and waiver thereof), and quorum and voting requirements of the Board of Directors apply, as well, to such committees and their members. Unless otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

3.8 Compensation of Directors

The Board of Directors shall have the authority to fix the compensation of directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

3.9 Emergency Bylaws

In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the Delaware General Corporation Law, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee of the Board of Directors cannot readily be convened for action, then the director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board of Directors as they shall deem necessary and appropriate.

4. OFFICERS

4.1 Positions

The officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary and a Treasurer, and such other officers as the Board of Directors (or an officer authorized by the Board of Directors) from time to time may appoint, including one or more Vice Chairpersons, Executive Vice Presidents, Vice Presidents, Assistant Secretaries and Assistant Treasurers. Each such officer shall exercise such powers and perform such duties as shall be set forth below and such other powers and duties as from time to time may be specified by the Board of Directors or by any officer(s) authorized by the Board of Directors to prescribe the duties of such other officers. Any number of offices may be held by the same person, except that in no event shall the President and the Secretary be the same person. As set forth below,

each of the Chief Executive Officer, President, and/or any Vice President may execute bonds, mortgages and other contracts under the seal of the Corporation, if required, except where required or permitted by law to be otherwise executed and except where the execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.2 Chief Executive Officer

The President or other officer of the Corporation may be designated by the Board of Directors as the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general supervision, direction and control of the business of the Corporation. The Chief Executive Officer may execute bonds, mortgages and other contracts, under the seal of the Corporation, if required, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.3 President

The President shall be the chief operating officer of the Corporation and shall have full responsibility and authority for management of the day-to-day operations of the Corporation, subject to the authority of the Board of Directors and the Chief Executive Officer, if different. The President may execute bonds, mortgages and other contracts, under the seal of the Corporation, if required, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.4 Vice President

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

4.5 Secretary

The Secretary shall have responsibility for preparation of minutes of meetings of the Board of Directors and of the stockholders and for authenticating records of the Corporation. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors. The Secretary or an Assistant Secretary may also attest all instruments signed by any other officer of the Corporation.

4.6 Assistant Secretary

The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there shall have been no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary.

4.7 Treasurer

The Treasurer shall be the chief financial officer of the Corporation and shall have responsibility for the custody of the corporate funds and securities and shall see to it that full and accurate accounts of receipts and disbursements are kept in books belonging to the Corporation. The Treasurer shall render to

the Chief Executive Officer, the President, and the Board of Directors, upon request, an account of all financial transactions and of the financial condition of the Corporation.

4.8 Assistant Treasurer

The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there shall have been no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, perform the duties and exercise the powers of the Treasurer.

4.9 Term of Office

The officers of the Corporation shall hold office until their successors are chosen and qualify or until their earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors.

4.10 Compensation

The compensation of officers of the Corporation shall be fixed by the Board of Directors or by any officer(s) authorized by the Board of Directors to prescribe the compensation of such other officers.

4.11 Fidelity Bonds

The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5. CAPITAL STOCK

5.1 Certificates of Stock; Uncertificated Shares

The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate (representing the number of shares registered in certificate form) signed in the name of the Corporation by the Chairperson, Chief Executive Officer, President or any Vice President, and by the Treasurer, Secretary or any Assistant Treasurer or Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar whose signature or facsimile signature appears on a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

5.2 Lost Certificates

The Board of Directors, Chairperson, Chief Executive Officer, President or Secretary may direct a new certificate of stock to be issued in place of any certificate theretofore issued by the Corporation and alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming that the certificate of stock has been lost, stolen or destroyed. When authorizing such issuance of a new certificate, the Board of Directors or any such officer may, as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as the Board of Directors or such officer shall

require and/or to give the Corporation a bond or indemnity, in such sum or on such terms and conditions as the Board of Directors or such officer may direct, as indemnity against any claim that may be made against the Corporation on account of the certificate alleged to have been lost, stolen or destroyed or on account of the issuance of such new certificate or uncertificated shares.

5.3 Record Date

5.3.1 Actions by Stockholders

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty days nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting.

5.3.2 Payments

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

5.4 Stockholders of Record

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to receive notifications, to vote as such owner, and to exercise all the rights and powers of an owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise may be provided by the Delaware General Corporation Law.

6. INDEMNIFICATION; INSURANCE

6.1 Authorization of Indemnification

Each person who was or is a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative or legislative hearing, investigation or proceeding, whether civil, criminal, administrative or investigative and whether by or in the right of the Corporation or otherwise (a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or

officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, trustee, partner (limited or general) or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to an employee benefit plan, shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor to the Corporation by merger or otherwise) to the fullest extent authorized by, and subject to the conditions and (except as provided herein) procedures set forth in the Delaware General Corporation Law, as the same exists or may hereafter be amended (but any such amendment shall not be deemed to limit or prohibit the rights of indemnification hereunder for past acts or omissions of any such person insofar as such amendment limits or prohibits the indemnification rights that said law permitted the Corporation to provide prior to such amendment), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person (except for a suit or action pursuant to **Section 6.2** hereof) only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. Persons who are not directors or officers of the Corporation and are not so serving at the request of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors of the Corporation. The indemnification conferred in this **Section 6.1** also shall include the right to be paid by the Corporation (and such successor) the expenses (including attorneys' fees) incurred in the defense of or other involvement in any such proceeding in advance of its final disposition; provided, however, that, if and to the extent the Delaware General Corporation Law requires, the payment of such expenses (including attorneys' fees) incurred by a director or officer in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay all amounts so paid in advance if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this **Section 6.1** or otherwise; and provided further, that, such expenses incurred by other employees and agents may be so paid in advance upon such terms and conditions, if any, as the Board of Directors deems appropriate.

6.2 Right of Claimant to Bring Action Against the Corporation

If a claim under **Section 6.1** is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring an action against the Corporation in a court of competent jurisdiction in the State of Delaware to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such action. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed or is otherwise not entitled to indemnification under **Section 6.1**, but the burden of proving such defense shall be on the Corporation. The failure of the Corporation (in the manner provided under the Delaware General Corporation Law) to have made a determination prior to or after the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law shall not be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Unless otherwise

specified in an agreement with the claimant, an actual determination by the Corporation (in the manner provided under the Delaware General Corporation Law) after the commencement of such action that the claimant has not met such applicable standard of conduct shall not be a defense to the action, but shall create a presumption that the claimant has not met the applicable standard of conduct.

6.3 Non-exclusivity

The rights to indemnification and advance payment of expenses provided by **Section 6.1** hereof shall not be deemed exclusive of any other rights to which those seeking indemnification and advance payment of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

6.4 Survival of Indemnification

The indemnification and advance payment of expenses and rights thereto provided by, or granted pursuant to, **Section 6.1** hereof shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, trustee, partner or agent and shall inure to the benefit of the personal representatives, heirs, executors and administrators of such person.

6.5 Insurance

The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, trustee, partner (limited or general) or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, against any liability asserted against such person or incurred by such person in any such capacity, or arising out of such person's status as such, and related expenses, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the Delaware General Corporation Law.

7. GENERAL PROVISIONS

7.1 Inspection of Books and Records

Any stockholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to make copies or extracts from: (1) the Corporation's stock ledger, a list of its stockholders, and its other books and records; and (2) other documents as required by law. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office or at its principal place of business.

7.2 Dividends

The Board of Directors may declare dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and the laws of the State of Delaware.

7.3 Reserves

The directors of the Corporation may set apart, out of the funds of the Corporation available for dividends, a reserve or reserves for any proper purpose and may abolish any such reserve.

7.4 Execution of Instruments

All checks, drafts or other orders for the payment of money, and promissory notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.5 Fiscal Year

The fiscal year of the Corporation shall end on December 31 of each year, unless otherwise fixed by resolution of the Board of Directors.

7.6 Seal

The corporate seal, if any, shall be in such form as the Board of Directors shall approve. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.7 Reliance Upon Books, Reports and Records

Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

7.8 Subject to Law and Certificate of Incorporation

All powers, duties and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the Certificate of Incorporation and applicable law.

8. EXCLUSIVE FORUM

8.1 Exclusive Forum

Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another state court located within the State of Delaware or the federal district court for the District of Delaware) shall be the sole and exclusive forum for any stockholder (including any beneficial owner) to bring: (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws, (d) any action asserting a claim governed by the internal affairs doctrine, or (e) any other action asserting an internal corporate claim, as defined in section 115 of the Delaware General Corporation Law; in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

8.2 Severability

If any provision of this Article 8 shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining

provisions of this Article 8 (including, without limitation, each portion of any sentence of this Article 8 containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

Colfax Corporation Executive Officer Severance Plan and Summary Plan Description

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Introduction and Highlights

Colfax Corporation (the "Company") has adopted the Colfax Corporation Executive Officer Severance Plan (the "Plan") for eligible executive officer level employees of the Company and its participating subsidiaries and affiliates ("Participating Employers") who are not otherwise contractually entitled to severance compensation. The purpose of the Plan is to provide equitable treatment for terminated eligible employees in concert with the Company's values and culture, provide financial support for such employees seeking new employment, and recognize such employees' contributions to the Company. The Company further believes that the Plan will aid the Company in attracting and retaining highly qualified executive officer level employees who are essential to its success.

This document sets out the Plan's provisions on its effective date, which is September 18, 2013. This document serves as the Plan's official document and summary plan description. It replaces and supersedes any plan document, summary, or description you may have previously received regarding the Company's severance benefits as they apply to you. The Glossary at the end of this document defines the capitalized terms used in the Plan or tells you where in this document to find a term's meaning. When you encounter a capitalized term, turn to the Glossary to find its meaning.

You are eligible to receive Severance Pay and other benefits under the Plan if (i) you meet the applicable eligibility criteria and you are not otherwise contractually entitled to severance compensation, (ii) your employment terminates under circumstances which entitle you to benefits hereunder, (iii) you timely sign and return a Waiver and Release Agreement, (iv) the Waiver and Release Agreement has become effective as described below, and (v) you comply with the non-competition, non-solicitation and non-disparagement covenants described in this Plan. The "Covenant and Release Requirements" will be considered satisfied as of a specified date if the requirements set forth in the forgoing clauses (iii), (iv), and (v) are met as of such date.

Severance Pay is based on your position and is equal to a multiple of your base salary. Severance Pay also includes payment of a pro-rated portion of your annual bonus. As set forth below, certain benefits coverage may continue to be available for a specified time period after your Termination Date.

Eligibility to Participate

You are eligible to participate in the Plan only if you are an active, full-time executive officer level employee of the Company or a Participating Employer. For the avoidance of doubt, "executive officer" has the definition given under Rule 3b-7 of the Securities Exchange Act of 1934, as amended.

Who Is Not Eligible to Participate

Notwithstanding any other Plan provision, you are not eligible to participate in the Plan and will be excluded from coverage under the Plan if you are:

- (A) an employee who is a party to an individual arrangement or a written employment agreement providing severance compensation other than pursuant to the Plan (for the avoidance of doubt, employees party to such an arrangement or agreement as of the effective date of this Plan are not eligible to participate until such arrangement or agreement ends or is otherwise terminated and it is the intention of the Company to not enter into non-Plan based severance arrangements from the effective date hereof);
- (B) employed in a position that is not eligible to participate in the Plan; or
- (C) covered by a local practice outside the U.S. that provides for severance payments and/or benefits in connection with a voluntary or involuntary termination of employment that are greater than the severance payments and/or benefits set forth in the Plan.

Eligibility for Severance Benefits

Right To Severance Payments And Benefits

You will be eligible to receive severance payments and benefits from the Company as set forth in the Severance Payments and Benefits Section of this Plan if your Termination Date occurs for any one or more of the following reasons:

- (A) Your employment is terminated by the Company or a Participating Employer, other than for Cause; or
- (B) You terminate your employment for Good Reason.

To qualify for severance payments and benefits under the Plan upon voluntary termination for Good Reason, you must notify the Company in writing of termination for Good Reason, specifying the event constituting Good Reason, within 30 calendar days after the occurrence of the event that you believe constitutes Good Reason. Failure for any reason to give written notice of termination of employment for Good Reason in accordance with the foregoing period will be deemed a waiver of the right to voluntarily terminate your employment for that Good Reason event. The Company will have a period of 30 calendar days after receipt of your notice in which to cure the Good Reason. If the Good Reason is cured within this period, you will not be entitled to severance payments and benefits under the Plan. If the Company waives its right to cure or does not, within the 30 day period, cure the Good Reason, you will be entitled to severance payments and benefits under the Plan subject to the terms and conditions hereof, and your actual Termination Date will be determined in the sole discretion of the Company, but in no event will it be later than 30 days from the date the Company waives its right to cure or the end of the 30-day period in which to cure the Good Reason, whichever is earlier.

Ineligibility for Severance Benefits

Notwithstanding any other provision of the Plan, you will not be eligible for severance payments and benefits under the Plan if:

- (1) You terminate your employment (including by reason of retirement) other than for Good Reason;
- (2) You terminate as a result of Disability;
- (3) You are terminated for Cause;
- (4) You refuse to accept a transfer to a position with the Company or a Participating Employer, as applicable, for which you are qualified, as determined by the Company, by reason of your knowledge, training, and experience, provided that the transfer would not constitute Good Reason for termination; or
- (5) You violate the Covenant and Release Requirements described below.

Covenant and Release Requirements

Notwithstanding any other provision of the Plan, you will not be eligible for severance payments and benefits (or continued receipt severance payments and benefits), if you violate any of the following Covenant and Release Requirements:

Release

You must execute and deliver to the Company or a Participating Employer a Waiver and Release Agreement within forty-five (45) calendar days following your receipt of such Waiver and Release Agreement, which Waiver and Release Agreement must be provided to you within seven (7) calendar days following your Termination Date, and the Waiver and Release Agreement must have become effective and irrevocable in accordance with its terms.

Confidentiality

During the course of your employment with the Company or a Participating Employer, you may receive special training and/or may be given access to or may become acquainted with Confidential Information of the Company. As used in this section, "Confidential Information" of the Company means all trade practices, business plans, price lists, supplier lists, customer lists, marketing plans, financial information, software and all other compilations of information which relate to the business of the Company, a Participating Employer, or to any of their subsidiaries, and which have not been disclosed by the Company to the public, or which are not otherwise generally available to the public.

You acknowledge that the Confidential Information of the Company, as such may exist from time to time, is a valuable, confidential, special and unique asset of the Company and its subsidiaries, expensive to produce and maintain and essential for the profitable operation of their respective businesses. You agree that, during the course of your employment with the Company or a Participating Employer, or at any time thereafter, you will not, directly or indirectly, communicate, disclose or divulge to any Person, or use for your benefit or the benefit of any Person, in any manner, any Confidential Information of the Company, acquired during your employment with the Company or a Participating Employer or any other confidential information concerning the conduct and details of the businesses of the Company and its subsidiaries, except as required in the course of your employment with the Company or a Participating Employer or as otherwise may be required by law. For the purposes of this section, "Person" shall mean any individual, partnership, corporation, trust, unincorporated association, joint venture, limited liability company or other entity or any government, governmental agency or political subdivision.

All documents relating to the businesses of the Company and its affiliates including, without limitation, Confidential Information of the Company, whether prepared by you or otherwise coming into your possession, are the exclusive property of the Company and such respective subsidiaries, and must not be removed from the premises of the Company, except as required in the course of your employment with the Company. You will return all such documents (including any copies thereof) to the Company when you cease to be employed by the Company or upon the earlier request of the Company or the Company's Board of Directors.

Agreement Not to Compete

While employed by the Company or a Participating Employer and thereafter until the later of one (1) year following your Termination Date or the expiration of your Severance Pay Period (as defined below), you shall not, except with the Company's express prior written consent, for the benefit of any entity or person (including yourself) compete with the Business (as defined below) within the Territory (as defined below). For these purposes, "Business" means a company involved in the manufacture and sale of pumps, valves, fluid handling systems, air and gas handling systems, or welding and cutting equipment and supplies that are produced by the Company or a Participating Employer or that are competitive with the pumps, valves, fluid handling systems, air and gas handling systems, or welding or cutting equipment and supplies that are produced by the Company or a Participating Employer, or any other products actively produced by the Company or a Participating Employer at the time of Executive's termination of employment. For these purposes, "Territory" means those locations in the United States of America in which the Company or a Participating Employer is operating and those locations abroad in which the Company or a Participating Employer has significant operations, including, but not limited to, Brazil, Germany, China and India.

Agreement Not to Solicit Employees or Clients

While employed by the Company or a Participating Employer and for a period of two (2) years following your Termination Date, you shall not, except with the Company's express prior written consent, for the benefit of any entity or person (including yourself) solicit, induce or encourage any employee of the Company, a Participating Employer or any of their subsidiaries, to leave the employment of the Company, or solicit, induce or encourage any customer, or client of the Company, a Participating Employer or any of their subsidiaries, to cease or reduce its business with the Company, a Participating Employer or any of their subsidiaries.

Non-Disparagement

You shall not, at any time while employed by the Company or a Participating Employer or thereafter make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage or be damaging to the Company, a Participating Employer or any of their subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations. Notwithstanding the foregoing, nothing in this Plan shall preclude you from making truthful statements that are required by applicable law, regulation or legal process.

Disability

"Disability" means that you are unable, due to a physical or mental condition, to perform the essential functions of your position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition will be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, Section 409A of the Code and other applicable law.

Cause

"Cause" means the following:

- (1) Your conviction for commission of a felony or a crime involving moral turpitude;
- (2) Your willful commission of any act of theft, fraud, embezzlement or misappropriation against the Company, a Participating Employer or their subsidiaries or affiliates; or
- (3) Your continued failure to substantially perform your duties (other than such failure resulting from your incapacity due to physical or mental illness), which failure is not remedied within 30 calendar days after written demand for substantial performance is delivered by the Company or the Participating Employer that specifically identifies the manner in which the Company or Participating employer believes that you have not substantially performed your duties.

"Cause" will be interpreted, in good faith, by the Compensation Committee (or its designee) in its sole discretion and such interpretation will be conclusive and binding on all parties.

Good Reason

"Good Reason" means the occurrence of any one or more of the following events which occur without your express written consent:

- (1) The assignment to you of duties materially inconsistent with your position and status or an alteration, materially adverse to you, in the nature of your duties, responsibilities, and authorities,

your position or the conditions of your employment (other than inadvertent actions which are promptly remedied); except the foregoing will not constitute Good Reason if occurring (A) in connection with the termination of your employment for Cause, Disability, or as a result of your death, (B) as a result of action by or with your consent or (C) as a result of reasonable adjustments in your range of duties, responsibilities and authorities as needed to accommodate a change in the size of the Company or Participating employer (which is to include a change in title or reporting to another senior executive officer); provided, however, that such adjustments do not reduce your compensation; or

- (2) The Company or a Participating Employer requiring you to relocate your principal place of business for the Company or Participating Employer to a location at least 50 miles from your current place of business, and which is at least 50 miles longer distance from your place of residence.

Severance Payments and Benefits

Under the Plan, you are eligible to receive Severance Pay and benefits as set forth below, provided you meet the eligibility criteria for participation in the Plan and for the receipt of severance payments and benefits described in the Plan.

Cash Severance Payments

General

If you are eligible for severance benefits, as defined by the Plan, you will be entitled to Severance Pay, subject to the terms and conditions of the Plan in an amount equal to 12 months' of you Base Salary, plus payment of your pro-rated Bonus for the year of termination.

Payments of Severance Pay will begin as of the date that is 60 days after your Termination Date (the "Payment Start Date") provided that the Covenant and Release Requirements are satisfied as of such date. Thereafter, payment of Severance Pay will be made in substantially equal installments over the Severance Pay Period at regular payroll intervals according to your pay schedule prior to your Termination Date (unless otherwise required under Section 409A of the Code) for so long as the Covenant and Release Requirements remain satisfied. Your "Severance Pay Period" shall mean the 12 month period included in your severance multiplier. If the Covenant and Release Requirements are not satisfied as of the Payment Start Date or any scheduled payment date, you will not receive (or continue to receive) Severance Pay (or other benefits) under the Plan.

No Duplication of Benefits/No Substitution

Nothing in the Plan, a change in control plan or agreement, an offer letter or letter agreement from the Company or a Participating Employer, a prevailing practice of the Company or a Participating Employer, or any oral statement made by or on behalf of the Company or a Participating Employer will entitle you to receive duplicate benefits in connection with a voluntary or involuntary termination of employment. For example, you are not eligible for payments and benefits under both this Plan and an employment or change in control letter agreement between you and the Company. The Company's (or any Participating Employer's) obligation of the Company to make payments under the Plan will be expressly conditioned upon you not receiving duplicate payments. In addition, if you are entitled to Severance Pay under the

Plan, you will not receive payment of your Bonus for the year in which your Termination Date occurs (other than a pro-rated portion of the Bonus as described above).

To the extent that any amounts would otherwise be payable (or benefits would otherwise be provided) to an employee under another plan of the Company or a Participating Employer (or their affiliates) or an agreement with an employee and the Company or a Participating Employer (or their affiliates), including an employment agreement, change in control plan or agreement, offer letter or letter agreement, and to the extent that such other payments or benefits or the severance payments and benefits provided under this Plan are subject to Section 409A of the Code, the Plan shall be administered to ensure that no payment or benefit under the Plan will be (i) accelerated in violation of Section 409A of the Code or (ii) further deferred in violation of Section 409A of the Code.

Offset for U.S. Expatriates

The amount of the total Severance Pay to which you are entitled under the Plan will be reduced (but not below zero) for U.S. expatriates by an amount equal to any payments of severance required to be paid by law in any country other than the U.S., and the payments and benefits under the Plan are conditioned upon any such payments required to be paid by law being offset. Any offset shall be applied in a manner consistent with Section 409A of the Code to the extent that either the Severance Pay or the payments required to be paid are subject to Section 409A of the Code.

Debt owed to the Company or a Participating Employer

If you owe the Company or a Participating Employer money for any reason, the Company or Participating Employer may offset the amount of the debt from Severance Pay to the extent permitted by law; provided, however, that, any such offset shall be applied in a manner consistent with Section 409A of the Code to the extent that the Severance Pay is subject to Section 409A of the Code..

Continuation of Employee Benefits/Special Benefits

During your Severance Pay Period (and from and after your Termination Date), you are not considered an employee of the Company or a Participating Employer for any purpose -- including eligibility under any Company employee benefit plan. The following benefits, however, will continue to be available as outlined below

Health Care Plans

If you and your dependents were enrolled in the Company's medical and/or dental plan on your Termination Date, this coverage will continue until the end of the month in which you are no longer employed with the Company or a Participating Employer, as applicable. At termination of employment, you and your enrolled eligible dependents will be offered the opportunity to elect to continue your current plan coverage beyond the end of the month in which you are no longer employed with the Company under one of two options, to the extent permitted by applicable law. The option that applies to you will depend upon whether or not the Covenant and Release Requirements have been satisfied as of the Payment Start Date.

Option I applies to you if the Covenant and Release Requirements are satisfied as of the Payment Start Date. Under Option I, your eligibility for Company-paid medical and/or dental plan coverage will continue for you and your family until the earliest of (i) the end of your Severance Pay Period, (ii) the date you begin new employment, (iii) the date that COBRA coverage would otherwise end by its terms, provided, in any case, that you timely elect COBRA continuation coverage for you and your family on the forms provided to you, or (iv) the date that you violate the Covenant and Release Requirements. (Option I

continuation coverage is COBRA continuation coverage, but its cost is paid by the Company.) Please remember that your eligible dependents will be able to continue their medical and/or dental coverage under Option I only if you are also entitled to continue coverage under this option.

Option II applies to you if the Covenant and Release Requirements are not satisfied as of the Payment Start Date. Option II provides for the continuation of medical and/or dental plan coverage as required under COBRA. Under COBRA you are required to pay the full cost of coverage for you and your covered dependents plus a 2% administrative fee. The COBRA continuation period begins as of the first day following the month in which your Termination Date occurs. As with Option I, you are only entitled to COBRA continuation coverage if you timely elect the coverage on forms provided to you.

If Option I applies to you, then after your Company-paid continuation coverage ends, you can continue COBRA coverage, if any. In any event, any medical and/or dental coverage that continues during your Severance Pay Period is also applied toward your maximum continuation period and does not extend the COBRA continuation coverage period.

Detailed information about the two benefit continuation options described above will be mailed to you at the time of termination.

Outplacement

You will be eligible for outplacement services with one of the Company's preferred providers in accordance with the Company's outplacement services that are in effect for employees at your level as of your Termination Date during your Severance Pay Period; provided, however, that no outplacement services will be provided if the Covenant and Release Requirements are not satisfied.

Other Benefits

Accrued and unused vacation days (including banked vacation), long-term performance awards, and vesting and exercising of equity awards will be determined in accordance with the applicable Company plans, programs and/or policies. All other benefits coverage and eligibility to participate in the Company's benefit plans will end as of your Termination Date except as otherwise expressly provided by the terms of the applicable benefit plans

Notwithstanding the foregoing, if you are entitled to Severance Pay under the Plan, you will not receive payment of any portion of your Bonus for the year in which your Termination Date occurs (other than a pro-rated portion of the Bonus as described above).

Amendment and Plan Termination

The Company reserves the right to terminate or amend the Plan, in whole or in part, at any time in the Company's sole discretion. The Company reserves the right to implement changes even if the changes have not been reprinted or substituted in this document.

Additional Plan Information

Employment Status

The Plan does not constitute a contract of employment, and nothing in the Plan provides or may be construed to provide that participation in the Plan is a guarantee of continued employment with the Company, a Participating Employer, or any of their respective affiliates.

Withholding of Taxes

The Company or a Participating Employer will withhold from any amounts payable under the Plan all Federal, state, local or other taxes that are legally required to be withheld from your severance payments.

No Effect on Other Benefits

Neither the provisions of this Plan nor the severance payments and benefits provided for under the Plan will reduce any amounts otherwise payable to you under any incentive, retirement, stock option, stock bonus, stock ownership, group insurance or other benefit plan.

Validity and Severability

The invalidity or unenforceability of any provision of the Plan will not affect the validity or enforceability of any other provision of the Plan, which will remain in full force and effect, and any prohibition or unenforceability in any jurisdiction will not invalidate that provision, or render it unenforceable, in any other jurisdiction.

Unfunded Obligation

All severance payments and benefits under the Plan constitute unfunded obligations of the Company and the Participating Employers. Severance payments will be made, as due, from the general funds of the Company or the Participating Employers. The Plan constitutes solely an unsecured promise by the Company and the Participating Employers to provide severance benefits to you to the extent provided in the Plan. For avoidance of doubt, any medical or dental insurance coverage to which you may be entitled under the Plan will be provided under other applicable employee benefit plans of the Company or Participating Employer.

Type of Plan and Governing Law

This Plan is designed to qualify as a severance pay arrangement within the meaning of Section 3(2)(B)(i) of ERISA and is intended to be excepted from the definitions of "employee pension benefit plan" and "pension plan" set forth under Section 3(2) of ERISA and is intended to meet the descriptive requirements

of a plan constituting a “severance pay plan” within the meaning of the regulations published by the Secretary of Labor. In addition, the Plan is intended to be a plan that primarily for the purpose of providing benefits to a select group of management or highly compensated employees within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan and all rights under it will be governed and construed in accordance with ERISA and, to the extent not preempted by Federal law, with the laws of the State of Maryland, excluding choice of law rules.

Section 409A

Exemption

It is intended that payments of Severance Pay under the Plan will be exempt from Section 409A of the Code to the extent payments (i) do not exceed two times the lesser of (1) the employee's total annual compensation based on the employee's annual rate of pay for the prior taxable year (adjusted for any increase that was expected to continue indefinitely) or (2) the limitation under Code Section 401(a)(17) for the year in which the employee has a separation from service within the meaning of Section 409A of the Code and Treasury regulation Section 1.409A-1(h) (\$255,000 in 2013 (2x = \$510,000)), and (ii) are paid in full no later than December 31 of the second year following a separation from service, or to the extent that such payments otherwise fit within an exemption provided by Section 409A of the Code or applicable guidance. Similarly, other benefits provided under the Plan are intended to be exempt from Section 409A of the Code to the extent an applicable exemption is applicable.

Specified Employees

In general, Section 409A of the Code prohibits certain payments of nonqualified deferred compensation (within the meaning of Section 409A of the Code) to “Specified Employees” within 6 months following the Specified Employee's separation from service. This rule does not apply to amounts which are exempt from the requirements of Section 409A of the Code. To comply with this rule and notwithstanding any other provision of the Plan to the contrary, if any payment or benefit under the Plan is subject to Section 409A of the Code, and if such payment or benefit is to be paid or provided on account of the employee's separation from service (within the meaning of Section 409A of the Code) and if the employee is a Specified Employee (within the meaning of Section 409A of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the employee's separation from service, such payment or benefit shall be delayed until the first day of the seventh month following the Executive's separation from service and shall at that time be paid on a lump sum (or, in the case of a non-cash benefit, shall be provided in a manner that is consistent with Section 409A of the Code). Any amount that would have been paid or provided during this six month period will be paid on the first business day of the seventh month following the separation from service, or, if earlier, the date of the individual's death.

Statement of Intent

To the fullest extent possible, amounts and other benefits payable under the Plan are intended to be exempt from the definition of “nonqualified deferred compensation” under Section 409A of the Code in accordance with one or more exemptions available under the final Treasury regulations promulgated under Section 409A of the Code. To the extent that any such amount or benefit is or becomes subject to Section 409A of the Code, this Plan is intended to comply with the applicable requirements of Section 409A of the Code with respect to those amounts or benefits so as to avoid the imposition of taxes and penalties. This Plan will be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

The Company in its sole discretion may modify the timing of payments and benefits under the Plan for the sole purpose of exempting those payments and benefits from Section 409A of the Code. To the extent that any payment or benefit under the Plan is modified to comply with Section 409A of the Code or to be exempt from Section 409A of the Code, the modification or exemption will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and the Company of the applicable payment or benefit without violating the provisions of Section 409A of the Code.

In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on you by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

Each payment under the Plan is intended to be a "separate payment" and not a series of payments for purposes of Section 409A of the Code. References in this Agreement to Section 409A of the Code include rules, regulations, and guidance of general application issued by the Department of the Treasury under Code Section 409A. Any payments or reimbursements of any expenses provided for under this Agreement shall be made in accordance with Treas. Reg. § 1.409A-3(i)(1)(iv).

Assignment

The Plan will inure to the benefit of and will be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount is still payable to you under the Plan had you continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to your estate. Your rights under the Plan will not otherwise be transferable or subject to lien or attachment.

Other Benefits

Nothing in this document is intended to guarantee that benefit levels or costs will remain unchanged in the future in any other plan, program or arrangement of the Company. The Company and its affiliates and subsidiaries reserve the right to terminate, amend, modify, suspend, or discontinue any other plan, program or arrangement of the Company or its subsidiaries or affiliates in accordance with the terms of that plan, program or arrangement and applicable law.

Oral Statements

The provisions of this document supersede any oral statements made by any employee, officer, or Board member of the Company or any Participating Employer regarding eligibility, severance payments and benefits.

Successors and Assigns

This Plan will be binding upon and inure to the benefit of the Company and its successors and assigns and will be binding upon and inure to the benefit of you and your legal representatives, heirs and legatees.

Administrative Information About Your Plan

Employer Identification Number

Colfax Corporation's employer identification number is 54-1887631.

Claim for Benefits

If you believe that you are entitled to payments and benefits under the Plan that are not provided to you, or you disagree with any other action taken by the Plan Administrator with respect to the Plan, then you may submit a claim to the Plan Administrator in writing. A claim must be made in writing and submitted within 6 months of your Termination Date. In the event you make a claim for benefits beyond 6 months of your Termination Date, then you are expressly precluded from receiving any severance payments and/or benefits under the Plan.

Claims Review Procedures

You will be notified in writing by the Plan Administrator if your claim under the Plan is denied.

If a claim for benefits under the Plan is denied in full or in part, you* may appeal the decision to the Plan Administrator.

To appeal a decision, you* must submit a written document through the U.S. Postal Service or other courier service appealing the denial of the claim within 60 days after you receive notice of the claim denial described above. You* may also include information or other documentation in support of your claim.

You* will be notified of a decision within 90 days (which may be extended to 180 days, if required) of the date your appeal is received. This notice will include the reasons for the denial and the specific provision(s) on which the denial is based, a description of any additional information needed to resubmit the claim, and an explanation of the claims review procedure. If the Plan Administrator requires an extension of time to respond to your appeal, you* will receive notice of the reason for the extension within the initial 90-day period and a date by which you can expect a decision.

If the original denial is upheld on first appeal, you* may request a review of this decision. You* may submit a written request for reconsideration to the Plan Administrator (as listed on the last page of this Section) within 60 days after receiving the denial.

You* can review all plan documents in preparing your appeal and you* may have a qualified person represent you* during the appeal process. Any documents or records that support your position must be submitted with your appeal letter.

The case will be reviewed, and you* will receive written notice of the decision within 60 days (which may be extended to 120 days, if required). The written notice will include the specific reasons for the decision and specific reference to the Plan provision(s) on which the decision is based.

Any decision on final appeal will be final, conclusive and binding upon all parties. If the final appeal is denied, however, you will be advised of your right to file a claim in court. It is the Company's intent that in any challenge to a denial of benefits on final appeal under these procedures, the court of law or a

professional arbitrator conducting the review will apply to a deferential (“arbitrary and capricious”) standard and not a de novo review.

Legal Action

You may not bring a lawsuit to recover benefits under the Plan until you have exhausted the internal administrative process described above. No legal action may be commenced at all unless commenced no later than 1 year following the issuance of a final decision on the claim for benefits, or the expiration of the appeal decision period if no decision is issued. This one-year statute of limitations on suits for all benefits will apply in any forum where you may initiate such a suit.

Participating Employers

A complete list of Colfax Corporation affiliates, subsidiaries or divisions that participate in the Plan may be obtained from the Plan Administrator by written request. (See the chart at the end of this Section for the name and address of the Plan Administrator.)

Plan Administrator

The administration of the Plan is the responsibility of the Plan Administrator. The Plan Administrator has the discretionary authority and responsibility for, among other things, determining eligibility for benefits and construing and interpreting the terms of the Plan. In addition, the Plan Administrator has the authority, at its discretion, to delegate its responsibility to others. The rules, interpretations, computations and other actions of the Plan Administrator or its delegate will be final, binding and conclusive on all persons. The chart at the end of this Section contains the name and address of the Plan Administrator. Notwithstanding the foregoing, if and to the extent required by applicable law, the rules of any applicable securities exchange on which the shares of Company common stock is traded or the Company’s by-laws or articles of incorporation, the Plan will be administered by the Company’s Board or the Compensation Committee.

As a participant in the Plan, you are entitled to certain rights and protection under Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that you shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Company's offices and at other specified locations all documents governing the plan filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan and updated summary plan description. The administrator may make a reasonable charge for the copies.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-EBSA (3272) or accessing their website at <http://www.dol.gov/ebsa>.

Severance Plan	
Name of Plan	Colfax Corporation Executive Officer Severance Plan
Type of Plan	"Welfare" plan
Plan Records	Kept on a calendar-year basis
Plan Year	January 1 – December 31
Plan Funding	Unfunded - Company and Participating Employers provide severance benefits from general assets.
Plan Sponsor	Colfax Corporation
Plan Administrator and Named Fiduciary	Colfax Corporation 420 National Business Parkway, 5 th Floor Annapolis Junction, Maryland 20701
Agent for Service of Legal Process on the Plan	Colfax Corporation c/o Senior Vice President, General Counsel and Secretary 420 National Business Parkway, 5 th Floor Annapolis Junction, Maryland 20701
Trustee	Not applicable
Insurance Company	Not applicable

It is important to know about the following terms as they apply to the Plan.

Base Salary	Your base rate of salary in effect as of the effective date of your Termination Date (determined without regard to any reduction in your rate of base salary under circumstances that constitute Good Reason), including salary reductions under Code Sections 132(f), 125, 137, or 401(k), and excluding overtime, bonuses, income from stock options, stock grants, dividend equivalents, benefits-in-kind, allowances (including, but not limited to, car values, vacation bonuses, food coupons) or other incentives, and any other forms of extra compensation. No foreign service or expatriate allowances shall be included in determining base salary or the amount of severance payments payable under the Plan.
Bonus	Your target annual incentive bonus for the year in which your Termination Date occurs as determined under the Company's or Participating Employer's annual incentive bonus plan.
Business	Business is defined on page 4 in the Eligibility For Severance Benefits Section, under the subheading, "Agreement Not to Compete".
Cause	Cause is defined beginning on page 4 in the Eligibility For Severance Benefits Section, under the subheading, "Cause".
COBRA	The continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
Code	The Internal Revenue Code of 1986, as amended.
Company	Colfax Corporation
Compensation Committee	The Compensation Committee of the Board of Directors of Colfax Corporation.
Covenant and Release Requirements	Covenant and Release Requirements is defined on page 1 in the Introduction and Highlights Section.
Disability	Disability is defined on page 4 in the Eligibility for Severance Benefits Section, under the subheading "Ineligibility for Severance Benefits".
ERISA	The Employee Retirement Income Security Act of 1974, as amended, which is a Federal employee benefits law.
Waiver and Release Agreement	A Waiver and Release Agreement in the form attached hereto as Exhibit A.
Good Reason	Good Reason is defined on page 5 in the Eligibility for Severance Benefits Section, under the subheading "Good Reason".
Participating Employer	A subsidiary or affiliate of the Company that participates in the Plan.
Payment Start Date	Payment Start Date is defined on page 6 in the Severance Payments and Benefits Section, under the subheading "Cash Severance Payments".
Plan	The Colfax Corporation Executive Officer Severance Plan, as set forth in this document and as it may be amended from time to time.

Severance Pay	Severance Pay is the cash severance benefits to which you are entitled under the Plan, as described in the Severance Payments and Benefits Section, under the subheading "Cash Severance Payments".
Severance Pay Period	Severance Pay Period is defined on page 5 in the How Your Benefit Is Paid Section, under the subheading "Cash Severance Payments".
Specified Employee	Specified Employee is defined on page 11 in the Section 409A Section, under the subheading "Specified Employees".
Termination Date	The date on which your employment with the Company, the Participating Employers and their respective affiliates terminates for any reason. To the extent that any payments or benefits under the Plan are subject to Section 409A of the Code, the determination of whether your Termination Date has occurred (or whether you have otherwise had a termination of employment) shall be made in accordance with the provisions of Section 409A of the Code and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.
Territory	Territory is defined on page 4 in the Eligibility For Severance Benefits Section, under the subheading, "Agreement Not to Compete".

WAIVER AND RELEASE AGREEMENT

THIS WAIVER AND RELEASE AGREEMENT is entered into as of **[TO BE DETERMINATED AT TERMINATION OF EMPLOYMENT]** (the "**Effective Date**"), by _____ (the "**Executive**") in consideration of the severance pay (the "**Severance Payment**") provided to the Executive by **[COLFAX CORPORATION OR THE PARTICIPATING EMPLOYER]** (the "**Company**") pursuant to Colfax Corporation Executive Officer Severance Plan (the "**Plan**").

1. **Waiver and Release.** The Executive, on his or her own behalf and on behalf of his or her heirs, executors, administrators, attorneys and assigns, hereby unconditionally and irrevocably releases, waives and forever discharges the Company and each of its affiliates, parents, successors, predecessors, and the subsidiaries, directors, owners, members, shareholders, officers, agents, and employees of the Company and its affiliates, parents, successors, predecessors, and subsidiaries (collectively, all of the foregoing are referred to as the "**Employer**"), from any and all causes of action, claims and damages, including attorneys' fees, whether known or unknown, foreseen or unforeseen, presently asserted or otherwise arising through the date of his or her signing of the Waiver and Release Agreement, concerning his or her employment or separation from employment. This release includes, but is not limited to, any claim or entitlement to salary, bonuses, any other payments, benefits or damages arising under any federal law (including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, Executive Order 11246, the Family and Medical Leave Act, and the Worker Adjustment and Retraining Notification Act, each as amended); any claim arising under any state or local laws, ordinances or regulations (including, but no limited to, any state or local laws, ordinances or regulations requiring that advance notice be given of certain workforce reductions); and any claim arising under any common law principle or public policy, including, but not limited to, all suits in tort or contract, such as wrongful termination, defamation, emotional distress, invasion of privacy or loss of consortium.

The Executive understands that by signing this Waiver and Release Agreement that he or she is not waiving any claims or administrative charges which cannot be waived by law. He or she is waiving, however, any right to monetary recovery or individual relief should any federal, state or local agency (including the Equal Employment Opportunity Commission) pursue any claim on his or her behalf arising out of or related to his or her employment with and/or separation from employment with the Company.

The Executive further agrees without any reservation whatsoever, never to sue the Employer or become a party to a lawsuit on the basis of any and all claims of any type lawfully and validly released in this Waiver and Release Agreement.

2. **Acknowledgments.** The Executive is signing this Waiver and Release Agreement knowingly and voluntarily. He or she acknowledges that:

- (a) He or she is hereby advised in writing to consult an attorney before signing this Waiver and Release Agreement;
- (b) He or she has relied solely on his or her own judgment and/or that of his or her attorney regarding the consideration for and the terms of the Waiver and Release Agreement and is signing this Waiver and Release Agreement knowingly and voluntarily of his or her own free will;
- (c) He or she is not entitled to the Severance Payment unless he or she agrees to and honors the terms of this Waiver and Release Agreement;

- (d) He or she has been given at least forty-five (45) calendar days to consider this Waiver and Release Agreement, or he or she expressly waives his or her right to have at least forty-five (45) days to consider this Waiver and Release Agreement;
- (e) He or she may revoke this Waiver and Release Agreement within seven (7) calendar days after signing it by submitting a written notice of revocation to the Company. He or she further understands that this Waiver and Release Agreement is not effective or enforceable until after the seven (7) day period of revocation has expired without revocation, and that if he or she revokes this Waiver and Release Agreement within the seven (7) day revocation period, he or she will not receive the Severance Payment;
- (f) He or she has read and understands the Waiver and Release Agreement and further understands that it includes a general release of any and all known and unknown, foreseen and unforeseen claims presently asserted or otherwise arising through the date of his or her signing of this Waiver and Release Agreement that he or she may have against the Employer; and
- (g) No statements made or conduct by the Employer has in any way coerced or unduly influenced him or her to execute this Waiver and Release Agreement.

- 3. **No Admission of Liability.** This Waiver and Release Agreement does not constitute an admission of liability or wrongdoing on the part of the Employer, the Employer does not admit there has been any wrongdoing whatsoever against the Executive, and the Employer expressly denies that any wrongdoing has occurred.
- 4. **Entire Agreement.** There are no other agreements of any nature between the Employer and the Executive with respect to the matters discussed in this Waiver and Release Agreement, except as expressly stated herein, and in signing this Waiver and Release Agreement, the Executive is not relying on any agreements or representations, except those expressly contained in this Waiver and Release Agreement.
- 5. **Execution.** It is not necessary that the Employer sign this Waiver and Release Agreement following the Executive's full and complete execution of it for it to become fully effective and enforceable.
- 6. **Severability.** If any provision of this Waiver and Release Agreement is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Waiver and Release Agreement shall continue in full force and effect.
- 7. **Governing Law.** This Waiver and Release Agreement shall be governed by the laws of the State of Maryland, excluding the choice of law rules thereof.
- 8. **Headings.** Section and subsection headings contained in this Waiver and Release Agreement are inserted for the convenience of reference only. Section and subsection headings shall not be deemed to be a part of this Waiver and Release Agreement for any purpose, and they shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

IN WITNESS WHEREOF, the undersigned has duly executed this Waiver and Release Agreement as of the day and year first herein above written.

CERTIFICATIONS

I, Steven E. Simms, certify that:

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

Dated: July 23, 2015

/s/ Steven E. Simms

Steven E. Simms
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, C. Scott Brannan, certify that:

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

Dated: July 23, 2015

/s/ C. Scott Brannan

C. Scott Brannan
Senior Vice President, Finance,
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

**Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Steven E. Simms, as President and Chief Executive Officer of Colfax Corporation (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 to my knowledge:

1. the quarterly report on Form 10-Q of the Company for the period ended June 26, 2015 (the "Report"), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 23, 2015

/s/ Steven E. Simms

**Steven E. Simms
President and Chief Executive Officer
(Principal Executive Officer)**

**Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, C. Scott Brannan, as Senior Vice President, Finance, Chief Financial Officer and Treasurer of Colfax Corporation (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 to my knowledge:

1. the quarterly report on Form 10-Q of the Company for the period ended June 26, 2015 (the "Report"), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 23, 2015

/s/ C. Scott Brannan

C. Scott Brannan
Senior Vice President, Finance,
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)