

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2014

Commission File No. 1-15579



MSA SAFETY INCORPORATED

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

46-4914539
(IRS Employer Identification No.)

1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania
(Address of principal executive offices)

Registrant's telephone number, including area code: (724) 776-
8600

16066-5207
(Zip code)

(Title of each class)
Common Stock, no par value

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

(Name of each exchange on which registered)
New York Stock Exchange

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of February 19, 2015, there were outstanding 37,451,901 shares of common stock, no par value. The aggregate market value of voting stock held by non-affiliates as of June 30, 2014 was approximately \$1.8 billion.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the May 12, 2015 Annual Meeting of Shareholders are incorporated by reference into Part III.

Table of Contents

Item No.		Page
Part I		
1.	Business	4
1A.	Risk Factors	7
1B.	Unresolved Staff Comments	13
2.	Properties	13
3.	Legal Proceedings	14
4.	Mine Safety Disclosures	16
	Executive Officers of the Registrant	17
Part II		
5.	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	18
6.	Selected Financial Data	20
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
7A.	Quantitative and Qualitative Disclosures About Market Risk	30
8.	Financial Statements and Supplementary Data	31
9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	64
9A.	Controls and Procedures	64
9B.	Other Information	64
Part III		
10.	Directors, Executive Officers and Corporate Governance	65
11.	Executive Compensation	65
12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	65
13.	Certain Relationships and Related Transactions, and Director Independence	65
14.	Principal Accountant Fees and Services	65
Part IV		
15.	Exhibits and Financial Statement Schedules	66
	Signatures	68

Forward-Looking Statements

This report may contain (and verbal statements made by MSA Safety Incorporated (MSA) may contain) forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, but are not limited to, those listed in this report under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report. In some cases, you can identify forward-looking statements by words such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or other comparable words. Actual results, performance or outcomes may differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update publicly any of the forward-looking statements after the date of this report, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business

Overview—MSA was founded in Pennsylvania in 1914. We are a global leader in the development, manufacture and supply of products that protect people's health and safety. Our safety products typically integrate a combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life threatening situations. Our comprehensive line of safety products is used by workers around the world in a broad range of markets including the oil and gas, fire service, mining and construction industries, as well as the military. Our core products include fixed gas and flame detection systems, breathing apparatus where self-contained breathing apparatus or SCBA is the principal product, portable gas detection instruments, head protection products and fall protection devices.

We dedicate significant resources to research and development, which allows us to produce innovative safety products that are often first to market and exceed industry standards. Our global product development teams include cross-geographic and cross-functional members from various areas throughout the company, including research and development, marketing, sales, operations and quality management. Our engineers and technical associates work closely with the safety industry's leading standards-setting groups and trade associations to develop industry specific product requirements and standards and to anticipate their impact on our product lines.

Segments—We tailor our product offerings and distribution strategy to satisfy distinct customer preferences that vary across geographic regions. To best serve these customer preferences, we have organized our business into nine geographic operating segments that are aggregated into three reportable geographic segments: North America, Europe and International. Segment information is presented in the note entitled "Segment Information" in Item 8—Financial Statements and Supplementary Data.

Because our financial statements are stated in U.S. dollars and much of our business is conducted outside the U.S., currency fluctuations may affect our results of operations and financial position and may affect the comparability of our results between financial periods.

Products—We manufacture and sell a comprehensive line of safety products to protect the health and safety of workers around the world in the oil and gas, fire service, construction, mining and other industrial applications, as well as the military. Our products protect people against a wide variety of hazardous or life-threatening situations.

The following is a brief description of each of our product categories:

Core products. MSA's corporate strategy includes a focus on driving sales of core products, which typically realize a higher gross profit margin than non-core products. Core products include fixed gas and flame detection systems, breathing apparatus where SCBA is the principal product, portable gas detection instruments, head protection products and fall protection devices. These products receive the highest levels of investment and resources and provide higher levels of return on investment in alignment with our commitment to grow core product sales in both emerging and developed markets. These products comprised approximately 74% of sales in 2014.

The following is a brief description of our core product offerings:

Fixed gas and flame detection instruments ("FGFD"). Our permanently installed fixed gas and flame detection instruments are used in oil, gas and petrochemical facilities and general industrial production facilities to detect the presence or absence of various gases in the air. Typical applications of these instruments include the detection of an oxygen deficiency in confined spaces or the presence of combustible or toxic gases. FGFD product lines have a meaningful portion of overall revenue tied to day to day operations including replacement components and related service. A portion of business from this product line is generally tied to project business associated with upstream exploration and production activity. Products include:

- *Multi-point permanently installed gas detection systems.* This product line is used to monitor for combustible and toxic gases and oxygen deficiency in virtually any application where continuous monitoring is required. Our systems are used for gas detection in petrochemical, pulp and paper, wastewater, refrigerant monitoring, and general industrial applications. These systems utilize a wide array of sensing technologies including electrochemical, catalytic, infrared and ultrasonic.
- *Flame detectors and open-path infrared gas detectors.* These instruments are used for plant-wide monitoring of toxic gases and for detecting the presence of flames. These systems use infrared optics to detect potentially hazardous conditions across long distances, making them suitable for use in such applications as offshore oil rigs, storage vessels, refineries, pipelines and ventilation ducts. First used in the oil and gas industry, our systems now have broad applications in petrochemical facilities, the transportation industry and in pharmaceutical production.

[Table of Contents](#)

Breathing apparatus products. Breathing apparatus products include SCBA, face masks and respirators, where SCBA is the primary product offering. SCBA are used by first responders, petrochemical plant workers and anyone entering an environment deemed immediately dangerous to life and health. SCBA are also used by first responders to protect against exposure to chemical, biological, radiological and nuclear agents, which are collectively referred to as CBRN. Our recently approved next generation G1 SCBA is an entirely redesigned platform that offers many customizable and differentiated features. We currently have 1 patent issued and an additional 13 patents pending for this product.

Portable gas detection instruments. Our hand-held portable gas detection instruments are used by oil, gas and petrochemical workers; general industry workers; miners; and first responders to detect the presence or absence of various gases in the air. Typical applications of these instruments include the detection of an oxygen deficiency in confined spaces or the presence of combustible or toxic gases. Our single- and multi-gas detectors provide portable solutions for detecting the presence of oxygen, combustible gases and various toxic gases, including hydrogen sulfide, carbon monoxide, ammonia and chlorine, either singularly or up to six gases at once. Our ALTAIR® 2X Single or Two Gas Detectors; ALTAIR® 4X and ALTAIR® 5X Multigas Detectors with XCell® sensor technology, which include internally developed sensors, provide faster response times and unsurpassed durability in a tough, easy-to-operate package. The ALTAIR® 2XP provides users with unique and significant cost of ownership advantages over competitive offerings by giving users the ability to perform their own daily bump test to make sure the instrument is functioning properly. Occupational Health and Safety Magazine named our ALTAIR® 2XP product the 2014 new product of the year in the gas detection category.

Head protection. We offer a complete line of industrial head protection that includes the iconic V-Gard® helmet brand, a bellwether product in MSA's portfolio for over 50 years. We offer customers a wide range of color choices and we are a world leader in the application of customized logos. Our industrial head protection has a wide user base including oil, gas and petrochemical workers, steel and construction workers, miners and industrial workers. Our Fas-Trac® III Suspension system was designed to provide comfort for the users of our helmets without sacrificing safety. Occupational Health and Safety Magazine named this product the 2014 new product of the year in the head protection category.

Fall protection. Our broad line of fall protection equipment includes confined space equipment, harnesses, fall arrest equipment, lanyards and lifelines. Fall protection equipment is used by workers in the construction industry, oil, gas and petrochemical market, utilities industry and general industrial applications, and anyone working at height.

Non-core products. MSA maintains a portfolio of non-core products which includes both adjacent and peripheral offerings. Adjacent products reinforce and extend the core, drawing upon our customer relationships, distribution channels, geographical presence and technical experience. These products are complementary to the core offerings and have their roots within the core product value chain. Key adjacent products include respirators, eye and face protection, fire helmets, thermal imaging cameras, ballistic helmets, and gas masks. Gas masks and ballistic helmet sales represent the primary purchases of our military customers and were approximately \$61 million globally in 2014. Peripheral products are primarily sold to the mining industry and reflect a small portion of consolidated sales.

Customers—Our customers generally fall into three categories: distributors, industrial or military end-users, and retail consumers. In North America, the majority of our sales are made through our distributors. In our European and International segments, sales are made through both indirect and direct sales channels. For the year ended December 31, 2014, no individual customer represented more than 10% of our sales.

Sales and Distribution—Our sales and distribution team consists of marketing, field sales and customer service organizations, totaling over 800 dedicated associates. In most geographic areas, our field sales organizations work jointly with select distributors to call on end-users and educate them about hazards, exposure limits, safety requirements and product applications, as well as the specific performance attributes of our products. In our International segment and Eastern Europe region, where distributors are not as well established, our sales associates often work with and sell directly to end-users. We believe that understanding end-user requirements is critical to increasing MSA's market share.

The in-depth customer training and education provided by our sales associates to our customers is critical to ensuring proper use of many of our products, such as SCBA and gas detection instruments. As a result of our sales associates working closely with end-users, they gain valuable insight into customer preferences and needs. To better serve our customers and to ensure that our sales associates are among the most knowledgeable and professional in the industry, we place significant emphasis on training our sales associates in product application, industry standards and regulations.

We believe our sales and distribution strategy allows us to deliver a customer value proposition that differentiates our products and services from those of our competitors, resulting in increased customer loyalty and demand.

[Table of Contents](#)

In areas where we use indirect selling, we promote, distribute and service our products to general industry through authorized national, regional and local distributors. Some of our key distributors include Airgas, W.W. Grainger Inc., Fastenal and Hagemeyer. In North America, we distribute fire service products primarily through specially trained local and regional distributors who provide advanced training and service capabilities to volunteer and paid municipal fire departments. In our European and International segments, we primarily sell to and service the fire service market directly. Because of our broad and diverse product line and our desire to reach as many markets and market segments as possible, we have over 4,000 authorized distributor locations worldwide. No individual distributor accounts for more than 10% of our sales.

Our Safety Works, LLC joint venture provides a broad range of safety products and gloves to the North American do-it-yourself and independent contractor market through various channels. These include distributors such as Orgill, hardware and equipment rental outlets such as United Rentals, and retail chains such as TrueValue and Do it Best.

Competition— The worldwide personal protection equipment market is broad and highly fragmented with few participants offering a comprehensive line of safety products. The sophisticated safety products market in which we compete is comprised of both core and non-core offerings, specifically adjacent products, and generates annual sales of approximately \$12 billion. We maintain a leading position in nearly all of our core products except in fall protection. Over the long-term, we believe global demand for safety products will continue to grow. Purchases of these products are non-discretionary, protecting workers' health in hazardous and life-threatening work environments. Their use is often mandated by government and industry regulations, which are increasing on a global basis. Moreover, safety products industry revenues reflect the need to consistently replace many safety products that have limited life spans due to normal wear and tear or because they are one time use products by design.

The safety products market is highly competitive, with participants ranging in size from small companies focusing on a single type of personal protection equipment to a few large multinational corporations that manufacture and supply many types of sophisticated safety products. Our main competitors vary by region and product. We believe that participants in this industry compete primarily on the basis of product characteristics (such as functional performance, agency approvals, design and style), brand name recognition, support and price.

We believe we compete favorably within each of our operating segments as a result of our high quality, our innovative offerings and strong brand trust and recognition.

Research and Development—To maintain our position at the forefront of safety equipment technology, we operate several sophisticated research and development facilities. We believe our dedication and commitment to innovation and research and development allows us to produce state-of-the-art safety products that are often first to market and exceed industry standards. In 2014, 2013 and 2012, on a global basis, we spent \$48.2 million, \$45.9 million and \$40.9 million, respectively, on research and development, reflecting 4.3%, 4.1% and 3.7% of sales respectively. Our primary engineering groups are located in the United States, Germany, China and France. Our global product development teams include cross-geographic and cross-functional members from various areas throughout the company, including research and development, marketing, sales, operations and quality management. These teams are responsible for setting product line strategy based on their understanding of customers' needs and available technology, as well as the opportunities and challenges they foresee in each product area. We believe our team-based, cross-geographic and cross-functional approach to new product development is a source of competitive advantage. Our approach to the new product development process allows us to tailor our product offerings and product line strategies to satisfy distinct customer preferences and industry regulations that vary across our operating segments.

We believe another important aspect of our approach to new product development is that our engineers and technical associates work closely with the safety industry's leading standards-setting groups and trade associations. These organizations include the National Institute for Occupational Safety and Health ("NIOSH"), the National Fire Protection Association ("NFPA"), American National Standards Institute ("ANSI"), International Safety Equipment Association ("ISEA"), and their overseas counterparts. We work with these organizations to develop industry specific product requirements and standards and anticipate their impact on our product lines. Key members of our management team understand the impact that these standard-setting organizations have on our new product development pipeline. As such, management devotes significant time and attention to anticipating a new standard's impact on our sales and operating results. Because of our understanding of customer needs, membership on global standard-setting bodies, investment in research and development and our unique new product development process, we believe we are well-positioned to anticipate and adapt to changing product standards. While we acknowledge that the length of the approval process can be unpredictable, we also believe that we are well positioned to gain the approvals and certifications necessary to meet new government and multinational product regulations.

Patents and Intellectual Property—We own significant intellectual property, including a number of domestic and foreign patents, patent applications and trademarks related to our products, processes and business. Although our intellectual property plays an important role in maintaining our competitive position in a number of markets that we serve, no single patent, or patent application, trademark or license is, in our opinion, of such value to us that our business would be materially affected by the expiration or termination thereof, other than the “MSA” trademark. Our patents expire at various times in the future not exceeding 20 years. Our general policy is to apply for patents on an ongoing basis in the United States and other countries, as appropriate, to perfect our patent development. In addition to our patents, we have also developed or acquired a substantial body of manufacturing know-how that we believe provides a significant competitive advantage over our competitors’.

Raw Materials and Suppliers—Many of the components of our products are formulated, machined, tooled or molded in-house from raw materials, which comprise approximately two thirds of our cost of sales. For example, we rely on integrated manufacturing capabilities for breathing apparatus, gas masks, ballistic helmets, hard hats and circuit boards. The primary raw materials that we source from third parties include rubber, high density polyethylene, chemical filter media, eye and face protective lenses, air cylinders, certain metals, electronic components and ballistic resistant and non-ballistic fabrics. We purchase these materials both domestically and internationally, and we believe our supply sources are both well established and reliable. We have close vendor relationship programs with the majority of our key raw material suppliers. Although we generally do not have long-term supply contracts, thus far we have not experienced any significant problems in obtaining adequate raw materials. Please refer to MSA’s Form SD filed on June 2, 2014 for further information on our conflict minerals analysis. Form SD may be obtained free of charge at www.sec.gov.

Associates—At December 31, 2014, we employed approximately 5,000 associates, of which 2,900 were employed by our European and International segments. None of our U.S. associates are subject to the provisions of a collective bargaining agreement. Some of our associates outside the United States are members of unions. We have not experienced a significant work stoppage in over 10 years and believe our relations with our associates are strong.

Environmental Matters—Our facilities and operations are subject to laws and regulations relating to environmental protection and human health and safety. In the opinion of management, compliance with current environmental protection laws will not have a material adverse effect on our financial condition. See Item 1A, Risk Factors, for further information regarding our environmental risks which could impact the Company.

Seasonality—Our operating results are not significantly affected by seasonal factors. Sales are generally higher during the second and fourth quarters. During periods of economic expansion or contraction and following significant catastrophes, our sales by quarter have varied appreciably from this seasonal pattern. Government related sales tend to spike in the fourth quarter. North America sales tend to be strong during the petrochemical refinery turnaround seasons late in the first quarter, early in the second quarter and then again at the end of the third quarter and beginning of the fourth quarter. European sales are typically weaker in the summer holiday months. International has recently had strong fourth quarters, but seasonality can be strongly affected by the timing of delivery of larger orders. Invoicing and the delivery of larger orders can affect sales patterns variably across all reporting segments.

Available Information—Our Internet address is www.MSAafety.com. We make the following filings available free of charge on the Investor Relations page on our website as soon as reasonably practicable after they have been electronically filed with or furnished to the Securities and Exchange Commission (“SEC”): our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as our proxy statement. Information contained on our website is not part of this annual report on Form 10-K or our other filings with the Securities and Exchange Commission. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers like us who file electronically with the SEC. You also may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549-0213. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Item 1A. Risk Factors

Unfavorable economic and market conditions could materially and adversely affect our business, results of operations and financial condition.

We are subject to risks arising from adverse changes in global economic conditions. Although economic conditions generally improved in 2014, the global economy remains unstable. For example, we are currently seeing a slowdown in China and recessionary conditions in Brazil. We expect economic conditions will continue to be challenging and uneven for the foreseeable future. Adverse changes in economic conditions could result in declines in revenue, profitability and cash flow due to reduced orders, payment delays, supply chain disruptions or other factors caused by the economic challenges faced by our customers and suppliers.

[Table of Contents](#)

Over the past several years our sales have been positively impacted by the General Monitors acquisition and the organic growth within MSA's line of core products. The increase in sales, primarily to the oil, gas and petrochemical market, exposes MSA to the risks of doing business in that global market. Additionally, we estimate that roughly 35% percent of our global business is sold into energy market vertical. Approximately 10% - 15% of consolidated revenue primarily in industrial head protection and portable gas detection is more exposed to a pull back in employment trends across the energy market. Another 5% - 10% of consolidated revenue, primarily in the FGFD product line is more exposed to a pull back in capital equipment spending within the energy market. It is possible that the volatility in upstream, midstream and downstream markets, driven partly by geopolitical factors, could negatively impact our business and our results of operations and financial condition.

A reduction in the spending patterns of government agencies or delays in obtaining government approval for our products could materially and adversely affect our net sales, earnings and cash flow.

The demand for our products sold to the fire service market, the homeland security market and other government agencies is, in large part, driven by available government funding. Government budgets are set annually and we cannot assure you that government funding will be sustained at the same level in the future. A significant reduction in available government funding could materially and adversely affect our net sales, earnings and cash flow.

Our ability to market and sell our products is subject to existing government regulations and standards. Changes in such regulations and standards or our failure to comply with them could materially and adversely affect our results of operations.

Most of our products are required to meet performance and test standards designed to protect the health and safety of people around the world. Our inability to comply with these standards may materially and adversely affect our results of operations. Changes in regulations could reduce the demand for our products or require us to re-engineer our products, thereby creating opportunities for our competitors. Regulatory approvals for our products may be delayed or denied for a variety of reasons that are outside of our control. Additionally, market anticipation of significant new standards can cause customers to accelerate or delay buying decisions.

We are subject to various federal, state and local laws and any violation of these laws could adversely affect our results of operations.

We are subject to extensive regulation from U.S. federal, state, and local governments, as well as the governments of the countries in which we conduct business. Failure to comply with these regulations could result in severe civil or criminal penalties, sanctions or significant changes to our operations. These actions could have a materially adverse effect on our business, results of operations and financial condition.

We are subject to various environmental laws and any violation of these laws could adversely affect our results of operations.

Included in the extensive laws, regulations and ordinances, to which we are subject, are those relating to the protection of the environment. Examples include those governing discharges to air and water, handling and disposal practices for solid and hazardous wastes and the maintenance of a safe workplace. These laws impose penalties for noncompliance and liability for response costs and certain damages resulting from past and current spills, disposals, or other releases of hazardous materials. We could incur substantial costs as a result of noncompliance with or liability for cleanup pursuant to these environmental laws. Such laws continue to change, and we may be subject to more stringent environmental laws in the future. If more stringent environmental laws are enacted, these future laws could have a materially adverse effect on our results of operations.

The markets in which we compete are highly competitive, and some of our competitors have greater financial and other resources than we do. The competitive pressures faced by us could materially and adversely affect our business, results of operations and financial condition.

The safety products market is highly competitive, with participants ranging in size from small companies focusing on single types of safety products, to large multinational corporations that manufacture and supply many types of safety products. Our main competitors vary by region and product. We believe that participants in this industry compete primarily on the basis of product characteristics (such as functional performance, agency approvals, design and style), price, brand name trust and recognition and customer service. Some of our competitors have greater financial and other resources than we do and our business could be adversely affected by competitors' new product innovations, technological advances made to competing products and pricing changes made by us in response to competition from existing or new competitors. We may not be able to compete successfully against current and future competitors and the competitive pressures faced by us could materially and adversely affect our business, results of operations and financial condition.

If we fail to introduce successful new products or extend our existing product lines, we may lose our market position and our financial performance may be materially and adversely affected.

In the safety products market, there are frequent introductions of new products and product line extensions. If we are unable to identify emerging consumer and technological trends, maintain and improve the competitiveness of our products and introduce new products, we may lose our market position, which could have a materially adverse effect on our business, financial condition and results of operations. We continue to invest significant resources in research and development and market research. However, continued product development and marketing efforts are subject to the risks inherent in the development process. These risks include delays, the failure of new products and product line extensions to achieve anticipated levels of market acceptance and the risk of failed product introductions.

Product liability claims and our inability to collect related insurance receivables could have a materially adverse effect on our business, operating results and financial condition.

MSA and its subsidiaries face an inherent business risk of exposure to product liability claims arising from the alleged failure of our products to prevent the types of personal injury or death against which they are designed to protect. Although we have not frequently experienced any material uninsured losses due to product liability claims, it is possible that we could experience material losses in the future. In the event any of our products prove to be defective, we could be required to recall or redesign such products. In addition, we may voluntarily recall or redesign certain products that could potentially be harmful to end users. Any claim or product recall that results in significant expense or adverse publicity against us, could have a materially adverse effect on our business, operating results and financial condition, including any successful claim brought against us in excess or outside of available insurance coverage.

In the normal course of business, we make payments to settle product liability claims and for related legal fees and we record receivables for the amounts covered by insurance. Our insurance receivables totaled \$220.5 million at December 31, 2014. Various factors could affect the timing and amount of recovery of insurance receivables, including: the outcome of negotiations with insurers, legal proceedings with respect to product liability insurance coverage and the extent to which insurers may become insolvent in the future. Amounts due from insurance carriers are subject to insolvency risk. Failure to recover amounts due from our insurance carriers could have a materially adverse effect on our business, operating results and financial condition. Mine Safety Appliances Company, LLC, ("MSA LLC") is currently involved in insurance coverage litigation with a number of insurance carriers. When those matters are fully resolved, MSA LLC will be responsible for expenses related to cumulative trauma product liability claims. Please refer to Note 18 in Part II Item 8 of this Form 10-K for further details.

Damage to the reputation of MSA or to one or more of our product brands could adversely affect our business.

Developing and maintaining our reputation, as well as the reputation of our brands, is a critical factor in our relationship with customers, distributors and others. Our inability to address adverse publicity or other issues, including concerns about product safety or quality, real or perceived, could negatively impact our business which could have a materially adverse effect on our business, operating results and financial condition.

A failure of our information systems could materially and adversely affect our business, results of operations and financial condition.

The proper functioning and security of our information systems is critical to the operation of our business. Our information systems may be vulnerable to damage or disruption from natural or man-made disasters, computer viruses, power losses or other system or network failures. In addition, hackers and cybercriminals could attempt to gain unauthorized access to our information systems with the intent of harming our company or obtaining sensitive information such as intellectual property, trade secrets, financial and business development information, and customer and vendor related information. If our information systems or security fail, our business, results of operations and financial condition could be materially and adversely affected.

Like many companies, from time to time, we have experienced attacks on our computer systems by unauthorized outside parties; however, we do not believe that such attacks have resulted in any material damage to us or our customers. Because the techniques used by computer hackers and others to access or sabotage networks constantly evolve and generally are not recognized until launched against a target, we may be unable to anticipate, prevent or detect these attacks. As a result, our technologies and processes may be misappropriated and the impact of any future incident cannot be predicted. Any loss of such information could harm our competitive position, or cause us to incur significant costs to remedy the damages caused by the incident. We routinely implement improvements to our network security safeguards and we expect to devote increasing resources to the security of our information technology systems. We cannot assure that such system improvements will be sufficient to prevent or limit the damage from any future cyber-attack or network disruptions.

Our plans to continue to improve productivity and reduce complexity and costs associated with its European segment may not be successful, which could adversely affect its ability to compete.

MSA is transitioning to a principal operating company for parts of its European business segment. This model will continue to integrate our historically individually managed entities, into one that is a centrally managed organization. We plan to leverage the benefits of scale created from this approach and are in the process of implementing a more efficient and cost-effective enterprise resource planning system. MSA runs the risk that these and similar initiatives may not be completed substantially as planned, may be more costly to implement than expected, or may not have the positive effects anticipated. In addition, these various initiatives require MSA to implement a significant amount of organizational change which could divert management's attention from other concerns, and if not properly managed, could cause disruptions in our day-to-day operations and have a negative impact on MSA's financial results. It is also possible that other major productivity and streamlining programs may be required in the future.

We have significant international operations and are subject to the risks of doing business in foreign countries.

We have business operations in over 40 foreign countries. In 2014, approximately half of our net sales were made by operations located outside the United States. Our international operations are subject to various political, economic and other risks and uncertainties, which could adversely affect our business. These risks include the following:

- unexpected changes in regulatory requirements;
- changes in trade policy or tariff regulations;
- changes in tax laws and regulations;
- changes to the company's legal structure could have unintended tax consequences;
- intellectual property protection difficulties;
- difficulty in collecting accounts receivable;
- complications in complying with a variety of foreign laws and regulations, some of which may conflict with U.S. laws;
- trade protection measures and price controls;
- trade sanctions and embargoes;
- nationalization and expropriation;
- increased international instability or potential instability of foreign governments;
- effectiveness of worldwide compliance with MSA's anti-bribery policy, local laws and the Foreign Corrupt Practices Act
- the ability to effectively negotiate with labor unions in foreign countries;
- the need to take extra security precautions for our international operations; and
- costs and difficulties in managing culturally and geographically diverse international operations.

Any one or more of these risks could have a negative impact on the success of our international operations and, thereby, materially and adversely affect our business as a whole.

Our future results are subject to the risk that purchased components and materials are unavailable or available at excessive cost due to material shortages, excessive demand, currency fluctuation and other factors.

We depend on various components and materials to manufacture our products. Although we have not experienced any difficulty in obtaining components and materials, it is possible that any of our supplier relationships could be terminated or otherwise disrupted. Any sustained interruption in our receipt of adequate supplies could have a materially adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to successfully manage price fluctuations due to market demand, currency risks or material shortages, or that future price fluctuations will not have a materially adverse effect on our business, results of operations and financial condition.

Because we derive a significant portion of our sales from the operations of our foreign subsidiaries, future currency exchange rate fluctuations may adversely affect our results of operations and financial condition, and may affect the comparability of our results between financial periods.

For the year ended December 31, 2014, the operations in our European and International segments accounted for approximately half of our net sales. The results of our foreign operations are generally reported in the local currency and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. The exchange rates between some of these currencies and the U.S. dollar have fluctuated significantly in recent years, and may continue to do so in the future. In addition, because our financial statements are stated in U.S. dollars, such fluctuations may affect our results of operations and financial position, and may affect the comparability of our results between financial periods. We cannot assure you that we will be able to effectively manage our exchange rate risks or that any volatility in currency exchange rates will not have a materially adverse effect on our results of operations and financial condition.

If we lose any of our key personnel or are unable to attract, train and retain qualified personnel, our ability to manage our business and continue our growth would be negatively impacted.

Our success depends in large part on the continued contributions of our key management, engineering and sales and marketing personnel, many of whom are highly skilled and would be difficult to replace. Our success also depends on the abilities of new personnel to function effectively, both individually and as a group. If we are unable to attract, effectively integrate and retain management, engineering or sales and marketing personnel, then the execution of our growth strategy and our ability to react to changing market requirements may be impeded, and our business could suffer as a result. Competition for personnel is intense, and we cannot assure you that we will be successful in attracting and retaining qualified personnel. In addition, we do not currently maintain key person life insurance.

Our inability to successfully identify, consummate and integrate future acquisitions or to realize anticipated cost savings and other benefits could adversely affect our business.

One of our operating strategies is to selectively pursue acquisitions. Any future acquisitions will depend on our ability to identify suitable acquisition candidates and successfully consummate such acquisitions. Acquisitions involve a number of risks including:

- failure of the acquired businesses to achieve the results we expect;
- diversion of our management's attention from operational matters;
- our inability to retain key personnel of the acquired businesses;
- risks associated with unanticipated events or liabilities;
- potential disruption of our existing business; and
- customer dissatisfaction or performance problems at the acquired businesses.

If we are unable to integrate or successfully manage businesses that we have recently acquired or may acquire in the future, we may not realize anticipated cost savings, improved manufacturing efficiencies and increased revenue, which may result in materially adverse short- and long-term effects on our operating results, financial condition and liquidity. Even if we are able to integrate the operations of our acquired businesses into our operations, we may not realize the full benefits of the cost savings, revenue enhancements or other benefits that we may have expected at the time of acquisition. In addition, even if we achieve the expected benefits, we may not be able to achieve them within the anticipated time frame, and such benefits may be offset by costs incurred in integrating the acquired companies and increases in other expenses.

Our continued success depends on our ability to protect our intellectual property. If we are unable to protect our intellectual property, our business could be materially and adversely affected.

Our success depends, in part, on our ability to obtain and enforce patents, maintain trade secret protection and operate without infringing on the proprietary rights of third parties. We have been issued patents and have registered trademarks with respect to many of our products, but our competitors could independently develop similar or superior products or technologies, duplicate any of our designs, trademarks, processes or other intellectual property or design around any processes or designs on which we have or may obtain patents or trademark protection. In addition, it is possible that third parties may have, or will acquire, licenses for patents or trademarks that we may use or desire to use, so that we may need to acquire licenses to, or to contest the validity of, such patents or trademarks of third parties. Such licenses may not be made available to us on acceptable terms, if at all, and we may not prevail in contesting the validity of third party rights.

[Table of Contents](#)

We also protect trade secrets, know-how and other confidential information against unauthorized use by others or disclosure by persons who have access to them, such as our employees, through contractual arrangements. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, our results of operations and financial condition could be materially and adversely affected.

The success of our recently approved next generation G1 SCBA is dependent on our ability to manufacture the product in line with customer demand while controlling product cost.

The G1 SCBA has significant market potential; however, our success will depend upon our ability to increase production and execute key value based engineering efforts aimed at improving the cost profile of the product.

Our Safety Works joint venture may not be successful and/or may require us to provide product at margins that may have an adverse effect on our operations and profitability.

Our Safety Works joint venture provides a broad range of safety products and gloves to the North American do-it-yourself and independent contractor market through various channels. Pursuant to our existing product supply agreement to the joint venture, we are required to sell certain products to the joint venture at deeply discounted prices, resulting in reduced margins.

No assurances can be given that the existing product supply agreement will be renewed under similar terms when it expires. If the existing product supply agreement is not renewed under similar terms when it expires in 2016, no assurances can be given that the joint venture will be able to source similar products from third parties at prices needed to maintain current levels of profitability.

We may be required to recognize impairment charges for our long-lived assets or available for sale investments.

At December 31, 2014, the net carrying value of long-lived assets (property, plant and equipment, goodwill and other intangible assets) totaled approximately \$435.2 million. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets and divestitures may result in impairments to goodwill and other long-lived assets. Future impairment charges could significantly affect our results of operations in the periods recognized. Impairment charges would also reduce our consolidated shareholders' equity and increase our debt-to-total-capitalization ratio, which could negatively impact our credit rating and access to debt and equity markets.

Risks related to our defined benefit pension and other post-retirement plans may adversely impact our results of operations and cash flow.

Significant changes in actual investment return on pension assets, discount rates, and other factors could adversely affect our results of operations and pension contributions in future periods. U.S. generally accepted accounting principles require that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and interest rates, which may change based on economic conditions. Funding requirements for our pension plans may become more significant. However, the ultimate amounts to be contributed are dependent upon, among other things, interest rates, underlying asset returns and the impact of legislative or regulatory changes related to pension funding obligations. For further information regarding our pension plans, refer to "Pensions and Other Post-retirement Benefits" in Note 13 of Item 8 Financial Statements and Supplementary Data.

If we fail to meet our debt service requirements or the restrictive covenants in our debt agreements or if interest rates increase, our results of operations and financial condition could be materially and adversely affected.

We have a substantial amount of debt upon which we are required to make scheduled interest and principal payments and we may incur additional debt in the future. A significant portion of our debt bears interest at variable rates that may increase in the future. Our debt agreements require us to comply with certain restrictive covenants. If we are unable to generate sufficient cash to service our debt or if interest rates increase, our results of operations and financial condition could be materially and adversely affected. Additionally, a failure to comply with the restrictive covenants contained in our debt agreements could result in a default, which if not waived by our lenders, could substantially increase borrowing costs and require accelerated repayment of our debt. Please refer to Note 11 of the Consolidated Financial Statements in Part II Item 8 of this Form 10-K for commentary on our compliance with the restrictive covenants in our debt agreements as of December 31, 2014.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located at 1000 Cranberry Woods Drive, Cranberry Township, PA 16066 in a 212,000 square-foot building owned by us. We own or lease our primary facilities in the United States and in a number of other countries. We believe that all of our facilities, including the manufacturing facilities, are in good repair and in suitable condition for the purposes for which they are used.

The following table sets forth a list of our primary facilities:

Location	Function	Square Feet	Owned or Leased
North America			
Murrysville, PA	Manufacturing	295,000	Owned
Cranberry Twp., PA	Office, Research and Development and Manufacturing	212,000	Owned
New Galilee, PA	Distribution	120,000	Leased
Jacksonville, NC	Manufacturing	107,000	Owned
Queretaro, Mexico	Office, Manufacturing and Distribution	77,000	Leased
Cranberry Twp., PA	Research and Development	68,000	Owned
Lake Forest, CA	Office, Research and Development and Manufacturing	62,000	Leased
Corona, CA	Manufacturing	19,000	Leased
Torreon, Mexico	Office	15,000	Leased
Lake Forest, CA	Office	6,000	Owned
Europe			
Berlin, Germany	Office, Research and Development, Manufacturing and Distribution	340,000	Leased
Chatillon sur Chalaronne, France	Office, Research and Development, Manufacturing and Distribution	94,000	Owned
Milan, Italy	Office	43,000	Owned
Rapperswil, Switzerland	Office	8,000	Leased
Glasgow, Scotland	Office	25,000	Leased
Mohammedia, Morocco	Manufacturing	24,000	Owned
Barcelona, Spain	Office	23,000	Owned
Galway, Ireland	Office and Manufacturing	20,000	Owned
Varnamo, Sweden	Office, Manufacturing and Distribution	18,000	Leased
Hoorn, Netherlands	Office and Distribution	12,000	Owned
Rajarhat, India	Office and Distribution	10,000	Leased
International			
Suzhou, China	Office and Manufacturing	193,000	Owned
Sydney, Australia	Office, Manufacturing	84,000	Owned
Sao Paulo, Brazil	Office, Manufacturing and Distribution	74,000	Owned
Johannesburg, South Africa	Office, Manufacturing and Distribution	42,000	Leased
Lima, Peru	Office and Distribution	34,000	Owned
Santiago, Chile	Office and Distribution	32,000	Leased
Sydney, Australia	Manufacturing and Distribution	16,000	Leased
Buenos Aires, Argentina	Office and Distribution	9,000	Owned

Item 3. Legal Proceedings

Product Liability

MSA LLC, a subsidiary of MSA Safety Incorporated (formerly Mine Safety Appliances Company), categorizes the product liability losses that its various subsidiaries experience into two main categories: single incident and cumulative trauma. Single incident product liability claims are discrete incidents that are typically known to us when they occur and involve observable injuries which provide an objective basis for quantifying damages. MSA LLC estimates its liability for single incident product liability claims based on expected settlement costs for pending claims and an estimate of costs for unreported claims. The estimate for unreported claims is based on experience, sales volumes and other relevant information. The reserve for single incident product liability claims at December 31, 2014 and 2013 was \$3.5 million and \$4.0 million, respectively. Single incident product liability expense during the years ended December 31, 2014 and 2013 was not significant. Single incident product liability exposures are evaluated on an ongoing basis and adjustments are made to the reserve as appropriate.

Cumulative trauma product liability claims involve exposures to harmful substances (e.g., silica, asbestos and coal dust) that occurred many years ago and may have developed over long periods of time into diseases such as silicosis, asbestosis, or coal worker's pneumoconiosis. MSA LLC is presently named as a defendant in 2,326 lawsuits, some of which involve multiple plaintiffs. In these lawsuits, plaintiffs allege to have contracted certain cumulative trauma diseases related to exposure to silica, asbestos, and/or coal dust. These lawsuits mainly involve respiratory protection products allegedly manufactured and sold by MSA LLC or its predecessors.

A summary of cumulative trauma product liability lawsuit activity follows:

	2014	2013	2012
Open lawsuits, January 1	2,840	2,609	2,321
New lawsuits	542	489	750
Settled and dismissed lawsuits	(1,056)	(258)	(462)
Open lawsuits, December 31	2,326	2,840	2,609

More than half of the open lawsuits at December 31, 2014 have had a de minimis level of activity over the last 5 years. It is possible that these cases could become active again at any point due to changes in circumstances.

Cumulative trauma product liability litigation has been difficult to predict. In our experience, until late in a lawsuit, we cannot reasonably determine whether it is probable that any of MSA LLC's cumulative trauma lawsuits will ultimately result in a liability. This uncertainty is caused by many factors, including the following: cumulative trauma complaints generally do not provide information sufficient to determine if a loss is probable; cumulative trauma litigation is inherently unpredictable; and information is often insufficient to determine if a lawsuit will develop into an actively litigated case. Even when a case is actively litigated, it is often difficult to determine if the lawsuit will be dismissed or otherwise resolved until late in the lawsuit. Moreover, even once it is probable that such a lawsuit will result in a loss, it is often difficult to reasonably estimate the amount of actual loss that will be incurred. These amounts are highly variable and turn on a case-by-case analysis of the relevant facts, which are often not learned until late in the lawsuit. Consequently, MSA LLC has historically been unable to estimate its cumulative trauma product liability exposure.

As part of the company's ongoing assessment of the ability to estimate MSA LLC's cumulative trauma product liability exposure for both pending and unasserted claims, in the 2014 third quarter, MSA LLC engaged an outside valuation consultant to assist with this effort. This assessment was based on MSA LLC's cumulative claims experience, including recent claims trends, and the development of enhanced claims data analytics. The analysis focused on claims made or resolved over the last several years as these claims are likely to best represent future claim characteristics.

After extensive review by the valuation consultant, MSA LLC and its outside counsel, it was determined that MSA LLC cannot estimate its liability for cumulative trauma product liability claims. This is a result of numerous factors including annual claims levels and indemnity payments that are highly variable and a lack of consistency in the source of the claims. MSA LLC will continue to regularly evaluate its ability to estimate its cumulative trauma product liability exposure.

[Table of Contents](#)

During the 2014 fourth quarter and into January 2015, MSA LLC settled a number of cumulative trauma cases for \$71.8 million, the vast majority of which were insured. The impact of these settlements has been reflected in MSA Safety Incorporated's 2014 financial statements and in the above roll-forward of lawsuits. As a result of these settlements, at December 31, 2014, the cumulative trauma product liability reserve totaled \$74.9 million, most of which will be paid equally over four quarters, beginning in the 2015 third quarter and ending in the 2016 second quarter. Of this amount, \$35.1 million was recorded in other non-current liabilities and the remainder was recorded in the insurance and product liability line in the current liabilities section of the consolidated balance sheet. The cumulative trauma product liability reserve totaled \$5.6 million at December 31, 2013. All of this amount was recorded in the insurance and product liability line in the other current liabilities section of the consolidated balance sheet. Because litigation is subject to inherent uncertainties, and unfavorable rulings or developments could occur, there can be no certainty that MSA LLC may not ultimately incur charges in excess of presently recorded liabilities. Our aggregate cumulative trauma product liability losses and administrative and defense costs for the three years ended December 31, 2014, totaled approximately \$169.6 million, substantially all of which was insured.

Insurance Receivable

With some common contract exclusions, we maintain insurance for cumulative trauma product liability claims. We have purchased insurance policies for the policy years from 1952-1986 from over 20 different insurance carriers that provide coverage for cumulative trauma product liability losses, and in many instances, related defense costs (the "Occurrence-Based Policies"). The available limits of these policies well exceed the recorded insurance receivable balance.

In the normal course of business, we make payments to settle product liability claims and for related defense costs. We record receivables for the amounts that are covered by insurance. Since December 31, 2013, the insurance receivable has increased by \$95.7 million as a result of the above noted settlements and related defense costs.

Various factors could affect the timing and amount of recovery of the insurance receivable, including the outcome of negotiations with insurers, legal proceedings with respect to product liability insurance coverage and the extent to which insurers may become insolvent in the future.

Insurance receivables at December 31, 2014 totaled \$220.5 million, of which \$2.0 million is reported in other current assets and \$218.5 million in other non-current assets. Insurance receivables at December 31, 2013 totaled \$124.8 million, all of which is reported in other non-current assets.

A summary of insurance receivable balances and activity related to cumulative trauma product liability losses follows:

(In millions)	2014	2013	2012
Balance January 1	\$ 124.8	\$ 130.0	\$ 112.1
Additions	98.2	34.0	29.7
Collections and settlements	(2.5)	(39.2)	(11.8)
Balance December 31	220.5	124.8	130.0

Additions to insurance receivables in the above table represent insured cumulative trauma product liability losses and related defense costs. Uninsured cumulative trauma product liability losses during the year ended December 31, 2014, 2013 and 2012 were \$3.9 million, \$1.7 million and \$2.1 million, respectively. Collections primarily represent agreements with insurance companies to pay amounts due that are applicable to cumulative trauma claims. In cases where the payment stream covers multiple years, the present value of the payments is recorded as a note receivable (current and long term) in the balance sheet within prepaid expenses and other current assets and other noncurrent assets.

MSA LLC believes that the increase in its insurance receivable balance that it has experienced since 2005 is primarily due to disagreements among its insurance carriers, and consequently with MSA LLC, as to when the individual obligations of insurance carriers to pay are triggered and the amount of each insurer's obligation, as compared to other insurers. MSA LLC believes that its insurers do not contest that they have issued policies to our subsidiaries or that these policies cover cumulative trauma product liability claims. We believe that successful resolution of insurance litigation with various insurance carriers in recent years demonstrates that we have strong legal positions concerning MSA LLC's rights to coverage.

The collectability of MSA LLC's insurance receivables is regularly evaluated and the amounts recorded are probable of collection. These conclusions are based on analysis of the terms of the underlying insurance policies, experience in successfully recovering cumulative trauma product liability claims from our insurers under other policies, the financial ability of the insurance carriers to pay the claims, understanding and interpretation of the relevant facts and applicable law and the advice of MSA LLC's legal counsel, who believe that the insurers are required to provide coverage based on the terms of the policies.

Although it is impossible to predict the ultimate outcome of current open claims, based on current information, our experience in handling these matters, and our substantial insurance program, we do not believe that the resolution of these claims will have a material adverse effect on our future financial condition or liquidity.

Insurance Litigation

MSA LLC is currently involved in insurance coverage litigation with a number of our insurance carriers regarding its Occurrence-Based Policies.

In 2009, MSA LLC (as Mine Safety Appliances Company) sued The North River Insurance Company (North River) in the United States District Court for the Western District of Pennsylvania, alleging that North River breached one of its insurance policies by failing to pay amounts owed to MSA LLC and that it engaged in bad-faith claims handling. MSA LLC believes that North River's refusal to indemnify it under the policy for product liability losses and legal fees paid by MSA LLC is wholly contrary to Pennsylvania law and MSA LLC is vigorously pursuing the legal actions necessary to collect all due amounts. Motions for summary judgment on certain issues will be submitted to the court at the earliest possible date. A trial date has not yet been scheduled.

In 2010, North River sued MSA LLC (as Mine Safety Appliances Company) in the Court of Common Pleas of Allegheny County, Pennsylvania seeking a declaratory judgment concerning their responsibilities under three additional policies. MSA LLC asserted claims against North River for breaches of contract for failures to pay amounts owed to MSA LLC. MSA LLC also alleges that North River engaged in bad-faith claims handling. MSA LLC believes that North River's refusal to indemnify us under these policies for product liability losses and legal fees paid by MSA LLC is wholly contrary to Pennsylvania law and MSA LLC is vigorously pursuing the legal actions necessary to collect all due amounts. Summary judgment on certain issues is pending with the court. A trial date has not yet been scheduled.

In July 2010, MSA LLC (as Mine Safety Appliances Company) filed a lawsuit in the Superior Court of the State of Delaware seeking declaratory and other relief from the majority of its excess insurance carriers concerning the future rights and obligations of MSA LLC and its excess insurance carriers under various insurance policies. The reason for this insurance coverage action is to secure a comprehensive resolution of its rights under the insurance policies issued by the insurers. Motions for summary judgment on certain issues will be submitted to the court at various times in 2015. A trial date is currently scheduled for the second quarter of 2016.

MSA LLC has resolved claims against certain of its insurance carriers on some of their policies, including the Occurrence-Based Policies through negotiated settlements. When a settlement is reached, MSA LLC dismisses the settling carrier from relevant above noted lawsuit(s). Assuming satisfactory resolution, once disputes are resolved with each of the remaining carriers responsible for the Occurrence-Based Policies, MSA LLC anticipates having commitments to provide future payment streams which should be sufficient to satisfy its recorded receivables due from insurance carriers. In addition, MSA LLC likely will retain some coverage through coverage-in-place agreements, although that coverage may not be immediately accessible. When these insurance coverage matters are fully resolved, MSA LLC (and its coverage-in-place carriers, where applicable) will be responsible for expenses related to cumulative trauma product liability claims.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers of the Registrant

The following sets forth the names and ages of our executive officers as of February 25, 2015, indicating all positions held during the past five years:

<u>Name</u>	<u>Age</u>	<u>Title</u>
William M. Lambert	56	President and Chief Executive Officer since May 2008.
Steven C. Blanco ^(a)	48	Vice President, Global Operational Excellence since April 2012.
Kerry M. Bove ^(b)	56	Vice President and President, MSA International Segment since November 2011.
Ronald N. Herring, Jr. ^(c)	54	Vice President and President, MSA Europe Segment since November 2011.
Douglas K. McClaine	57	Vice President, Secretary and General Counsel since May 2005.
Stacy McMahan ^(d)	51	Senior Vice President, Chief Financial Officer and Treasurer since August 2013.
Thomas Muschter ^(e)	54	Vice President, Global Product Leadership since November 2011.
Paul R. Uhler	56	Vice President, Global Human Resources since May 2006.
Nishan Vartanian ^(f)	55	Vice President and President, MSA North America Segment since August 2013.
Markus H. Weber ^(g)	50	Vice President and Chief Information Officer since April 2010.

- (a) Prior to joining MSA, Mr. Blanco served as Vice President of Manufacturing for the Electrical Sector of Eaton Corporation, a diversified power management company.
- (b) Prior to his present position, Mr. Bove was Vice President, Global Operational Excellence.
- (c) Prior to his present position, Mr. Herring was Vice President, Global Product Leadership.
- (d) Prior to her current position, Ms. McMahan served as Senior Vice President of Finance, MSA. Prior to joining MSA, Ms. McMahan served as Customer Channels Group Vice President, Finance, for Thermo Fisher Scientific, Inc., a global provider of laboratory equipment and supplies.
- (e) Prior to his present position, Dr. Muschter held the positions of Director, Research & Development, International; and Director, Research & Development, Europe.
- (f) Prior to his present position, Mr. Vartanian was Vice President, Fixed Gas and Flame Detection.
- (g) Prior to joining MSA, Mr. Weber served as Chief Information Officer of Berlin-Chemie AG, an international research-based pharmaceutical company.

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

Our common stock is traded on the New York Stock Exchange under the symbol "MSA." Stock price ranges and dividends declared were as follows:

	Price Range of Our Common Stock		Dividends
	High	Low	
Year ended December 31, 2013			
First Quarter	\$ 51.07	\$ 43.04	\$ 0.28
Second Quarter	51.12	43.97	0.30
Third Quarter	55.38	46.60	0.30
Fourth Quarter	54.84	46.54	0.30
Year ended December 31, 2014			
First Quarter	\$ 57.94	\$ 46.50	\$ 0.30
Second Quarter	58.90	49.85	0.31
Third Quarter	61.08	49.37	0.31
Fourth Quarter	58.99	46.25	0.31

On February 12, 2015, there were 252 registered holders of our shares of common stock.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 — October 31, 2014	1,858	\$ 54.60	—	847,402
November 1 — November 30, 2014	2,715	57.64	—	886,587
December 1 — December 31, 2014	—	—	—	917,314

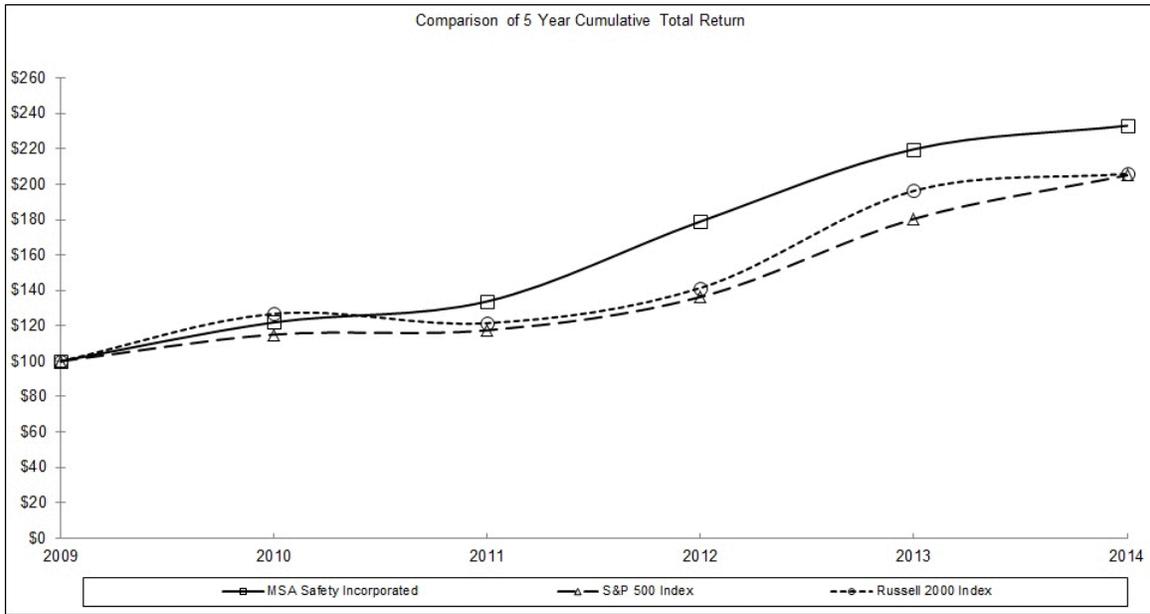
The Board of Directors has authorized the purchase of up to \$100 million of MSA common stock either through private transactions or open market transactions. The share purchase program has no expiration date. The maximum shares that may yet be purchased is calculated based on the dollars remaining under the program and the respective month-end closing share price. We do not have any other share purchase programs. The above share purchases are related to stock compensation transactions.

Comparison of Five-Year Cumulative Total Return

The following paragraph compares the most recent five year performance of MSA stock with (1) the Standard & Poor’s 500 Composite Index and (2) the Russell 2000 Index. Because our competitors are principally privately held concerns or subsidiaries or divisions of corporations engaged in multiple lines of business, we do not believe it feasible to construct a peer group comparison on an industry or line-of-business basis. The Russell 2000 Index, while including corporations both larger and smaller than MSA in terms of market capitalization, is composed of corporations with an average market capitalization similar to us.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among MSA Safety Incorporated, the S&P 500 Index,
and the Russell 2000 Index



Assumes \$100 invested on 12/31/09 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	Value at December 31,					
	2009	2010	2011	2012	2013	2014
MSA Safety Incorporated	\$ 100.00	\$ 121.94	\$ 133.81	\$ 179.00	\$ 219.84	\$ 233.12
S&P 500 Index	100.00	115.06	117.49	136.30	180.44	205.14
Russell 2000 Index	100.00	126.81	121.52	141.42	196.32	205.93

Prepared by Zacks Investment Research, Inc. Used with permission. All rights reserved. Copyright 1980-2015.

Index Data: Copyright Standard and Poor’s, Inc. Used with permission. All rights reserved.

Index Data: Copyright Russell Investments, Inc. Used with permission. All rights reserved.

Item 6. Selected Financial Data

(In thousands, except as noted)	2014	2013	2012	2011	2010
Statement of Income Data:					
Net sales	\$ 1,133,885	\$ 1,112,058	\$ 1,110,443	\$ 1,112,814	\$ 922,552
Income from continuing operations	87,447	85,858	87,557	67,518	35,886
Income from discontinued operations	1,059	2,389	3,080	2,334	2,218
Net income	88,506	88,247	90,637	69,852	38,104
Earnings per share attributable to MSA common shareholders:					
Basic per common share (in dollars):					
Income from continuing operations	\$ 2.34	\$ 2.31	\$ 2.37	\$ 1.85	\$ 1.00
Income from discontinued operations	0.03	0.06	0.08	0.06	0.06
Net income	2.37	2.37	2.45	1.91	1.06
Diluted per common share (in dollars):					
Income from continuing operations	\$ 2.30	\$ 2.28	\$ 2.34	\$ 1.81	\$ 0.99
Income from discontinued operations	0.03	0.06	0.08	0.06	0.06
Net income	2.33	2.34	2.42	1.87	1.05
Dividends paid per common share (in dollars)	1.23	1.18	1.38	1.03	0.99
Weighted average common shares outstanding—basic	37,138	36,868	36,564	36,221	35,880
Weighted average common shares outstanding—diluted	37,728	37,450	37,042	36,831	36,422
Balance Sheet Data:					
Total assets	\$ 1,264,792	\$ 1,234,270	\$ 1,111,746	\$ 1,115,052	\$ 1,197,188
Long-term debt	245,000	260,667	272,333	334,046	367,094
Shareholders' equity	533,809	566,452	462,955	433,666	451,368

The data presented in the Selected Financial Data table should be read in conjunction with comments provided in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II Item 7 and the Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

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

The following discussion and analysis should be read in conjunction with the historical financial statements and other financial information included elsewhere in this annual report on Form 10-K. This discussion may contain forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in the sections of this annual report entitled "Forward-Looking Statements" and "Risk Factors."

On March 7, 2014, Mine Safety Appliances Company, a Pennsylvania corporation ("Old MSA"), completed a previously disclosed reorganization into a holding company structure (the "Reorganization") in accordance with Section 1924(b)(4) of the Pennsylvania Business Corporation Law of 1988 (the "PBCL"). As a result of the Reorganization, Old MSA became a wholly-owned subsidiary of MSA Safety Incorporated ("New MSA"), a Pennsylvania corporation and previously a direct wholly-owned subsidiary of Old MSA. New MSA became the publicly traded holding company of Old MSA and its subsidiaries. New MSA and its subsidiaries continue to conduct the business and operations that Old MSA and its subsidiaries conducted immediately prior to the Reorganization.

MSA's South African personal protective equipment distribution business and MSA's Zambian operations had historically been part of the International reportable segment. In accordance with generally accepted accounting principles, these results are excluded from continuing operations and are presented as discontinued operations in all periods presented. Please refer to Note 19 Assets Held for Sale and Discontinued Operations, which is included in Part II Item 8 of this Form 10-K, for further commentary on these discontinued operations.

Sales from MSA's General Monitors companies were historically reported in the country from which product was shipped. Effective January 1, 2014, the General Monitors business has been fully integrated into MSA. As such, sales made by General Monitors companies are now allocated to each country based on the destination of the end-customer and other criteria based on the value added to the order. The 2013 and 2012 results presented below have been restated to reflect this change in allocation methodology. Please refer to Note 7 Segment Information, for further information.

BUSINESS OVERVIEW

We are a global leader in the development, manufacture and supply of products that protect people's health and safety. Our safety products typically integrate any combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life threatening situations. Our comprehensive lines of safety products are used by workers around the world in a broad range of markets including the oil and gas, fire service, mining and construction industries, as well as the military. We are committed to providing our customers with service unmatched in the safety industry and, in the process, enhancing our ability to provide a growing line of safety solutions for customers in key global markets.

We tailor our product offerings and distribution strategy to satisfy distinct customer preferences that vary across geographic regions. To best serve these customer preferences, we have organized our business into nine geographical operating segments that are aggregated into three reportable geographic segments: North America, Europe and International. Each segment includes a number of operating segments. In 2014, 48%, 28% and 24% of our net sales were made by our North American, European and International segments, respectively.

North America. Our largest manufacturing and research and development facilities are located in the United States. We serve our North American markets with sales and distribution functions in the U.S., Canada and Mexico.

Europe. Our European segment includes companies in most Western European countries, and a number of Eastern European countries along with locations in the Middle East and Russia. Our largest European companies, based in Germany and France, develop, manufacture and sell a wide variety of products. Operations in other European segment countries focus primarily on sales and distribution in their respective home country markets. While some of these companies may perform limited production, most of their sales are of products that are manufactured in our plants in Germany, France, the U.S., Ireland, Sweden and China, or are purchased from third party vendors.

International. Our International segment includes companies in South America, Africa and the Asia Pacific region, some of which are in developing regions of the world. Principal International segment manufacturing operations are located in Brazil and China. These companies manufacture products that are sold primarily in each company's home country as well as regional markets. The other companies in the International segment focus primarily on sales and distribution in their respective home country markets. While some of these companies may perform limited production, most of their sales are of products that are manufactured in our plants in China, Germany, France and the U.S., or are purchased from third party vendors.

RESULTS OF OPERATIONS**Year Ended December 31, 2014 Compared to Year Ended December 31, 2013**

Net Sales from continuing operations. Net sales for the year ended December 31, 2014 were \$1,133.9 million, an increase of \$21.8 million, or 2%, from \$1,112.1 million for the year ended December 31, 2013.

For the year ended December 31, 2014, local currency core product sales increased by 4%, comprising 74% of our total business. By product group, fixed gas & flame detection instruments increased 10%, portable gas detection instruments increased 9%, fall protection increased 5%, head protection increased 5%, and breathing apparatus decreased 7%, on a local currency basis. Local currency non-core sales increased 5%, primarily on higher helmet sales to fire and military markets in Europe.

The unfavorable translation effects of weaker foreign currencies decreased net sales, when stated in U.S. dollars, by \$20.3 million. Excluding the impact of weakening foreign currencies, net sales increased \$42.1 million or 4%.

Net Sales (Dollars in millions)	2014	2013	Dollar Increase (Decrease)	Percent Increase (Decrease)
North America	\$ 547.7	\$ 533.2	\$ 14.5	3 %
Europe	321.6	293.1	28.5	10 %
International	264.5	285.8	(21.3)	(7)%
Total	1,133.9	1,112.1	21.8	2 %

Net sales in the North American segment were \$547.7 million for the year ended December 31, 2014, an increase of \$14.5 million, or 3%, compared to \$533.2 million for the year ended December 31, 2013. Leading growth were shipments of FGF, head protection, and portable gas instruments, up \$13.1 million, \$8.1 million, and \$6.4 million, respectively. These increases were partially offset by an \$11.3 million decrease in shipments of breathing apparatus to the fire segment, reflecting delays in securing product approvals of the Company's G1 SCBA platform and other small decreases across a broad range of product lines. The Company began shipping its G1 SCBA after receiving certification in late November, though these shipments were not overly material to results in 2014.

[Table of Contents](#)

Net sales for the European segment were \$321.6 million for the year ended December 31, 2014, an increase of \$28.5 million, or 10%, compared to \$293.1 million for the year ended December 31, 2013. Local currency sales in Europe increased \$30.0 million, or 10%, on increased shipments of ballistic helmets, up \$13.6 million on higher sales to military markets in Southern Europe, increased shipments of FGFD, up \$12.5 million, primarily on strength in the Middle East, and higher sales of breathing apparatus, up \$3.6 million on increased demand across the segment. Currency translation effects decreased European segment sales in the current year, when stated in U.S. dollars, by \$1.5 million.

Net sales for the International segment were \$264.5 million for the year ended December 31, 2014, a decrease of \$21.3 million, or 7%, compared to \$285.8 million for the year ended December 31, 2013. Local currency sales in the International segment decreased \$3.8 million, or 1% on a lower level of breathing apparatus, FGFD, and head protection shipments, down \$8.5 million, \$2.8 million, and \$2.1 million, respectively in the segment. These decreases, primarily in our Latin America, and Australia region, were partially offset by higher sales in portable gas detection instruments throughout Asia, Australia, and Latin America, up \$6.2 million in the segment, as well as higher large shipments of fire helmets in Asia, driving a \$2.1 million increase. Currency translation effects decreased International segment sales, when stated in U.S. dollars, by \$17.5 million, reflecting weakening currencies across several International geographies, notably in Brazil, Argentina, Chile, and Australia.

Other income (loss). Other income for the year ended December 31, 2014 was \$2.8 million, primarily related to a \$2.2 million gain from the sale of detector tube assets in the European segment. The 2014 income compares with a loss of \$0.2 million for the year ended December 31, 2013. In 2013, a \$1.6 million land impairment loss in the North American segment was partially offset by interest income of \$1.1 million and small gains from asset dispositions.

Gross profit. Gross profit for the year ended December 31, 2014 was \$515.3 million, an increase of \$18.5 million, or 4%, from \$496.8 million for the year ended December 31, 2013. The ratio of gross profit to net sales was 45.4% for 2014 compared to 44.7% in 2013, reflecting higher gross profit in our North American and European segment. The higher gross profit ratio in 2014 was primarily related to the Company's ongoing focus of developing and introducing new products, pricing the MSA brand more effectively, lowering manufacturing costs and a more favorable sales mix weighted toward gas detection products.

Selling, general and administrative expenses. Selling, general and administrative expenses for the year ended December 31, 2014 were \$322.8 million, an increase of \$13.6 million, or 4%, from \$309.2 million for the year ended December 31, 2013. Selling, general and administrative expenses were 28.5% of net sales in 2014 compared to 27.8% of net sales in 2013. Local currency selling, general and administrative expenses increased \$18.8 million in the current period, primarily reflecting the impact of corporate strategic initiatives and executing our Europe 2.0 program, and higher charges related to the self-insured portion of the Company's recent product liability settlements. Currency translation effects decreased selling, general and administrative expenses for the year ended December 31, 2014, when stated in U.S. dollars, by \$5.2 million. The decrease reflects weakening currencies across several geographies in the International segment, notably a weaker Brazilian real, Argentine peso, and Australian dollar.

Research and development expenses. Research and development expenses were \$48.2 million for the year ended December 31, 2014, an increase of \$2.3 million, or 5%, from \$45.9 million for the year ended December 31, 2013. The increase reflects our ongoing focus on developing innovative new core products, including the G1 SCBA, a revolutionary new product designed side by side with firefighters.

Restructuring and other charges. For the year ended December 31, 2014, we recorded charges of \$8.5 million compared to charges of \$5.3 million for the year ended December 31, 2013. European segment charges of \$4.8 million related primarily to severance from staff reductions in Central and Southern Europe as well as reorganization costs in Central Europe. International segment charges of \$3.7 million, primarily related to staff reductions in South Africa, Australia, and Brazil and asset disposals in Australia and South Africa, as the Company reduces its footprint and optimizes its cost structure in response to challenging economic conditions in certain markets.

For the year ended December 31, 2013, we recorded charges of \$5.3 million. European segment charges of \$3.0 million related primarily to staff reductions in Germany and the Netherlands. International segment charges of \$2.3 million were primarily related to staff reductions in Australia and South Africa.

Interest expense. Interest expense for the year ended December 31, 2014 was \$9.9 million, a decrease of \$0.8 million, or 7%, from \$10.7 million for the year ended December 31, 2013. The decrease in interest expense reflects lower borrowing levels in the current year as well as a reduction in borrowing costs associated with our debt refinancing activities in the first half of 2014.

Currency exchange. Currency exchange losses were \$1.5 million during the year ended December 31, 2014, compared to losses of \$5.5 million during the same period in 2013. In 2014, currency exchange losses primarily relate to weakening of the Russian ruble. Currency exchange losses in both periods were mostly unrealized and relate primarily to the effect of the strengthening U.S. dollar on intercompany balances.

[Table of Contents](#)

Income tax provision. Our effective tax rate from continuing operations for the year ended December 31, 2014 was 32.3% compared to 29.3% for the year ended December 31, 2013. In 2014, the Company recognized a tax benefit for the research and development tax credit. In 2013, the Company recognized a tax benefit for the research and development tax credits for both 2012 and 2013. Additionally, an unfavorable income mix also contributed to the higher effective tax rate in 2014. As a result of the implementation of our principal operating model for parts of our European business, we expect to incur between \$8 million and \$10 million of nonrecurring exit tax charges during the first quarter of 2015.

Net income from continuing operations. Net income from continuing operations for the year ended December 31, 2014 was \$87.4 million, an increase of \$1.5 million, or 2%, from net income from continuing operations for the year ended December 31, 2013 of \$85.9 million. Local currency net income increased by \$3.6 million, or 4%. Currency translation effects decreased current period net income when stated in U.S. dollars, by \$2.1 million. Basic earnings per share from continuing operations was \$2.34 in 2014 compared to \$2.31 in 2013, an increase of 3 cents per share, or 1%.

North American segment net income for the year ended December 31, 2014 was \$73.9 million, an improvement of \$11.1 million, or 18%, from \$62.8 million for the year ended December 31, 2013. The increase in North American segment net income reflects higher sales, improved gross profit, and controlled selling, general, and administrative spending.

European segment net income for the year ended December 31, 2014 was \$22.2 million, an increase of \$2.0 million, or 10%, from \$20.2 million for the year ended December 31, 2013. Local currency net income increased by \$1.6 million, or 8%, reflecting increased sales and strong gross profit, partially offset by higher selling, general and administrative expense and restructuring expense. Currency translation effects increased European segment net income in the current year, when stated in U.S. dollars, by \$0.4 million.

International segment net income for the year ended December 31, 2014 was \$15.2 million, a decrease of \$12.0 million, or 44%, from \$27.2 million for the year ended December 31, 2013. Local currency net income declined \$10.1 million, or 40%, and was primarily related to a lower level of sales, higher operating expense, and higher restructuring costs. Currency translation effects decreased current period International segment net income when stated in U.S. dollars, by \$1.9 million, primarily due to a weaker Argentine peso, Brazilian real, and Chilean peso.

The net loss reported in reconciling items for the year ended December 31, 2014 was \$23.8 million, compared to a net loss of \$24.4 million for the year ended December 31, 2013. The lower loss during the year ended December 31, 2014 reflects favorable currency exchange impact and lower interest expense, partially offset by higher selling, general, and administrative expense related to corporate strategic initiatives.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net sales from continuing operations. Net sales for the year ended December 31, 2013 were \$1,112.1 million, an increase of \$1.7 million, from \$1,110.4 million for the year ended December 31, 2012.

For the year ended December 31, 2013, local currency core product sales increased by 6%, comprising 73% of our total business, up from 70% for the year ended December 31, 2012. By product group, portable instruments increased 11%, fixed gas & flame detection instruments and fall protection each increased 6%, breathing apparatus increased 4%, and head protection increased 3% on a local currency basis. Local currency non-core sales decreased 10% on a lower level of mining related business in the International segment, lower gas mask sales in the United States, and the absence of ballistic helmet sales in North America due to the divestiture of this business in the first half of 2012.

The unfavorable translation effects of weaker foreign currencies decreased net sales from continuing operations, when stated in U.S. dollars, by \$9.5 million. Excluding the impact of weakening foreign currencies and the divestiture of our North American ballistic helmet business of \$9.6 million, net sales from continuing operations increased \$20.8 million or 2%.

Net Sales (Dollars in millions)	2013	2012	Dollar Increase (Decrease)	Percent Increase (Decrease)
North America	\$ 533.2	\$ 532.2	\$ 1.0	— %
Europe	293.1	290.4	2.7	1 %
International	285.8	287.8	(2.0)	(1)%
Total	1,112.1	1,110.4	1.7	— %

[Table of Contents](#)

Net sales by the North American segment were \$533.2 million for the year ended December 31, 2013, an increase of \$1.0 million, compared to \$532.2 million for the year ended December 31, 2012. Excluding the effects of the divestiture of the North American ballistic helmet business, North American segment sales increased \$10.6 million, or 2%, when compared to 2012. North American ballistic helmet sales were \$9.6 million lower in 2013, reflecting the divestiture. During the year ended December 31, 2013, we continued to see growth in the fire service and industrial markets. Shipments of instruments, breathing apparatus, and head, eye and face protection were up \$14.6 million, \$3.2 million and \$2.9 million, respectively. These increases were partially offset by a \$7.6 million decrease in shipments of gas masks to military markets and other small decreases across a broad range of product lines.

Net sales for the European segment were \$293.1 million for the year ended December 31, 2013, an increase of \$2.7 million, or 1%, from \$290.4 million for the year ended December 31, 2012. Local currency sales in Europe decreased \$2.7 million on lower shipments of non-core product business to military and fire markets. The favorable translation effects of a stronger euro in 2013 increased European segment sales, when stated in U.S. dollars, by \$5.4 million.

Net sales of our International segment were \$285.8 million for the year ended December 31, 2013, a decrease of \$2.0 million, or 1%, compared to \$287.8 million for the year ended December 31, 2012. Local currency sales in the International segment increased \$14.3 million, or 5%, as strength in the industrial markets was partially offset by weakness in the fire service and military markets. Shipments of instruments, breathing apparatus, and fall protection, up \$12.9 million, \$5.7 million and \$2.0 million, respectively, were partially offset by lower shipments of head, eye, and face protection and circuit breathing apparatus, down \$3.1 million and \$2.7 million, respectively, as well as smaller decreases across a series of non-core product lines. Currency translation effects decreased International segment sales, when stated in U.S. dollars, by \$16.3 million, primarily related to a weaker Australian dollar and Brazilian real.

Other (loss) income. Other loss for the year ended December 31, 2013 was \$0.2 million. A \$1.6 million land impairment loss in the North American segment was partially offset by interest income of \$1.1 million and small gains from asset dispositions. The 2013 loss compares with income of \$10.9 million for the year ended December 31, 2012. In 2012, we recognized gains totaling \$8.4 million on property sales in our Cranberry Woods office park. In December 2012, we sold the last available parcel in Cranberry Woods. Other income for 2012 also included a \$4.8 million gain on an escrow settlement related to our October 2010 acquisition of the General Monitors group of companies. These improvements were partially offset by impairment losses on intangible assets and tooling related to our firefighter location project of \$4.3 million and \$0.5 million, respectively.

Gross profit. Gross profit for the year ended December 31, 2013 was \$496.8 million, an increase of \$7.3 million, or 1%, from \$489.5 million for the year ended December 31, 2012. The ratio of gross profit to sales was 44.7% for 2013 compared to 44.1% in 2012. The higher gross profit ratio in 2013 was primarily related to a more favorable proportion of core product sales, lower manufacturing costs including the effect of LIFO liquidations, and improved pricing.

Selling, general and administrative expenses. Selling, general and administrative expenses for the year ended December 31, 2013 were \$309.2 million, a decrease of \$3.7 million, or 1%, from \$312.9 million for the year ended December 31, 2012. Selling, general and administrative expenses were 27.8% of sales in 2013 compared to 28.2% of sales in 2012. Local currency selling, general and administrative expenses decreased \$0.9 million for the year ended December 31, 2013. The decrease reflects reduced administrative expense in our International and European segments and lower legal expense associated with the product liability matters, partially offset by higher pension expense. Currency translation effects decreased selling, general and administrative expenses for the year ended December 31, 2013, when stated in U.S. dollars, by \$2.8 million. The decrease was primarily related to a weaker Australian dollar, Brazilian real and South African rand, partially offset by a stronger euro.

Research and development expenses. Research and development expenses were \$45.9 million for the year ended December 31, 2013, an increase of \$5.0 million, or 12%, from \$40.9 million for the year ended December 31, 2012. The increase reflects our ongoing focus on developing innovative new core products, including the G1 SCBA and FAS-Trac III Industrial Helmet Suspension.

Restructuring and other charges. For the year ended December 31, 2013, we recorded charges of \$5.3 million. European segment charges of \$3.0 million related primarily to staff reductions in Germany and the Netherlands. International segment charges of \$2.3 million were primarily related to staff reductions in Australia and South Africa.

Charges of \$2.8 million for the year ended December 31, 2012 were related to severance costs associated with staff reductions in our North American, European and International segments of \$1.5 million, \$1.1 million and \$0.2 million, respectively.

Interest expense. Interest expense for the year ended December 31, 2013 was \$10.7 million, a decrease of \$0.6 million, or 5%, from \$11.3 million for the year ended December 31, 2012. The decrease in interest expense reflects lower borrowing levels in 2013.

Currency exchange. Currency exchange losses were \$5.5 million during the twelve months ended December 31, 2013, compared to losses of \$3.2 million during the same period in 2012. Currency exchange losses in both periods were mostly unrealized and relate primarily to the effect of the strengthening U.S. dollar on intercompany balances.

Income tax provision. Our effective tax rate for the year ended December 31, 2013 was 29.3% compared to 32.0% for the year ended December 31, 2012. The lower effective tax rate for the year was primarily related to a tax benefit recognized for the research and development tax credit, including the benefit related to the recognition of the 2012 credit in January 2013. A favorable mix of income sourced from lower tax jurisdictions also contributed to the lower effective tax rate in 2013.

Net income from continuing operations. Net income from continuing operations for the year ended December 31, 2013 was \$85.9 million, a decrease of \$1.7 million, or 2%, from net income for the year ended December 31, 2012 of \$87.6 million. Local currency net income decreased by \$0.9 million. Currency translation effects decreased net income in 2013 when stated in U.S. dollars, by \$0.8 million. Basic earnings per share from continuing operations was \$2.31 in 2013 compared to \$2.37 in 2012, a decrease of 6 cents per share, or 3%.

North American segment net income for the year ended December 31, 2013 was \$62.8 million, an improvement of \$4.4 million, or 8%, from \$58.4 million for the year ended December 31, 2012. The increase in North American segment net income reflects higher sales and gross profits and decreased restructuring expense, partially offset by increased selling, general and administrative expenses from higher payroll, legal fees, and other professional services fees.

European segment net income for the year ended December 31, 2013 was \$20.2 million, a decrease of \$1.4 million, or 6%, from \$21.6 million for the year ended December 31, 2012. Local currency net income decreased by \$1.6 million, or 7%, reflecting lower gross profits on lower sales and increased restructuring expense, partially offset by lower selling, general and administrative expense. Currency translation impacts for the year ended December 31, 2013 increased European segment net income, when stated in U.S. dollars, by \$0.2 million.

International segment net income for the year ended December 31, 2013 was \$27.2 million, an increase of \$2.4 million, or 10%, from \$24.8 million for the year ended December 31, 2012. Local currency net income increased \$3.1 million, or 13%, and was primarily related to increased gross profits from increased sales and lower selling, general and administrative expenses, partially offset by increased restructuring expense. Currency translation effects decreased 2013 International segment net income when stated in U.S. dollars, by \$0.7 million, primarily due to a weaker Australian dollar and Brazilian real.

The net loss reported in reconciling items for the year ended December 31, 2013 was \$24.4 million, compared to a net loss of \$17.2 million for the year ended December 31, 2012. The higher loss during the year ended December 31, 2013 reflects higher currency exchange losses. Additionally, the year ended December 31, 2012 benefited from the previously-discussed one-time gain on the sale of land in our Cranberry Woods office park.

LIQUIDITY AND CAPITAL RESOURCES

Our main source of liquidity is operating cash flows, supplemented by borrowings. Our principal liquidity requirements are for working capital, capital expenditures, principal and interest payments on debt, dividend payments, and acquisitions. Approximately 60% of our long-term debt is at fixed interest rates with repayment schedules through 2021. The remainder of our long-term debt is at variable rates on an unsecured revolving credit facility that is due in 2019. Substantially all of our borrowings originate in the U.S., which has limited our exposure to non-U.S. credit markets and to currency exchange rate fluctuations.

At December 31, 2014, we had cash and cash equivalents totaling \$106.0 million, of which \$96.2 million was held by our foreign subsidiaries. The \$96.2 million of cash and cash equivalents are held by our foreign subsidiaries whose earnings are considered indefinitely reinvested at December 31, 2014. These funds could be subject to additional income taxes if repatriated. It is not practical to determine the potential income tax liability that we would incur if these funds were repatriated to the U.S. because the time and manner of repatriation is uncertain. We believe that domestic cash and cash equivalents, domestic cash flows from operations, annual repatriation of a portion of the current period's foreign earnings, and the availability of our domestic line of credit are sufficient to fund our domestic liquidity requirements.

The Company's existing debt agreements, including its senior revolving credit facility and note purchase agreements were amended to reflect the changes in the Company's legal structure in March 2014. During this process, we were able to successfully renegotiate a number of our existing credit facilities to provide the Company with access to additional capital at low interest rates.

[Table of Contents](#)

Our unsecured senior revolving credit facility provides for borrowings up to \$300.0 million through 2019 and is subject to certain commitment fees. This credit facility has sub-limits for the issuance of letters of credit, swingline borrowings and foreign currency denominated borrowings; and may be used for general corporate purposes, including working capital, permitted acquisitions, capital expenditures and repayment of existing indebtedness. The credit agreement also allows the Company to request increases in the aggregate commitments of the lenders of up to an additional \$150.0 million. Loans under the revolving facility will bear interest, at a variable rate based on LIBOR or the federal funds rate, at the Company's option. Interest rates remained at 1.16% in 2014. At December 31, 2014, \$193.0 million of the \$300.0 million senior revolving credit facility was unused including letters of credit. We reduced borrowings on the senior revolving credit facility by \$5.0 million in both 2014 and 2013.

The Company amended its existing \$175.0 million senior unsecured shelf facility with a note holder in 2014. Under this agreement, the Company may request the note holder to purchase additional senior notes from time to time prior to March 7, 2017. The Company would be required to pay the note holder an issuance fee in addition to fees defined in the note purchase agreement upon issuance of additional senior notes.

Effective June 2, 2014, The Company entered into an additional \$100.0 million note facility with a note holder. Under this agreement, the Company may issue senior notes to the note holder from time to time prior to June 2, 2017. The Company would be required to pay fees defined in the master note agreement upon issuance of senior notes.

Considering the above noted changes and our outstanding debt, the Company currently has access to approximately \$618.0 million of capital at December 31, 2014. Refer to Note 11 to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

The Company redeemed the \$4.0 million of industrial development debt on February 28, 2014.

Cash and cash equivalents increased \$9.7 million during the year ended December 31, 2014, compared to an increase of \$13.5 million during 2013 and an increase of \$22.8 million during 2012.

Operating activities. Operating activities provided cash of \$107.0 million in 2014, compared to providing cash of \$110.8 million in 2013. Lower operating cash flow in 2014 is primarily related to higher insurance receivables, lower pension, and lower currency exchange losses, offset by changes in working capital. Insurance receivables related to cumulative trauma product liability losses were \$220.5 million at December 31, 2014 compared to \$124.8 million at December 31, 2013. Trade receivables were \$211.4 million at December 31, 2014 compared to \$200.4 million at December 31, 2013, reflecting a local currency increase of \$23.5 million on strong sales results in the 2014 fourth quarter, partially offset by a \$12.5 million decrease due to currency translation effects. Inventories were \$123.0 million at December 31, 2014, compared to \$136.8 million at December 31, 2013. Local currency inventory decreased \$1.1 million on decreases in our European and International segments. Currency translation effects of \$12.7 million decreased inventories. Accounts payable were \$70.2 million at December 31, 2014 compared to \$66.9 million at December 31, 2013. Local currency accounts payable increased \$6.8 million, primarily in the European segment, offset by currency translation effects of \$3.5 million.

Operating activities provided cash of \$110.8 million in 2013, compared to providing cash of \$150.5 million in 2012. Lower operating cash flow in 2013 is primarily related to changes in working capital, higher notes receivables from insurance companies, and lower net income. Insurance receivables related to cumulative trauma product liability losses were \$124.8 million at December 31, 2013 compared to \$130.0 million at December 31, 2012. Trade receivables were \$200.4 million at December 31, 2013 compared to \$191.3 million at December 31, 2012, reflecting a local currency increase of \$13.2 million on strong sales results in December, partially offset by unfavorable currency translation effects of \$4.1 million. Inventories were \$136.8 million at December 31, 2013, compared to \$136.3 million at December 31, 2012. Local currency inventory increased \$6.3 million, partially due to anticipated demand for new products. Local currency increases were offset by unfavorable currency translation effects of \$5.8 million. Accounts payable were \$66.9 million at December 31, 2013 compared to \$59.5 million at December 31, 2012. Local currency accounts payable increased \$8.8 million, primarily in International and North America reflecting our ongoing initiative to improve operating cash flow, partially offset by favorable currency translation effects of \$1.4 million.

Investing activities. Investing activities used cash of \$30.7 million for the year ended December 31, 2014, compared to using \$35.2 million in 2013. The decrease in cash used by investing activities in 2014 was due to lower capital expenditures and higher cash generated by property disposals. Cash generated from property disposals was \$3.4 million in 2014 compared to \$1.4 million in 2013. The cash received from property disposals in 2014 include proceeds from the sale of our detector tube assets. Capital expenditures were \$33.6 million compared to \$36.5 million in 2013. The \$2.9 million decrease in expenditures was driven primarily from lower investment in manufacturing in the International segment.

[Table of Contents](#)

Investing activities used cash of \$35.2 million for the year ended December 31, 2013, compared to using \$17.3 million in 2012. The increase in cash used by investing activities in 2013 was due to lower cash generated by property disposals. Cash generated from property disposals was \$1.4 million in 2013 compared to \$20.2 million in 2012. The cash received from property disposals in 2012 include proceeds from the sale of land in our Cranberry Woods office park. Capital expenditures were \$36.5 million compared to \$32.2 million in 2012. The \$4.3 million increase in expenditures was driven primarily from higher investment in manufacturing in the International segment.

Financing activities. Financing activities used cash of \$58.1 million for the year ended December 31, 2014, compared to using cash of \$58.2 million in 2013. During 2014, we paid down \$15.7 million of long-term debt compared to paying down \$11.7 million in 2013. We made dividend payments of \$45.6 million during 2014, compared to \$44.0 million during 2013. Dividends paid on our common stock during 2014 (our 98th consecutive year of dividend payments) were \$1.23 per share. Dividends paid on our common stock in 2013 and 2012 were \$1.18 and \$1.38 per share, respectively. The 2012 dividend included a special one-time dividend of \$0.28 per share that was paid on December 28, 2012. Restricted cash balances were \$2.7 million at December 31, 2014 compared to \$2.8 million at December 31, 2013 and were primarily used to support letter of credit balances.

Financing activities used cash of \$58.2 million in 2013 compared to using cash of \$110.5 million in 2012. During 2013, we paid down \$11.7 million of long-term debt compared to paying down \$63.0 million in 2012. We made dividend payments of \$44.0 million during 2013, compared to \$51.0 million during 2012.

CUMULATIVE TRANSLATION ADJUSTMENTS

The year-end position of the U.S. dollar relative to international currencies resulted in a translation loss of \$40.0 million being credited to cumulative translation adjustments for the year ended December 31, 2014. This compares to a translation loss of \$6.1 million in 2013 and a translation gain of \$4.1 million in 2012. The translation loss in 2014 was primarily related to the weakening of the euro, Mexican peso, Argentine peso, and the South African rand. The translation loss in 2013 was primarily related to the weakening of the Australian dollar, Brazilian real and the Argentine peso. The translation gain in 2012 was primarily related to the strengthening of the euro.

COMMITMENTS AND CONTINGENCIES

We are obligated to make future payments under various contracts, including debt and lease agreements. Our significant cash obligations as of December 31, 2014 were as follows:

(In millions)	Total	2015	2016	2017	2018	2019	Thereafter
Long-term debt	\$ 251.7	\$ 6.7	\$ 6.7	\$ 26.7	\$ 26.7	\$ 131.7	\$ 53.2
Operating leases	54.4	10.1	8.9	7.8	6.9	6.1	14.6
Totals	306.1	16.8	15.6	34.5	33.6	137.8	67.8

The significant obligations table does not include obligations to taxing authorities due to uncertainty surrounding the ultimate settlement of amounts and timing of these obligations.

We expect to meet our 2015, 2016, 2017, and 2018 debt service obligations through cash provided by operations. Approximately \$105.0 million of debt payable in 2019 relates to our unsecured senior revolving credit facility. We expect to generate sufficient operating cash flow to make payments against this amount each year. To the extent that a balance remains when the facility matures in 2019, we expect to refinance the remaining balance through new borrowing facilities.

The Company had outstanding bank guarantees and standby letters of credit with banks as of December 31, 2014 totaling \$6.5 million, of which \$2.8 million relate to the senior revolving credit facility. These letters of credit serve to cover customer requirements in connection with certain sales orders and insurance companies. No amounts were drawn on these arrangements at December 31, 2014. The Company is also required to provide cash collateral in connection with certain arrangements. At December 31, 2014, the Company has \$2.7 million of restricted cash in support of these arrangements.

We expect to make net contributions of \$4.1 million to our pension plans in 2015.

We have purchase commitments for materials, supplies, services and property, plant and equipment as part of our ordinary conduct of business.

Please refer to Note 18 to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K for further discussion on the Company's product liabilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures. We evaluate these estimates and judgments on an on-going basis based on historical experience and various assumptions that we believe to be reasonable under the circumstances. However, different amounts could be reported if we had used different assumptions and in light of different facts and circumstances. Actual amounts could differ from the estimates and judgments reflected in our financial statements. A summary of the Company's significant accounting policies is included in Note 1 to the Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

We believe that the following are the more critical judgments and estimates used in the preparation of our financial statements.

Accounting for contingencies. We accrue for contingencies when we believe that it is probable that a liability or loss has been incurred and the amount can be reasonably estimated. Contingencies relate to uncertainties that require our judgment both in assessing whether or not a liability or loss has been incurred and in estimating the amount of the probable loss. Significant contingencies affecting our financial statements include pending or threatened litigation, including product liability claims and product warranties.

Product liability. We face an inherent business risk of exposure to product liability claims arising from the alleged failure of our products to prevent the types of personal injury or death against which they are designed to protect. MSA LLC, a subsidiary of MSA Safety Incorporated (formerly Mine Safety Appliances Company), categorizes the product liability losses that its various subsidiaries experience into two main categories: single incident and cumulative trauma. Single incident product liability claims are discrete incidents that are typically known to us when they occur and involve observable injuries which provide an objective basis for quantifying damages. MSA LLC estimates its liability for single incident product liability claims based on expected settlement costs for pending claims and an estimate of costs for unreported claims. The estimate for unreported claims is based on experience, sales volumes and other relevant information.

Cumulative trauma product liability claims involve exposures to harmful substances (e.g., silica, asbestos and coal dust) that occurred many years ago and may have developed over long periods of time into diseases such as silicosis, asbestosis or coal worker's pneumoconiosis. MSA LLC is presently named as a defendant in 2,326 lawsuits, some of which involve multiple plaintiffs. In these lawsuits, plaintiffs allege to have contracted certain cumulative trauma diseases related to exposure to silica, asbestos, and/or coal dust. These lawsuits mainly involve respiratory protection products allegedly manufactured and sold by MSA LLC or its predecessors.

Cumulative trauma product liability litigation has been difficult to predict. In our experience, until late in a lawsuit, we cannot reasonably determine whether it is probable that any of MSA LLC's cumulative trauma lawsuits will ultimately result in a liability. This uncertainty was caused by many factors, including the following: cumulative trauma complaints generally do not provide information sufficient to determine if a loss is probable; cumulative trauma litigation is inherently unpredictable and information is often insufficient to determine if a lawsuit will develop into an actively litigated case. Even when a case is actively litigated, it is often difficult to determine if the lawsuit will be dismissed or otherwise resolved until late in the lawsuit. Moreover, even once it is probable that such a lawsuit will result in a loss; it is often difficult to reasonably estimate the amount of actual loss that will be incurred. These amounts are highly variable and turn on a case-by-case analysis of the relevant facts, which are often not learned until late in the lawsuit. Consequently, MSA LLC has historically been unable to estimate its cumulative trauma product liability exposure. As new information about cumulative trauma product liability claims and future developments becomes available, we reassess our potential exposures.

We record expenses for defense costs associated with open product liability lawsuits as incurred. With some common contract exclusions, we maintain insurance for cumulative trauma product liability claims. We have purchased insurance policies for the policy years from 1952-1986 from over 20 different insurance carriers that provide coverage for cumulative trauma product liability losses, and in many instances, related defense costs. The available limits of these policies well exceed the recorded insurance receivable balance. In the normal course of business, we make payments to settle product liability claims and for related defense costs. We record receivables for the amounts that are covered by insurance.

Due to uncertainty as to the ultimate outcome of pending and threatened claims, as well as the incidence of future claims, it is possible that future results could be materially affected by changes in our assumptions and estimates related to product liability matters, including our estimates of amounts receivable from insurance carriers. Our product liability expense averaged less than 1% of net sales during the three years ended December 31, 2014.

Product warranties. We accrue for the estimated probable cost of product warranties at the time that sales are recognized. Our estimates are principally based on historical experience. We also accrue for our estimates of the probable costs of corrective action when significant product quality issues are identified. These estimates are principally based on our assumptions regarding the cost of corrective action and the probable number of units to be repaired or replaced. Our product warranty obligation is affected by product failure rates, material usage and service delivery costs incurred in correcting a product failure. Due to the uncertainty and potential volatility of these factors, it is possible that future results could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these matters. Our product warranty expense averaged approximately 1% of net sales during the three years ended December 31, 2014.

Income taxes. We recognize deferred tax assets and liabilities using enacted tax rates to record the tax effect of temporary differences between the book and tax basis of recorded assets and liabilities. We record valuation allowances to reduce deferred tax assets to the amounts that we estimate are probable to be realized. When assessing the need for valuation allowances, we consider projected future taxable income and prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in our judgments about the realizability of deferred tax assets in future years, we adjust the related valuation allowances in the period that the change in circumstances occurs. We had valuation allowances of \$3.8 million and \$4.9 million at December 31, 2014 and 2013, respectively.

We record an estimated income tax liability based on our best judgment of the amounts likely to be paid in the various tax jurisdictions in which we operate. We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more likely than not threshold. We recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. The tax liabilities ultimately paid are dependent on a number of factors, including the resolution of tax audits, and may differ from the amounts recorded. Tax liabilities are adjusted through income when it becomes probable that the actual liability differs from the amount recorded.

No deferred U.S. income taxes have been provided on undistributed earnings of non-U.S. subsidiaries, which amounted to \$334.7 million as of December 31, 2014. These earnings are considered to be reinvested for an indefinite period of time. Because we currently do not have any plans to repatriate these funds, we cannot determine the impact of local taxes, withholding taxes and foreign tax credits associated with the future repatriation of such earnings and, therefore, cannot reasonably estimate the associated tax liability. In cases where we intend to repatriate a portion of the undistributed earnings of our foreign subsidiaries, we provide U.S. income taxes on such earnings.

Pensions and other post-retirement benefits. We sponsor certain pension and other post-retirement benefit plans. Accounting for the net periodic benefit costs and credits for these plans requires us to estimate the cost of benefits to be provided well into the future and to attribute these costs over the expected work life of the employees participating in these plans. These estimates require our judgment about discount rates used to determine these obligations, expected returns on plan assets, rates of future compensation increases, rates of increase in future health care costs, participant withdrawal and mortality rates and participant retirement ages. Differences between our estimates and actual results may significantly affect the cost of our obligations under these plans and could cause net periodic benefit costs and credits to change materially from year-to-year. The discount rate assumptions used in determining projected benefit obligations are based on published long-term bond indices or a company-specific yield curve model.

Goodwill. In the third quarter of each year, or more frequently if indicators of impairment exist or if a decision is made to sell a business, we evaluate goodwill for impairment. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flows, a significant adverse change in the business climate, unanticipated competition, slower growth rates, or negative developments in equity and credit markets, among others.

All goodwill is assigned to reporting units. For goodwill impairment testing purposes, we consider our operating segments to be our reporting units. We test goodwill for impairment by either performing a qualitative evaluation or a two-step quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill. Factors considered as part of the qualitative assessment include entity-specific industry, market and general economic conditions. In 2014 we elected to bypass the qualitative evaluation for all of our reporting units and performed a two-step quantitative test. Quantitative testing involves comparing the estimated fair value of each reporting unit to its carrying value. We estimate reporting unit fair value using a weighted average of fair values determined by discounted cash flow (DCF) and market approach methodologies, as we believe both are equally important indicators of fair value. A number of significant assumptions and estimates are involved in the application of the DCF model, including sales volumes and prices, costs to produce, tax rates, capital spending, discount rates, and working capital changes. Cash flow forecasts are generally based on approved business unit operating plans for the early years and historical relationships in later years. The betas used in calculating the individual reporting units' weighted average cost of capital (WACC) rate are estimated for each reporting unit based on peer data. The market approach methodology measures value through an analysis of peer companies. The analysis entails measuring the multiples of EBITDA at which peer companies are trading.

In the event the estimated fair value of a reporting unit per the weighted average of the DCF and market approach models is less than the carrying value, additional analysis would be required. The additional analysis would compare the carrying amount of the reporting unit's goodwill with the implied fair value of that goodwill, which may involve the use of valuation experts. The implied fair value of goodwill is the excess of the fair value of the reporting unit over the fair value amounts assigned to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit represented the purchase price. If the carrying value of goodwill exceeds its implied fair value, an impairment loss equal to such excess would be recognized, which could significantly and adversely impact reported results of operations and shareholders' equity. For 2014, based on our quantitative valuation, all of the fair values of our reporting units exceeded their carrying value by at least 35%.

RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING STANDARDS

Please refer to Note 1 to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of adverse changes in the value of a financial instrument caused by changes in currency exchange rates, interest rates and equity prices. We are exposed to market risks related to currency exchange rates and interest rates.

Currency exchange rates. We are subject to the effects of fluctuations in currency exchange rates on various transactions and on the translation of the reported financial position and operating results of our non-U.S. companies from local currencies to U.S. dollars. A hypothetical 10% strengthening or weakening of the U.S. dollar would increase or decrease our reported sales and net income for the year ended December 31, 2014 by approximately \$57.6 million and \$2.8 million, or 5.1% and 3.2%, respectively.

When appropriate, we may attempt to limit our transactional exposure to changes in currency exchange rates through forward contracts or other actions intended to reduce existing exposures by creating offsetting currency exposures. At December 31, 2014, we had open foreign currency forward contracts with a U.S. dollar notional value of \$60.9 million. A hypothetical 10% increase in December 31, 2014 forward exchange rates would result in a \$6.1 million increase in the fair value of these contracts.

Interest rates. We are exposed to changes in interest rates primarily as a result of borrowing and investing activities used to maintain liquidity and fund business operations. Because of the relatively short maturities of temporary investments and the variable rate nature of our revolving credit facility, these financial instruments are reported at carrying values which approximate fair values.

We have \$146.7 million of fixed rate debt which matures at various dates through 2021. The incremental increase in the fair value of fixed rate long-term debt resulting from a hypothetical 10% decrease in interest rates would be approximately \$2.3 million. However, our sensitivity to interest rate declines and the corresponding increase in the fair value of our debt portfolio would unfavorably affect earnings and cash flows only to the extent that we elected to repurchase or retire all or a portion of our fixed rate debt portfolio at prices above carrying values.

Actuarial assumptions. The most significant actuarial assumptions affecting our net periodic pension credit and pension obligations are discount rates, expected returns on plan assets and plan asset valuations. Discount rates and plan asset valuations are point-in-time measures. Expected returns on plan assets are based on our historical returns by asset class.

The following table summarizes the impact of changes in significant actuarial assumptions on our December 31, 2014 actuarial valuations.

(In thousands)	Impact of Changes in Actuarial Assumptions					
	Change in Discount Rate		Change in Expected Return		Change in Market Value of Assets	
	1%	(1)%	1%	(1)%	5%	(5)%
(Decrease) increase in net benefit cost	\$ (5,692)	\$ 6,758	\$ (4,116)	\$ 4,116	\$ (1,001)	\$ 964
(Decrease) increase in projected benefit obligation	(70,914)	88,396	—	—	—	—
Increase (decrease) in funded status	70,914	(88,396)	—	—	22,265	(22,265)

Item 8. Financial Statements and Supplementary Data

Management's Reports to Shareholders

Management's Report on Responsibility for Financial Reporting

Management of MSA Safety Incorporated (the Company) is responsible for the preparation of the financial statements included in this annual report. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and include amounts that are based on the best estimates and judgments of management. The other financial information contained in this annual report is consistent with the financial statements.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our assessment and those criteria, management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2014.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

/s/ WILLIAM M. LAMBERT

William M. Lambert
Chief Executive Officer

/s/ STACY P. McMAHAN

Stacy P. McMahan
Senior Vice President of Finance and Chief Financial Officer

February 25, 2015

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of MSA Safety Incorporated:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of MSA Safety Incorporated and its subsidiaries at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Management's Report to Shareholders appearing under Item 8. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 25, 2015

MSA SAFETY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

(In thousands, except per share amounts)	Year ended December 31,		
	2014	2013	2012
Net sales	\$ 1,133,885	\$ 1,112,058	\$ 1,110,443
Other income (loss), net (Note 14)	2,765	(175)	10,876
	1,136,650	1,111,883	1,121,319
Costs and expenses			
Cost of products sold	618,536	615,213	620,895
Selling, general and administrative	322,797	309,206	312,858
Research and development	48,247	45,858	40,900
Restructuring and other charges (Note 2)	8,515	5,344	2,787
Interest expense	9,851	10,677	11,344
Currency exchange losses, net	1,509	5,452	3,192
	1,009,455	991,750	991,976
Income from continuing operations before income taxes	127,195	120,133	129,343
Provision for income taxes (Note 9)	41,044	35,145	41,401
	86,151	84,988	87,942
Income from discontinued operations (Note 19)	1,776	3,061	3,819
Net income	87,927	88,049	91,761
Net loss (income) attributable to noncontrolling interests	579	198	(1,124)
Net income attributable to MSA Safety Incorporated	88,506	88,247	90,637
Amounts attributable to MSA Safety Incorporated common shareholders:			
Income from continuing operations	87,447	85,858	87,557
Income from discontinued operations (Note 19)	1,059	2,389	3,080
Net income	88,506	88,247	90,637
Earnings per share attributable to MSA Safety Incorporated common shareholders (Note 8)			
Basic			
Income from continuing operations	\$ 2.34	\$ 2.31	\$ 2.37
Income from discontinued operations (Note 19)	\$ 0.03	\$ 0.06	\$ 0.08
Net income	\$ 2.37	\$ 2.37	\$ 2.45
Diluted			
Income from continuing operations	\$ 2.30	\$ 2.28	\$ 2.34
Income from discontinued operations (Note 19)	\$ 0.03	\$ 0.06	\$ 0.08
Net income	\$ 2.33	\$ 2.34	\$ 2.42

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

MSA SAFETY INCORPORATED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands)	Year ended December 31,		
	2014	2013	2012
Net income	\$ 87,927	\$ 88,049	\$ 91,761
Foreign currency translation adjustments	(40,568)	(7,281)	3,846
Pension and post-retirement plan actuarial (losses) and gains (Note 13)	(48,490)	54,951	(28,018)
Comprehensive (loss) income	(1,131)	135,719	67,589
Comprehensive loss (income) attributable to noncontrolling interests	1,176	1,331	(840)
Comprehensive income attributable to MSA Safety Incorporated	<u>45</u>	<u>137,050</u>	<u>66,749</u>

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

MSA SAFETY INCORPORATED
CONSOLIDATED BALANCE SHEET

(In thousands, except share amounts)	December 31,	
	2014	2013
Assets		
Cash and cash equivalents	\$ 105,998	\$ 96,265
Trade receivables, less allowance for doubtful accounts of \$7,821 and \$7,306	211,440	200,364
Inventories (Note 3)	122,954	136,837
Deferred tax assets (Note 9)	23,830	22,458
Income taxes receivable	2,876	9,181
Prepaid expenses and other current assets (Note 16)	30,771	35,861
Total current assets	497,869	500,966
Property, plant, and equipment (Note 4)	151,352	152,755
Prepaid pension cost (Note 13)	75,017	121,054
Deferred tax assets (Note 9)	20,227	14,996
Goodwill (Note 12)	252,520	260,134
Intangible assets (Note 12)	31,323	35,029
Other noncurrent assets	236,484	149,336
Total assets	1,264,792	1,234,270
Liabilities		
Notes payable and current portion of long-term debt (Note 11)	\$ 6,700	\$ 7,500
Accounts payable	70,210	66,902
Employees' compensation	40,249	38,164
Insurance and product liability (Note 18)	47,456	14,251
Taxes on income (Note 9)	5,545	3,662
Other current liabilities	63,897	61,085
Total current liabilities	234,057	191,564
Long-term debt (Note 11)	245,000	260,667
Pensions and other employee benefits (Note 13)	174,598	152,084
Deferred tax liabilities (Note 9)	26,306	49,621
Other noncurrent liabilities (Note 18)	46,198	7,987
Total liabilities	726,159	661,923
Commitments and contingencies (Note 18)		
Shareholders' Equity		
Preferred stock, 4 1/2% cumulative, \$50 par value (Note 6)	3,569	3,569
Common stock, no par value (Note 6)	148,401	132,055
Stock compensation trust (Note 6)	—	(1,585)
Treasury shares, at cost (Note 6)	(286,557)	(281,524)
Accumulated other comprehensive loss	(166,730)	(78,269)
Retained earnings	835,126	792,206
Total shareholders' equity	533,809	566,452
Noncontrolling interests	4,824	5,895
Total shareholders' equity	538,633	572,347
Total liabilities and shareholders' equity	1,264,792	1,234,270

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

MSA SAFETY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)	Year ended December 31,		
	2014	2013	2012
Operating Activities			
Net income	\$ 87,927	\$ 88,049	\$ 91,761
Depreciation and amortization	29,921	30,764	31,702
Pension expense (Note 13)	4,836	12,268	3,673
Net gain from investing activities—asset disposals (Note 14)	(2,094)	(436)	(8,396)
Stock-based compensation (Note 10)	9,053	10,337	10,010
Deferred income tax provision (Note 9)	(5,388)	(3,234)	213
Other noncurrent assets and liabilities	(53,482)	(18,162)	(14,104)
Currency exchange losses, net	1,393	5,127	3,151
Excess tax benefit related to stock plans (Note 6)	(2,573)	(2,246)	(2,799)
Other, net	(5,168)	4,386	1,103
Operating cash flow before changes in certain working capital items	64,425	126,853	116,314
(Increase) decrease in trade receivables	(23,480)	(13,171)	2,346
(Increase) decrease in inventories (Note 3)	(600)	(6,296)	2,677
Increase in accounts payable and accrued liabilities	56,988	10,732	17,776
Decrease (increase) in income taxes receivable, prepaid expenses and other current assets	9,698	(7,337)	11,363
Decrease (increase) in certain working capital items	42,606	(16,072)	34,162
Cash Flow From Operating Activities	107,031	110,781	150,476
Investing Activities			
Capital expenditures	(33,583)	(36,517)	(32,209)
Property disposals	3,385	1,360	20,193
Other investing	(500)	—	(5,269)
Cash Flow From Investing Activities	(30,698)	(35,157)	(17,285)
Financing Activities			
(Payments on) proceeds from short-term debt, net (Note 11)	(796)	662	(128)
Payments on long-term debt (Note 11)	(421,667)	(306,766)	(246,500)
Proceeds from long-term debt (Note 11)	406,000	295,100	183,500
Restricted cash	86	(2,790)	—
Cash dividends paid	(45,586)	(43,994)	(50,990)
Distributions to noncontrolling interests	—	(556)	—
Company stock purchases (Note 6)	(5,654)	(11,785)	(3,508)
Exercise of stock options (Note 6)	6,926	9,643	4,306
Excess tax benefit related to stock plans (Note 6)	2,573	2,246	2,799
Cash Flow From Financing Activities	(58,118)	(58,240)	(110,521)
Effect of exchange rate changes on cash and cash equivalents	(8,482)	(3,837)	110
Increase in cash and cash equivalents	9,733	13,547	22,780
Beginning cash and cash equivalents	96,265	82,718	59,938
Ending cash and cash equivalents	105,998	96,265	82,718
Supplemental cash flow information:			
Interest payments	\$ 9,663	\$ 10,884	\$ 10,772
Income tax payments	31,679	36,242	29,807

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

MSA SAFETY INCORPORATED
CONSOLIDATED STATEMENT OF CHANGES IN RETAINED EARNINGS AND
ACCUMULATED OTHER COMPREHENSIVE LOSS

(In thousands)	Retained Earnings	Accumulated Other Comprehensive (Loss)
Balances January 1, 2012	\$ 708,306	\$ (103,184)
Net income	91,761	—
Foreign currency translation adjustments	—	3,846
Pension and post-retirement plan adjustments, net of tax of \$11,364	—	(28,018)
(Income) loss attributable to noncontrolling interests	(1,124)	284
Common dividends	(50,948)	—
Preferred dividends	(42)	—
Balances December 31, 2012	747,953	(127,072)
Net income	88,049	—
Foreign currency translation adjustments	—	(7,281)
Pension and post-retirement plan adjustments, net of tax of \$30,849	—	54,951
Loss attributable to noncontrolling interests	198	1,133
Common dividends	(43,952)	—
Preferred dividends	(42)	—
Balances December 31, 2013	792,206	(78,269)
Net income	87,927	—
Foreign currency translation adjustments	—	(40,568)
Pension and post-retirement plan adjustments, net of tax of \$26,840	—	(48,490)
Loss attributable to noncontrolling interests	579	597
Common dividends	(45,544)	—
Preferred dividends	(42)	—
Balances December 31, 2014	835,126	(166,730)

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

MSA SAFETY INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Significant Accounting Policies

Basis of Presentation—The Consolidated Financial Statements of MSA Safety Incorporated are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and require management to make certain judgments, estimates, and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. They also may affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates upon subsequent resolution of identified matters.

Principles of Consolidation—The consolidated financial statements include the accounts of the company and all subsidiaries. Intercompany accounts and transactions are eliminated.

Noncontrolling Interests—Noncontrolling interests reflect noncontrolling shareholders' investments in certain consolidated subsidiaries and their proportionate share of the income and accumulated other comprehensive income of those subsidiaries.

Currency Translation—The functional currency of all significant non-U.S. subsidiaries is the local currency. Assets and liabilities of these operations are translated at year-end exchange rates. Income statement accounts are translated using the average exchange rates for the reporting period. Translation adjustments for these companies are reported as a component of shareholders' equity and are not included in income. Foreign currency transaction gains and losses are included in net income for the reporting period.

Cash Equivalents—Cash equivalents include temporary deposits with financial institutions and highly liquid investments with original maturities of 90 days or less.

Restricted Cash—Restricted cash, which is designated for use other than current operations is included in the prepaid expenses and other current assets in the Consolidated Balance Sheet. Restricted cash balances were \$2.7 million and \$2.8 million at December 31, 2014 and December 31, 2013, respectively. These balances were used to support letter of credit balances.

Inventories—Inventories are stated at the lower of cost or market. Most U.S. inventories are valued on the last-in, first-out (LIFO) cost method. Other inventories are valued on the average cost method or at standard costs which approximate actual costs.

Property and Depreciation—Property is recorded at cost. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets, generally as follows: buildings 20 to 40 years and machinery and equipment 3 to 10 years. Expenditures for significant renewals and improvements are capitalized. Ordinary repairs and maintenance are expensed as incurred. Gains or losses on property dispositions are included in other income and the cost and related depreciation are removed from the accounts. Depreciation expense for the years ended December 31, 2014, 2013 and 2012 was \$26.2 million, \$27.1 million and \$27.5 million, respectively. Properties, plants, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets is determined by comparing the estimated undiscounted net cash flows of the operations related to the assets to their carrying amount. An impairment loss would be recognized when the carrying amount of the assets exceeds the estimated undiscounted net cash flows. The amount of the impairment loss to be recorded is calculated as the excess of the carrying value of the assets over their fair value, with fair value determined using the best information available, which generally is a discounted cash flow model.

Goodwill and Other Intangible Assets—Intangible assets are amortized on a straight-line basis over their useful lives. Intangible assets are reviewed for possible impairment whenever circumstances change such that the recorded value of the asset may not be recoverable. Goodwill is not amortized, but is subject to impairment write-down tests. We test the goodwill of each of our reporting units for impairment at least annually. The annual goodwill impairment tests are performed as of September 30 each year. All goodwill is assigned to reporting units. For this purpose, we consider our operating segments to be our reporting units. We test goodwill for impairment by either performing a qualitative evaluation or a two-step quantitative test. The qualitative evaluation is an assessment of various factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill.

Factors considered as part of the qualitative assessment include entity-specific industry, market and general economic conditions. We may elect to bypass the qualitative assessment for some or all of our reporting units and perform a two-step quantitative test. Quantitative testing involves estimating a reporting unit's fair value. We estimate reporting unit fair value using discounted cash flow and market approach methodologies. There has been no impairment of our goodwill as of December 31, 2014.

Revenue Recognition—Revenue from the sale of products is recognized when title, ownership and the risk of loss have transferred to the customer, which generally occurs either when product is shipped to the customer or, in the case of most U.S. distributor customers, when product is delivered to the customer's delivery site. We establish our shipping terms according to local practice and market characteristics. We do not ship product unless we have an order or other documentation authorizing shipment to our customers. We make appropriate provisions for uncollectible accounts receivable and product returns, both of which have historically been insignificant in relation to our net sales. Certain distributor customers receive price rebates based on their level of purchases and other performance criteria that are documented in established distributor programs. These rebates are accrued as a reduction of net sales as they are earned by the customer.

Shipping and Handling—Shipping and handling expenses for products sold to customers are charged to cost of products sold as incurred. Amounts billed to customers for shipping and handling are included in net sales.

Product Warranties—Estimated expenses related to product warranties and additional service actions are charged to cost of products sold in the period in which the related revenue is recognized or when significant product quality issues are identified.

Research and Development—Research and development costs are expensed as incurred.

Income Taxes—Deferred income taxes are provided for temporary differences between financial and tax reporting. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized. We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more likely than not threshold. We recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. No provision is made for possible U.S. taxes on the undistributed earnings of foreign subsidiaries that are considered to be reinvested indefinitely.

Stock-Based Compensation—We account for stock-based compensation in accordance with the FASB guidance on share-based payment, which requires that we recognize compensation expense for employee and non-employee director stock-based compensation based on the grant date fair value. Except for retirement-eligible participants, for whom there is no requisite service period, this expense is recognized ratably over the requisite service periods following the date of grant. For retirement-eligible participants, this expense is recognized at the grant date.

Derivative Instruments—We may use derivative instruments to minimize the effects of changes in currency exchange rates. We do not enter into derivative transactions for speculative purposes and do not hold derivative instruments for trading purposes. Changes in the fair value of derivative instruments designated as fair value hedges are recorded in the balance sheet as adjustments to the underlying hedged asset or liability. Changes in the fair value of derivative instruments that do not qualify for hedge accounting treatment are recognized in the income statement as currency exchange (income) loss in the current period.

Commitments and Contingencies—For asserted claims and assessments, liabilities are recorded when an unfavorable outcome of a matter is deemed to be probable and the loss is reasonably estimable. Management determines the likelihood of an unfavorable outcome based on many factors such as the nature of the matter, available defenses and case strategy, progress of the matter, views and opinions of legal counsel and other advisors, applicability and success of appeals processes, and the outcome of similar historical matters, among others. Once an unfavorable outcome is deemed probable, management weighs the probability of estimated losses, and the most reasonable loss estimate is recorded. If an unfavorable outcome of a matter is deemed to be reasonably possible, then the matter is disclosed and no liability is recorded. With respect to unasserted claims or assessments, management must first determine that the probability that an assertion will be made is likely, then, a determination as to the likelihood of an unfavorable outcome and the ability to reasonably estimate the potential loss is made. Legal matters are reviewed on a continuous basis to determine if there has been a change in management's judgment regarding the likelihood of an unfavorable outcome or the estimate of a potential loss.

Discontinued Operations and Assets Held For Sale—For those businesses where management has committed to a plan to divest, each business is valued at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, an impairment loss is recognized. Fair value is estimated using accepted valuation techniques such as a discounted cash flow model, valuations performed by third parties, earnings multiples, or indicative bids, when available. A number of significant estimates and assumptions are involved in the application of these techniques, including the forecasting of markets and market share, sales volumes and prices, costs and expenses, and multiple other factors. Management considers historical experience and all available information at the time the estimates are made; however, the fair value that is ultimately realized upon the divestiture of a business may differ from the estimated fair value reflected in the Consolidated Financial Statements. Depreciation and amortization expense is not recorded on assets of a business to be divested once they are classified as held for sale.

For businesses classified as discontinued operations, the results of operations are reclassified from their historical presentation to discontinued operations on the Consolidated Statement of Income, for all periods presented. The gains or losses associated with these divested businesses are recorded in discontinued operations on the Consolidated Statement of Income. Additionally, segment information does not include the operating results of businesses classified as discontinued operations for all periods presented. Management does not expect any continuing involvement with these businesses following their divestiture, and these businesses are expected to be disposed of within one year.

Recently Adopted and Recently Issued Accounting Standards—In April 2014, the FASB issued ASU 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of an Entity. This ASU amends the definition of a discontinued operation to include a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. This ASU will be effective beginning in 2015. The adoption of this ASU may have a material effect on our consolidated financial statements in the event that we were to divest of a component that meets the definition of a discontinued operation.

In May 2014, the FASB issued ASU 2014-09, Revenue with Contracts from Customers. This ASU clarifies the principles for recognizing revenue such that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU will be effective beginning in 2017. The Company is currently evaluating the impact that the adoption of this ASU will have on the consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period. This ASU clarifies the accounting treatment for share based payment awards that contain performance targets. This ASU will be effective beginning in 2016. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements - Going Concern. This ASU clarifies management's responsibility to evaluate whether there is a substantial doubt about the entity's ability to continue as a going concern and provides guidance for related footnote disclosures. This ASU will be effective beginning in 2016. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

In January 2015, the FASB issued ASU 2015-01, Income Statement - Extraordinary and Unusual Items. This ASU eliminates the requirement to separately present and disclose extraordinary and unusual items in the financial statements. This ASU will be effective beginning in 2016. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

Note 2—Restructuring and Other Charges

During the years ended December 31, 2014, 2013 and 2012, we recorded restructuring charges of \$8.5 million, \$5.3 million and \$2.8 million, respectively. These charges were primarily related to reorganization activities.

For the year ended December 31, 2014, European segment charges of \$4.8 million were primarily related to severance from staff reductions in Central and Southern Europe as well as reorganization costs in Central Europe. International segment charges of \$3.7 million for the year ended December 31, 2014 were primarily related to staff reductions in South Africa, Australia, and Brazil and asset disposals in Australia and South Africa, as the Company continues to focus manufacturing efforts in line with our core products and respond to changing economic conditions.

For the year ended December 31, 2013, European segment charges of \$3.0 million were primarily related to staff reductions in Germany and Netherlands. International segment charges of \$2.3 million for the year ended December 31, 2013 were primarily related to staff reductions in Australia and South Africa.

For the year ended December 31, 2012, North America, Europe and International segment charges of \$1.5 million, \$1.1 million and \$0.2 million, respectively were primarily related to severance costs associated with staff reductions.

[Table of Contents](#)

Activity and reserve balances for restructuring charges by segment were as follows:

(in millions)	North America	Europe	International	Total
Reserve balances at January 1, 2012	\$ —	\$ 4.3	\$ —	\$ 4.3
Restructuring charges	1.5	1.1	0.2	2.8
Cash payments	(1.2)	(2.9)	—	(4.1)
Reserve balances at December 31, 2012	\$ 0.3	\$ 2.5	\$ 0.2	\$ 3.0
Restructuring charges	—	3.0	2.3	5.3
Cash payments	(0.3)	(3.8)	(2.5)	(6.6)
Reserve balances at December 31, 2013	\$ —	\$ 1.7	\$ —	\$ 1.7
Restructuring charges	—	4.8	3.7	8.5
Asset disposals	—	(0.4)	(1.7)	(2.1)
Cash payments	—	(3.5)	(1.8)	(5.3)
Reserve balances at December 31, 2014	\$ —	\$ 2.6	\$ 0.2	\$ 2.8

Note 3—Inventories

The following table sets forth the components of inventory:

(In thousands)	December 31,	
	2014	2013
Finished products	\$ 67,713	\$ 74,466
Work in process	8,942	8,108
Raw materials and supplies	46,299	54,263
Total inventories	122,954	136,837
Excess of FIFO costs over LIFO costs	44,468	44,670
Total FIFO inventories	167,422	181,507

Inventories stated on the LIFO basis represent 21% and 15% of total inventories at December 31, 2014 and 2013, respectively.

Reductions in certain inventory quantities during the years ended December 31, 2014 and 2013 resulted in liquidations of LIFO inventories carried at lower costs prevailing in prior years. The effect of LIFO liquidations during 2014 were inconsequential to changes in cost of sales or net income. The effect of LIFO liquidations during 2013 reduced cost of sales by \$2.1 million and increased net income by \$1.4 million.

Note 4—Property, Plant, and Equipment

The following table sets forth the components of property, plant and equipment:

(In thousands)	December 31,	
	2014	2013
Land	\$ 3,573	\$ 3,835
Buildings	110,144	110,534
Machinery and equipment	335,318	349,667
Construction in progress	17,327	16,364
Total	466,362	480,400
Less accumulated depreciation	(315,010)	(327,645)
Net property	151,352	152,755

Note 5—Reclassifications Out of Accumulated Other Comprehensive Loss

(In thousands)	MSA Safety Incorporated			Noncontrolling Interests		
	2014	2013	2012	2014	2013	2012
Pension and other post-retirement benefits						
Balance at beginning of period	\$ (77,080)	\$ (132,031)	\$ (104,013)	\$ —	\$ —	\$ —
Unrecognized net actuarial (losses) gains	(84,495)	72,008	(45,793)	—	—	—
Unrecognized prior service credit	302	239	—	—	—	—
Tax benefit (expense)	29,832	(25,783)	13,833	—	—	—
Total other comprehensive (loss) income before reclassifications, net of tax	(54,361)	46,464	(31,960)	—	—	—
Amounts reclassified from accumulated other comprehensive loss:						
Amortization of prior service cost	(251)	(322)	(353)	—	—	—
Recognized net actuarial losses	9,114	13,875	6,764	—	—	—
Tax benefit	(2,992)	(5,066)	(2,469)	—	—	—
Total amount reclassified from accumulated other comprehensive loss, net of tax	5,871	8,487	3,942	—	—	—
Total other comprehensive (loss) income	(48,490)	54,951	(28,018)	—	—	—
Balance at end of period	\$ (125,570)	\$ (77,080)	\$ (132,031)	\$ —	\$ —	\$ —
Foreign currency translation						
Balance at beginning of period	\$ (1,189)	\$ 4,959	\$ 829	\$ (1,602)	\$ (469)	\$ (185)
Foreign currency translation adjustments	(39,971)	(6,148)	4,130	(597)	(1,133)	(284)
Balance at end of period	\$ (41,160)	\$ (1,189)	\$ 4,959	\$ (2,199)	\$ (1,602)	\$ (469)

The reclassifications out of accumulated other comprehensive loss are included in the computation of net periodic pension and other post-retirement benefit costs (see Note 13—Pensions and Other Post-Retirement Benefits).

Note 6—Capital Stock

Preferred Stock - The Company has authorized 100,000 shares of \$50 par value 4.5% cumulative preferred nonvoting stock which is callable at \$52.50. There are 71,373 shares issued and 52,878 shares held in treasury at December 31, 2014. There were no treasury purchases of preferred stock during the three years ended December 31, 2014. The Company has also authorized 1,000,000 shares of \$10 par value second cumulative preferred voting stock. No shares have been issued as of December 31, 2014.

Common Stock - The Company has authorized 180,000,000 shares of no par value common stock. There were 37,448,310 and 37,202,099 shares outstanding at December 31, 2014 and December 31, 2013, respectively. Common stock activity is summarized as follows:

(Dollars in thousands)	Shares			Dollars		
	Issued	Stock Compensation Trust	Treasury	Common Stock	Stock Compensation Trust	Treasury Cost
Balances January 1, 2012	62,081,391	(1,162,784)	(24,226,017)	\$ 97,276	\$ (6,070)	\$ (264,479)
Restricted stock awards	—	136,295	—	(711)	711	—
Restricted stock expense	—	—	—	4,891	—	—
Restricted stock forfeitures	—	—	(10,815)	(147)	—	—
Stock options exercised	—	223,022	—	3,141	1,165	—
Stock option expense	—	—	—	2,435	—	—
Performance stock issued	—	58,037	—	(303)	303	—
Performance stock expense	—	—	—	2,831	—	—
Tax benefit related to stock plans	—	—	—	2,799	—	—
Treasury shares purchased	—	—	(91,330)	—	—	(3,508)
Other, net	—	—	—	(77)	—	—
Balances December 31, 2012	62,081,391	(745,430)	(24,328,162)	112,135	(3,891)	(267,987)
Restricted stock awards	—	96,686	—	(505)	505	—
Restricted stock expense	—	—	—	4,244	—	—
Restricted stock forfeitures	—	—	(7,365)	(115)	—	—
Stock options exercised	—	277,687	—	8,194	1,449	—
Stock option expense	—	—	—	2,825	—	—
Performance stock issued	—	67,389	—	(352)	352	—
Performance stock expense	—	—	—	3,383	—	—
Tax benefit related to stock plans	—	—	—	2,246	—	—
Treasury shares purchased	—	—	(240,097)	—	—	(11,785)
Balances December 31, 2013	62,081,391	(303,668)	(24,575,624)	132,055	(1,585)	(279,772)
Restricted stock awards	—	72,291	13,936	(538)	377	161
Restricted stock expense	—	—	—	4,372	—	—
Restricted stock forfeitures	—	—	(4,078)	(346)	—	—
Stock options exercised	—	150,962	39,781	5,678	788	460
Stock option expense	—	—	—	2,355	—	—
Performance stock issued	—	80,415	—	(420)	420	—
Performance stock expense	—	—	—	2,705	—	—
Performance stock forfeitures	—	—	—	(33)	—	—
Tax benefit related to stock plans	—	—	—	2,573	—	—
Treasury shares purchased	—	—	(107,096)	—	—	(5,654)
Balances December 31, 2014	62,081,391	—	(24,633,081)	148,401	—	(284,805)

[Table of Contents](#)

The Mine Safety Appliances Company Stock Compensation Trust was established to provide shares for certain benefit plans, including the management and non-employee directors' equity incentive plans. Shares held by the Stock Compensation Trust, and the corresponding cost of those shares, are reported as a reduction of common shares issued. Differences between the cost of the shares held by the Stock Compensation Trust and the market value of shares released for stock-related benefits are reflected in common stock issued. The Company began issuing Treasury Shares for all Board of Director share based benefit plans in April 2014. The Company subsequently began issuing Treasury Shares for all share based benefit plans when the stock compensation trust was depleted in September 2014. Shares are issued from Treasury at the average Treasury Share cost on the date of the transaction.

The Board of Directors has authorized the purchase of up to \$100 million of MSA common stock either through private transactions or open market transactions. The share purchase program has no expiration date. The maximum shares that may yet be purchased is calculated based on the dollars remaining under the program and the respective month-end closing share price. We do not have any other share purchase programs. The above treasury share purchases are related to stock compensation transactions.

Note 7—Segment Information

We are organized into nine geographic operating segments based on management responsibilities. The operating segments have been aggregated (based on economic similarities, the nature of their products, end-user markets and methods of distribution) into three reportable segments: North America, Europe, and International.

The Company's sales are allocated to each country based primarily on the destination of the end-customer. Effective January 1, 2014, the General Monitors business has been fully integrated into MSA. As such, sales made by General Monitors companies now follow a similar allocation methodology by which sales are allocated to each country based on the destination of the end-customer and based on the value added to that order. In prior years, sales made by General Monitors companies were reported as domestic sales based on the country from which the product was shipped. The 2013 and 2012 results presented below have been restated to reflect this change in allocation methodology.

Reportable segment information is presented in the following table:

[Table of Contents](#)

(In thousands)	North America	Europe	International	Reconciling Items	Consolidated Totals
2014					
Sales to external customers	\$ 547,739	\$ 321,618	\$ 264,528	\$ —	\$ 1,133,885
Intercompany sales	116,795	113,914	18,449	(249,158)	—
Net income:					
Continuing operations	73,874	22,187	15,234	(23,848)	87,447
Discontinued operations	—	—	1,059	—	1,059
Total assets	996,116	390,328	220,004	(341,656)	1,264,792
Interest income	995	111	711	5	1,822
Interest expense	30	104	16	9,701	9,851
Noncash items:					
Depreciation and amortization	18,635	6,357	4,929	—	29,921
Pension income (expense)	1,977	(6,234)	(579)	—	(4,836)
Income tax provision	38,911	9,195	6,529	(13,591)	41,044
Capital expenditures	18,377	10,859	4,347	—	33,583
Net property	86,718	32,892	31,741	1	151,352
2013					
Sales to external customers	533,161	293,092	285,805	—	1,112,058
Intercompany sales	120,952	98,491	22,136	(241,579)	—
Net income:					
Continuing operations	62,835	20,204	27,206	(24,387)	85,858
Discontinued operations	—	—	2,389	—	2,389
Total assets	828,413	394,463	209,578	(198,184)	1,234,270
Interest income	243	90	809	—	1,142
Interest expense	52	175	2	10,448	10,677
Noncash items:					
Depreciation and amortization	19,639	5,357	5,768	—	30,764
Pension expense	(4,765)	(6,328)	(1,268)	—	(12,361)
Income tax provision	31,654	6,735	9,069	(12,313)	35,145
Capital expenditures	17,887	11,833	6,797	—	36,517
Net property	84,104	33,162	35,488	1	152,755
2012					
Sales to external customers	532,213	290,382	287,848	—	1,110,443
Intercompany sales	112,964	98,096	20,031	(231,091)	—
Net income:					
Continuing operations	58,376	21,553	24,819	(17,191)	87,557
Discontinued operations	—	—	3,080	—	3,080
Total assets	718,545	352,601	209,979	(169,379)	1,111,746
Interest income	364	147	886	14	1,411
Interest expense	106	350	78	10,810	11,344
Noncash items:					
Depreciation and amortization	21,382	5,354	4,966	—	31,702
Pension income (expense)	2,138	(4,700)	(1,111)	—	(3,673)
Income tax provision	35,537	7,771	10,450	(12,357)	41,401
Capital expenditures	20,119	5,106	6,984	—	32,209
Net property	84,923	25,460	37,081	1	147,465

Reconciling items consist primarily of intercompany eliminations and items reported at the corporate level.

[Table of Contents](#)

Geographic information on sales to external customers, based on country of origin:

(In thousands)	2014	2013	2012
United States	\$ 530,845	\$ 528,178	\$ 527,550
Germany	74,677	71,139	74,557
Other	528,363	512,741	508,336
Total	1,133,885	1,112,058	1,110,443

Geographic information on net property, based on country of origin:

(In thousands)	2014	2013	2012
United States	\$ 85,247	\$ 82,274	\$ 82,820
Germany	17,654	16,882	8,781
China	15,128	16,010	14,780
Other	33,323	37,589	41,084
Total	151,352	152,755	147,465

The percentage of total sales by product group were as follows:

	2014	2013	2012
Fixed Gas and Flame Detection	23%	22%	20%
Breathing Apparatus	19%	21%	20%
Portable Gas Detection	15%	14%	13%
Head Protection	13%	13%	11%
Fall Protection	4%	4%	4%
Other	26%	26%	32%

Note 8—Earnings per Share

Basic earnings per share is computed by dividing net income, after the deduction of preferred stock dividends and undistributed earnings allocated to participating securities, by the weighted average number of common shares outstanding during the period. Diluted earnings per share assumes the issuance of common stock for all potentially dilutive share equivalents outstanding not classified as participating securities. Participating securities are defined as unvested stock-based payment awards that contain nonforfeitable rights to dividends.

(In thousands, except per share amounts)	2014	2013	2012
Net income attributable to continuing operations	\$ 87,447	\$ 85,858	\$ 87,557
Preferred stock dividends	(41)	(41)	(41)
Income from continuing operations available to common equity	87,406	85,817	87,516
Dividends and undistributed earnings allocated to participating securities	(546)	(643)	(836)
Income from continuing operations available to common shareholders	86,860	85,174	86,680
Net income attributable to discontinued operations	\$ 1,059	\$ 2,389	\$ 3,080
Preferred stock dividends	(1)	(1)	(1)
Income from discontinued operations available to common equity	1,058	2,388	3,079
Dividends and undistributed earnings allocated to participating securities	(7)	(18)	(29)
Income from discontinued operations available to common shareholders	1,051	2,370	3,050
Basic weighted-average shares outstanding	37,138	36,868	36,564
Stock options and other stock compensation	590	582	478
Diluted weighted-average shares outstanding	37,728	37,450	37,042
Antidilutive stock options	—	15	744
Earnings per share attributable to continuing operations:			
Basic	\$2.34	\$2.31	\$2.37
Diluted	\$2.30	\$2.28	\$2.34
Earnings per share attributable to discontinued operations:			
Basic	\$0.03	\$0.06	\$0.08
Diluted	\$0.03	\$0.06	\$0.08

Note 9—Income Taxes

(In thousands)	2014	2013	2012
Components of income before income taxes*			
U.S. income	\$ 58,209	\$ 48,621	\$ 67,043
Non-U.S. income	68,986	71,512	62,300
Income before income taxes	127,195	120,133	129,343
Provision for income taxes*			
Current			
Federal	\$ 23,659	\$ 18,656	\$ 18,774
State	1,349	1,492	2,556
Non-U.S.	21,101	18,453	19,438
Total current provision	46,109	38,601	40,768
Deferred			
Federal	(3,650)	(3,582)	(518)
State	317	(483)	(125)
Non-U.S.	(1,732)	609	1,276
Total deferred provision	(5,065)	(3,456)	633
Provision for income taxes	41,044	35,145	41,401

*The components of income before income taxes and the provision for income taxes relate to continuing operations.

Included in discontinued operations is tax expense of \$0.6 million in 2014, \$1.4 million in 2013 and \$1.1 million in 2012.

Cash flows from operations in the Consolidated Statement of Cash Flows include a deferred income tax (benefit) provision from discontinued operations of \$(0.3) million, \$0.2 million and \$(0.4) million in 2014, 2013 and 2012, respectively.

Reconciliation of the U.S. federal income tax rates to our effective tax rate:

	2014	2013	2012
U.S. federal income tax rate	35.0 %	35.0 %	35.0 %
State income taxes—U.S.	0.8	0.6	1.2
Taxes on non-U.S. income	(2.2)	(4.5)	(1.0)
Research and development credit	(0.7)	(1.5)	—
Manufacturing deduction credit	(1.0)	(1.1)	(2.0)
Valuation allowances	(0.6)	0.5	(0.2)
Other	1.0	0.3	(1.0)
Effective income tax rate	32.3 %	29.3 %	32.0 %

[Table of Contents](#)

Components of deferred tax assets and liabilities:

(In thousands)	December 31,	
	2014	2013
Deferred tax assets		
Book expenses capitalized for tax	\$ 6,336	\$ 7,204
Post-retirement benefits	23,335	18,027
Inventory reserves	3,147	5,550
Vacation allowances	932	1,036
Net operating losses and tax credit carryforwards	7,479	6,711
Post employment benefits	2,382	757
Foreign tax credit carryforwards	11,231	2,227
Stock options	10,157	10,185
Liability insurance	3,918	3,686
Basis of capital assets	1,009	891
Warranties	3,210	3,049
Reserve for doubtful accounts	1,948	1,569
Accrued payroll	4,319	2,475
Other	5,801	6,838
Total deferred tax assets	85,204	70,205
Valuation allowances	(3,763)	(4,938)
Net deferred tax assets	81,441	65,267
Deferred tax liabilities		
Property, plant and equipment	(9,269)	(8,935)
Pension	(22,195)	(40,833)
Intangibles	(30,180)	(25,212)
Other	(2,045)	(2,455)
Total deferred tax liabilities	(63,689)	(77,435)
Net deferred taxes	17,752	(12,168)

At December 31, 2014, we had net operating loss carryforwards of approximately \$28.4 million, all of which are in non-U.S. tax jurisdictions. Net operating loss carryforwards of \$1.6 million will expire in 2016, which are offset by valuation allowances. The remainder either have a valuation allowance or may be carried forward for a period of at least seven years.

No deferred U.S. income taxes have been provided on undistributed earnings of non-U.S. subsidiaries, which amounted to \$334.7 million as of December 31, 2014. These earnings are considered to be reinvested for an indefinite period of time. Because we currently do not have any plans to repatriate these funds, we cannot determine the impact of local taxes, withholding taxes and foreign tax credits associated with the future repatriation of such earnings and, therefore, cannot reasonably estimate the associated tax liability. In cases where we intend to repatriate a portion of the undistributed earnings of our foreign subsidiaries, we provide U.S. income taxes on such earnings.

A reconciliation of the change in the tax liability for unrecognized tax benefits for the years ended December 31, 2014 and 2013 is as follows:

(In thousands)	2014		2013	
	2014	2013	2014	2013
Beginning balance	\$ 5,888	\$ 9,520		
Adjustments for tax positions related to the current year	4,072	(3,628)		
Adjustments for tax positions related to prior years	3	97		
Statute expiration	(106)	(101)		
Ending balance	9,857	5,888		

[Table of Contents](#)

The total amount of unrecognized tax benefits, if recognized, would reduce our future effective tax rate. We have recognized tax benefits associated with these liabilities in the amount of \$5.2 million and \$5.1 million at December 31, 2014 and 2013, respectively.

We recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. Our liability for accrued interest and penalties related to uncertain tax positions was \$0.5 million at December 31, 2013. During 2014, we increased interest related to uncertain tax positions by \$0.3 million. Our liability for accrued interest and penalties related to uncertain tax positions was \$0.8 million at December 31, 2014.

We file a U.S. federal income tax return along with various state and foreign income tax returns. Examinations of our U.S. federal returns have been completed through 2010, with the 2010 tax year closed by statute. Various state and foreign income tax returns may be subject to tax audits for periods after 2008.

Note 10—Stock Plans

The 2008 Management Equity Incentive Plan provides for various forms of stock-based compensation for eligible key employees through May 2018. Management stock-based compensation includes stock options, restricted stock and performance stock units. The 2008 Non-Employee Directors' Equity Incentive Plan provides for grants of stock options and restricted stock to non-employee directors through May 2018. Stock options are granted at market prices and expire after ten years. Stock options are exercisable beginning three years after the grant date. Restricted stock is granted without payment to the company and generally vests three years after the grant date. Restricted stock is valued at the market value of the stock on the grant date. Performance stock units with a market condition are valued at an estimated fair value using the Monte Carlo model. The final number of shares to be issued for performance stock units may range from zero to 200% of the target award based on achieving the specified performance targets over the performance period. In general, unvested stock options, restricted stock and performance stock units are forfeited if the participant's employment with the company terminates for any reason other than retirement, death or disability. We issue Treasury shares for stock option exercises and grants of restricted stock and performance stock. Please refer to Note 6 for further information regarding stock compensation share issuance. As of December 31, 2014, there were 1,441,276 and 170,766 shares, respectively, reserved for future grants under the management and non-employee directors' equity incentive plans.

Stock-based compensation expense was as follows:

(In thousands)	2014	2013	2012
Restricted stock	\$ 4,026	\$ 4,129	\$ 4,744
Stock options	2,355	2,825	2,435
Performance stock	2,672	3,383	2,831
Total compensation expense before income taxes	9,053	10,337	10,010
Income tax benefit	3,293	3,810	3,700
Total compensation expense, net of income tax benefit	5,760	6,527	6,310

We did not capitalize any stock-based compensation expense in 2014, 2013, or 2012.

Stock option expense is based on the fair value of stock option grants estimated on the grant dates using the Black-Scholes option pricing model and the following weighted average assumptions for options granted in 2014, 2013 and 2012.

	2014	2013	2012
Fair value per option	\$ 17.26	\$ 14.17	\$ 10.77
Risk-free interest rate	2.1%	1.2%	1.2%
Expected dividend yield	2.4%	2.8%	3.1%
Expected volatility	41%	39%	41%
Expected life (years)	6.6	6.1	6.1

The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date converted into an implied spot rate yield curve. Expected dividend yield is based on the most recent annualized dividend divided by the 1 year average closing share price. Expected volatility is based on the ten year historical volatility using daily stock prices. Expected life is based on historical stock option exercise data.

[Table of Contents](#)

A summary of option activity follows:

	Shares	Weighted Average Exercise Price	Exercisable at Year-end
Outstanding January 1, 2012	1,818,640	\$ 30.94	
Granted	196,469	37.33	
Exercised	(223,022)	18.93	
Expired	(5,093)	43.33	
Forfeited	(2,334)	36.69	
Outstanding December 31, 2012	1,784,660	33.05	1,100,300
Granted	188,407	49.03	
Exercised	(277,687)	34.72	
Outstanding December 31, 2013	1,695,380	34.55	1,178,657
Granted	138,519	51.69	
Exercised	(190,743)	36.31	
Expired	(1,071)	45.68	
Forfeited	(23,524)	38.82	
Outstanding December 31, 2014	1,618,561	35.74	1,147,712

For various exercise price ranges, characteristics of outstanding and exercisable stock options at December 31, 2014 were as follows:

Range of Exercise Prices	Stock Options Outstanding		
	Shares	Weighted-Average	
		Exercise Price	Remaining Life
\$17.83 – \$29.33	541,669	\$ 21.71	4.6 years
\$33.55 – \$40.88	507,688	37.14	4.7
\$41.26 – \$51.69	569,204	47.83	6.1
\$17.83 – \$51.69	1,618,561	35.74	5.2
Range of Exercise Prices	Stock Options Exercisable		
	Shares	Weighted-Average	
		Exercise Price	Remaining Life
\$17.83 – \$29.33	541,669	\$ 21.71	4.6 years
\$33.55 – \$40.88	360,801	37.33	3.7
\$41.26 – \$48.95	245,242	45.17	3.0
\$17.83 – \$48.95	1,147,712	31.63	4.0

Cash received from the exercise of stock options was \$6.9 million, \$9.6 million and \$4.3 million for the years ended December 31, 2014, 2013 and 2012, respectively. The tax benefit we realized from these exercises was \$1.0 million, \$0.5 million and \$1.6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

The aggregate intrinsic value of stock options exercisable at December 31, 2014 was \$25.0 million. The aggregate intrinsic value of all stock options outstanding at December 31, 2014 was \$28.1 million.

[Table of Contents](#)

A summary of restricted stock activity follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2012	512,254	\$ 25.66
Granted	130,985	37.61
Vested	(209,897)	20.44
Forfeited	(15,499)	28.37
Unvested at December 31, 2012	417,843	31.92
Granted	92,448	48.98
Vested	(197,465)	27.42
Forfeited	(9,407)	40.23
Unvested at December 31, 2013	303,419	39.79
Granted	83,543	51.91
Vested	(108,245)	34.94
Forfeited	(9,974)	44.42
Unvested at December 31, 2014	268,743	45.34

A summary of performance stock unit activity follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2012	125,443	\$ 25.27
Granted	54,928	41.33
Vested	(47,706)	18.23
Performance adjustments	5,679	26.39
Forfeited	(672)	41.45
Unvested at December 31, 2012	137,672	35.85
Granted	53,357	57.58
Vested	(45,809)	26.08
Performance adjustments	4,169	25.84
Unvested at December 31, 2013	149,389	46.32
Granted	46,242	57.42
Vested	(91,696)	39.19
Performance adjustments	41,428	39.42
Forfeited	(1,402)	48.85
Unvested at December 31, 2014	143,961	52.42

The 2014 performance adjustments above relate to the final number of shares issued for the 2011 Management Performance Units, which were 200% of the target award based on Total Shareholder Return during the three year performance period, and vested in the first quarter of 2014.

During the years ended December 31, 2014, 2013 and 2012, the total intrinsic value of stock options exercised (the difference between the market price on the date of exercise and the option price paid to exercise the option) was \$3.7 million, \$4.0 million and \$4.4 million, respectively. The fair values of restricted stock vested during the years ended December 31, 2014, 2013 and 2012 were \$5.8 million, \$9.7 million and \$8.0 million, respectively. The fair value of performance stock units vested during the year ended December 31, 2014 was \$4.7 million.

On December 31, 2014, there was \$5.2 million of unrecognized stock-based compensation expense. The weighted average period over which this expense is expected to be recognized was approximately one year.

Note 11—Short and Long-Term Debt**Short-Term Debt**

Short-term borrowings with banks, which excludes the current portion of long-term debt, was \$0.1 million and \$0.8 million at December 31, 2014 and 2013, respectively. The average month-end balance of total short-term borrowings during 2014 was \$0.1 million. The maximum month-end balance of \$0.6 million occurred in January, 2014. The weighted average interest rates on short-term borrowings were 14% and 7% at December 31, 2014 and December 31, 2013, respectively.

Long-Term Debt

(In thousands)	December 31,	
	2014	2013
Industrial development debt issues payable through 2022, 0.30%	\$ —	\$ 4,000
2006 Senior notes payable through 2021, 5.41%	46,667	53,334
2010 Senior notes payable through 2021, 4.00%	100,000	100,000
Senior revolving credit facility maturing in 2019	105,000	110,000
Total	251,667	267,334
Amounts due within one year	6,667	6,667
Long-term debt	245,000	260,667

The Company completed a legal Reorganization on March 7, 2014. The Company's existing debt agreements, including its senior revolving credit facility and note purchase agreements were revised to reflect the changes in the Company's legal structure.

In connection with the legal Reorganization, the Company amended its unsecured senior revolving credit facility and extended the term of the facility until March 2019. This facility provides for borrowings of up to \$300.0 million with sub-limits for the issuance of letters of credit, swingline borrowings and foreign currency denominated borrowings; and may be used for general corporate purposes, including working capital, permitted acquisitions, capital expenditures and repayment of existing indebtedness. The credit agreement also allows the Company to request increases in the aggregate commitments of the lenders of up to an additional \$150.0 million. Loans under the revolving facility will bear interest, at a variable rate based on LIBOR or the federal funds rate, at the Company's option. Interest rates remained at 1.16% in 2014. At December 31, 2014, \$193.0 million of the \$300.0 million senior revolving credit facility was unused including letters of credit.

The Company also amended its \$175.0 million senior unsecured shelf facility with a note holder. Under this agreement, the Company may request the note holder to purchase additional senior notes from time to time prior to March 7, 2017. The Company would be required to pay the note holder an issuance fee in addition to fees defined in the note purchase agreement upon issuance of additional senior notes.

Effective June 2, 2014, The Company entered into an additional \$100.0 million note facility with a note holder. Under this agreement, the Company may issue senior notes to the note holder from time to time prior to June 2, 2017. The Company would be required to pay fees defined in the master note agreement upon issuance of senior notes.

The Company had outstanding bank guarantees and standby letters of credit with banks as of December 31, 2014 totaling \$6.5 million, of which \$2.8 million relate to the senior revolving credit facility. These letters of credit serve to cover customer requirements in connection with certain sales orders, insurance companies. No amounts were drawn on these arrangements at December 31, 2014. The Company is also required to provide cash collateral in connection with certain arrangements. At December 31, 2014, the Company has \$2.7 million of restricted cash in support of these arrangements.

Approximate maturities on our long-term debt over the next five years are \$6.7 million in 2015, \$6.7 million in 2016, \$26.7 million in 2017, \$26.7 million in 2018, \$131.7 million in 2019, and \$53.2 million thereafter. The revolving credit facility and note purchase agreements require the Company to comply with specified financial covenants. In addition, the credit facility and the note purchase agreements contain negative covenants limiting the ability of the Company and its subsidiaries to enter into specified transactions. We were in compliance with all of our debt covenants at December 31, 2014.

In January 2014 the Company determined that it was in technical violation of one loan covenant related to the threshold for priority indebtedness in its 2006 Senior Note Purchase Agreement dated December 20, 2006 which resulted in cross default violations in two other loan agreements. The Company obtained the appropriate waivers from its lenders which were fully executed on February 12, 2014. The underlying financial covenants of the Note Purchase Agreement were amended at the same time. We are currently in compliance with all of our debt covenants.

The Company redeemed the \$4.0 million of industrial development debt on February 28, 2014.

Note 12—Goodwill and Intangible Assets

Changes in goodwill during the years ended December 31, 2014 and 2013 were as follows:

(In thousands)	2014	2013
Net balance at January 1	\$ 260,134	\$ 258,400
Currency translation	(7,614)	1,734
Net balance at December 31	252,520	260,134

At December 31, 2014, goodwill of \$196.5 million, \$53.9 million and \$2.1 million related to the North American, European and International reporting segments, respectively.

Changes in intangible assets, net of accumulated amortization, during the years ended December 31, 2014 and 2013 were as follows:

(In thousands)	2014	2013
Net balance at January 1	\$ 35,029	\$ 38,648
Additions	500	—
Amortization expense	(2,979)	(3,708)
Currency translation	(1,227)	89
Net balance at December 31	31,323	35,029

(In thousands)	Life	December 31, 2014			December 31, 2013		
		Gross Carrying Amount	Accumulated Amortization and Reserves	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization and Reserves	Net Carrying Amount
Intangible Assets:							
Distribution agreements	10-20 years	\$ 27.5	\$ (6.5)	\$ 21.0	27.6	\$ (5.5)	\$ 22.1
Patents, trademarks and copyrights	5-20 years	13.5	(8.6)	4.9	14.3	(8.8)	5.5
Technology related assets	7-10 years	11.5	(6.6)	4.9	11.0	(4.7)	6.3
License agreements	10 years	6.8	(6.7)	0.1	7.1	(7.0)	0.1
Other	5-20 years	7.0	(6.6)	0.4	7.0	(6.0)	1.0
		66.3	(35.0)	31.3	67.0	(32.0)	35.0

Intangible asset amortization expense over the next five years is expected to be approximately \$3.8 million in 2015, \$3.6 million in 2016, \$3.2 million in 2017, \$1.9 million in 2018, and \$1.9 million in 2019.

Note 13—Pensions and Other Post-retirement Benefits

We maintain various defined benefit and defined contribution plans covering the majority of our employees. Our principal U.S. plan is funded in compliance with the Employee Retirement Income Security Act (ERISA). It is our general policy to fund current costs for the international plans, except in Germany and Mexico, where it is common practice and permissible under tax laws to accrue book reserves.

We provide health care benefits and limited life insurance for certain retired employees who are covered by our principal U.S. defined benefit pension plan until they become Medicare-eligible.

[Table of Contents](#)

Information pertaining to defined benefit pension plans and other post-retirement benefits plans is provided in the following table:

(In thousands)	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Change in Benefit Obligations				
Benefit obligations at January 1	\$ 440,359	\$ 463,806	\$ 26,732	\$ 30,551
Service cost	9,425	11,132	538	687
Interest cost	19,340	17,934	1,107	1,050
Participant contributions	130	136	259	144
Plan amendments	(302)	(239)	—	—
Actuarial losses (gains)	88,069	(34,248)	(200)	(4,107)
Benefits paid	(19,193)	(19,232)	(1,585)	(1,593)
Settlements	(717)	(1,474)	—	—
Currency translation	(17,917)	2,544	—	—
Benefit obligations at December 31	519,194	440,359	26,851	26,732
Change in Plan Assets				
Fair value of plan assets at January 1	434,569	384,452	—	—
Actual return on plan assets	30,209	67,391	—	—
Employer contributions	4,077	4,053	1,326	1,449
Participant contributions	130	136	259	144
Settlements	(717)	(1,474)	—	—
Benefits paid	(16,507)	(16,316)	(1,585)	(1,593)
Reimbursement of German benefits	(2,686)	(2,916)	—	—
Currency translation	(3,776)	(757)	—	—
Fair value of plan assets at December 31	445,299	434,569	—	—
Funded Status				
Funded status at December 31	(73,895)	(5,790)	(26,851)	(26,732)
Unrecognized transition losses	16	21	—	—
Unrecognized prior service cost (credit)	10	374	(1,858)	(2,193)
Unrecognized net actuarial losses	192,692	116,945	6,450	6,832
Net amount recognized	118,823	111,550	(22,259)	(22,093)
Amounts Recognized in the Balance Sheet				
Noncurrent assets	75,017	121,054	—	—
Current liabilities	(5,380)	(5,518)	(1,457)	(1,695)
Noncurrent liabilities	(143,532)	(121,326)	(25,394)	(25,037)
Net amount recognized	(73,895)	(5,790)	(26,851)	(26,732)
Amounts Recognized in Accumulated Other Comprehensive Loss				
Net actuarial losses	192,692	116,945	6,450	6,832
Prior service cost (credit)	10	374	(1,858)	(2,193)
Unrecognized net initial obligation	16	21	—	—
Total (before tax effects)	192,718	117,340	4,592	4,639
Accumulated Benefit Obligations for all Defined Benefit Plans	479,764	403,682	—	—

[Table of Contents](#)

(In thousands)	Pension Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012
Components of Net Periodic Benefit Cost						
Service cost	\$ 9,425	\$ 11,132	\$ 9,511	\$ 538	\$ 687	\$ 694
Interest cost	19,340	17,934	19,018	1,107	1,050	1,265
Expected return on plan assets	(32,944)	(30,884)	(32,328)	—	—	—
Amortization of transition amounts	2	3	2	—	—	—
Amortization of prior service cost (credit)	84	102	101	(335)	(424)	(454)
Recognized net actuarial losses	8,639	13,323	6,235	182	552	529
Settlement loss	290	658	747	—	—	—
Termination benefits	—	—	387	—	—	—
Net periodic benefit cost	4,836	12,268	3,673	1,492	1,865	2,034

Amounts included in accumulated other comprehensive income expected to be recognized in 2015 net periodic benefit costs.

(In thousands)	Pension Benefits	Other Benefits
Loss recognition	\$ 15,937	\$ 320
Prior service cost (credit) recognition	66	(335)
Transition obligation recognition	2	—

	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Assumptions used to determine benefit obligations				
Average discount rate	3.63%	4.54%	3.85%	4.62%
Rate of compensation increase	3.03%	3.06%	—	—
Assumptions used to determine net periodic benefit cost				
Average discount rate	4.54%	3.96%	4.62%	3.75%
Expected return on plan assets	8.20%	8.15%	—	—
Rate of compensation increase	3.06%	3.81%	—	—

Discount rates were determined using various corporate bond indexes as indicators of interest rate levels and movements and by matching our projected benefit obligation payment stream to current yields on high quality bonds.

The expected return on assets for the 2014 net periodic pension cost was determined by multiplying the expected returns of each asset class (based on historical returns) by the expected percentage of the total portfolio invested in that asset class. A total return was determined by summing the expected returns over all asset classes.

	Pension Plan Assets at December 31,	
	2014	2013
Equity securities	65%	71%
Fixed income securities	26	19
Pooled investment funds	5	5
Insurance contracts	3	3
Cash and cash equivalents	1	2
Total	100%	100%

[Table of Contents](#)

The overall objective of our pension investment strategy is to earn a rate of return over time to satisfy the benefit obligations of the pension plans and to maintain sufficient liquidity to pay benefits and meet other cash requirements of our pension funds. Investment policies for our primary U.S. pension plan are determined by the plan's Investment Committee and set forth in the plan's investment policy. Asset managers are granted discretion for determining sector mix, selecting securities and timing transactions, subject to the guidelines of the investment policy. An aggressive, flexible management of the portfolio is permitted and encouraged, with shifts of emphasis among equities, fixed income securities and cash equivalents at the discretion of each manager. No target asset allocations are set forth in the investment policy. For our non-U.S. pension plans, our investment objective is generally met through the use of pooled investment funds and insurance contracts.

The following table summarizes our pension plan assets measured at fair value on a recurring basis by fair value hierarchy level (See Note 17):

December 31, 2014				
(In thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Equity securities	\$ 233,156	\$ 54,614	\$ 248	\$ 288,018
Fixed income securities	41,447	72,412	505	114,364
Pooled investment funds	—	22,623	—	22,623
Insurance contracts	—	—	15,069	15,069
Cash and cash equivalents	5,225	—	—	5,225
Total	279,828	149,649	15,822	445,299

December 31, 2013				
(In thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Equity securities	\$ 307,486	\$ —	\$ 428	\$ 307,914
Fixed income securities	36,749	47,545	—	84,294
Pooled investment funds	—	22,430	—	22,430
Insurance contracts	—	—	13,512	13,512
Cash and cash equivalents	6,067	—	352	6,419
Total	350,302	69,975	14,292	434,569

Equity securities consist primarily of publicly traded U.S. and non-U.S. common stocks. Equities are valued at closing prices reported on the listing stock exchange.

Fixed income securities consist primarily of U.S. government and agency bonds and U.S. corporate bonds. Fixed income securities are valued at closing prices reported in active markets or based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, and may include adjustments, for certain risks that may not be observable, such as credit and liquidity risks.

Pooled investment funds consist of mutual and collective investment funds that invest primarily in publicly traded non-U.S. equity and fixed income securities. Pooled investment funds are valued at net asset values calculated by the fund manager based on fair value of the underlying securities. The underlying securities are generally valued at closing prices reported in active markets, quoted prices of similar securities, or discounted cash flows approach that maximizes observable inputs such as current value measurement at the reporting date.

Insurance contracts are valued in accordance with the terms of the applicable collective pension contract.

Cash equivalents consist primarily of money market and similar temporary investment funds. Cash equivalents are valued at closing prices reported in active markets.

[Table of Contents](#)

The preceding methods may produce fair value measurements that are not indicative of net realizable value or reflective of future fair values. Although we believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents a reconciliation of Level 3 assets:

(In thousands)	Insurance Contracts	Other
Balance January 1, 2013	\$ 12,254	\$ —
Net realized and unrealized gains included in earnings	1,074	—
Net purchases, issuances and settlements	173	428
Transfers into Level 3	11	352
Balance December 31, 2013	13,512	780
Net realized and unrealized gains included in earnings	1,345	(180)
Net purchases, issuances and settlements	212	505
Transfers out of Level 3	—	(352)
Balance December 31, 2014	15,069	753

We expect to make net contributions of \$4.1 million to our pension plans in 2015.

For the 2014 beginning of the year measurement purposes (net periodic benefit expense), 7.0% increase in the costs of covered health care benefits was assumed decreasing by 0.5% for each successive year to 4.5% in 2019 and thereafter. For the 2014 end of the year measurement purposes (benefit obligation), 7.0% increase in the costs of covered health care benefits was assumed decreasing by 0.5% for each successive year to 4.5% in 2020 and thereafter. A one-percentage-point change in assumed health care cost trend rates would have increased or decreased the other post-retirement benefit obligations and current year plan expense by approximately \$1.6 million and \$1.4 million, respectively.

Expense for defined contribution pension plans was \$6.5 million in 2014, \$5.8 million in 2013 and \$5.9 million in 2012.

Estimated pension benefits to be paid under our defined benefit pension plans during the next five years are \$20.6 million in 2015, \$20.9 million in 2016, \$21.8 million in 2017, \$22.7 million in 2018, \$23.2 million in 2019, and are expected to aggregate \$134.3 million for the five years thereafter. Estimated other post-retirement benefits to be paid during the next 5 years are \$1.5 million in 2015, \$1.6 million in 2016, \$1.8 million in 2017, \$2.0 million in 2018, \$2.1 million in 2019, and are expected to aggregate \$10.3 million for the five years thereafter.

Note 14—Other Income (Loss), Net

(In thousands)	2014	2013	2012
Interest income	\$ 1,822	\$ 1,142	\$ 1,411
Gain on asset dispositions, net	2,094	436	8,396
Land impairment loss	(50)	(1,557)	—
Escrow settlement	—	—	4,790
Intangible asset impairment loss	—	—	(4,272)
Other, net	(1,101)	(196)	551
Total	2,765	(175)	10,876

During the year ended December 31, 2014, we recognized a \$2.2 million gain on the sale of detector tube assets. See Note 19 for further information.

During the year ended December 31, 2013, impairment charges were taken on land not used in operations.

[Table of Contents](#)

During the year ended December 31, 2012, we settled an escrow claim for indemnification with the sellers of General Monitors. Under the terms of the settlement, we received \$4.8 million in December 2012. The settlement proceeds have been recognized in other income because the settlement occurred after the business combination measurement period ended. The escrow agreement has now expired and the remaining escrow account balance was released to the sellers. In addition, we recognized gains on the sale of assets totaling \$8.4 million in 2012. These gains were primarily related to property sales in our Cranberry Woods office park. We also recognized a \$4.3 million intangible asset impairment loss in 2012 when we discontinued our firefighter location development project.

Note 15—Leases

We lease office space, manufacturing and warehouse facilities, automobiles and other equipment under operating lease arrangements. Rent expense was \$11.7 million in 2014, \$12.9 million in 2013 and \$12.5 million in 2012. Minimum rent commitments under noncancellable leases are \$10.1 million in 2015, \$8.9 million in 2016, \$7.8 million in 2017, \$6.9 million in 2018, \$6.1 million in 2019 and \$14.6 million thereafter.

Note 16—Derivative Financial Instruments

As part of our currency exchange rate risk management strategy, we enter into certain derivative foreign currency forward contracts that do not meet the U.S. GAAP criteria for hedge accounting, but which have the impact of partially offsetting certain foreign currency exposures. We account for these forward contracts on a full mark-to-market basis and report the related gains or losses in currency exchange losses (gains) in the consolidated statement of income. At December 31, 2014, the notional amount of open forward contracts was \$60.9 million and the unrealized loss on these contracts was \$0.4 million. All open forward contracts will mature during the first quarter of 2015.

The following table presents the balance sheet location and fair value of assets and liabilities associated with derivative financial instruments.

(In thousands)	December 31,	
	2014	2013
Derivatives not designated as hedging instruments:		
Foreign exchange contracts - prepaid expenses and other current assets	\$ (395)	\$ 1,308

The following table presents the income statement location and impact of derivative financial instruments:

(In thousands)	Income Statement Location	Loss (Gain) Recognized in Income	
		Year ended December 31,	
		2014	2013
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Currency exchange loss (gains), net	\$ 2,002	\$ (755)

Note 17—Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1—Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Unobservable inputs for the asset or liability.

[Table of Contents](#)

The valuation methodologies we used to measure financial assets and liabilities were limited to the pension plan assets described in Note 13 and the derivative financial instruments described in Note 16. See Note 13 for the fair value hierarchy classification of pension plan assets. We estimate the fair value of the derivative financial instruments, consisting of foreign currency forward contracts, based upon valuation models with inputs that generally can be verified by observable market conditions and do not involve significant management judgment. Accordingly, the fair values of the derivative financial instruments are classified within Level 2 of the fair value hierarchy.

With the exception of fixed rate long-term debt, we believe that the reported carrying amounts of our financial assets and liabilities approximate their fair values. At December 31, 2014, the reported carrying amount of our fixed rate long-term debt (including the current portion) was \$146.7 million and the fair value was \$153.4 million. The fair value of our long-term debt was determined using cash flow valuation models to estimate the market value of similar transactions as of December 31, 2014. The fair value of this debt was determined using Level 3 inputs as described above.

Note 18—Contingencies

Product Liability

MSA LLC, a subsidiary of MSA Safety Incorporated (formerly Mine Safety Appliances Company), categorizes the product liability losses that its various subsidiaries experience into two main categories: single incident and cumulative trauma. Single incident product liability claims are discrete incidents that are typically known to us when they occur and involve observable injuries which provide an objective basis for quantifying damages. MSA LLC estimates its liability for single incident product liability claims based on expected settlement costs for pending claims and an estimate of costs for unreported claims. The estimate for unreported claims is based on experience, sales volumes and other relevant information. The reserve for single incident product liability claims at December 31, 2014 and 2013 was \$3.5 million and \$4.0 million, respectively. Single incident product liability expense during the years ended December 31, 2014 and 2013 was not significant. Single incident product liability exposures are evaluated on an ongoing basis and adjustments are made to the reserve as appropriate.

Cumulative trauma product liability claims involve exposures to harmful substances (*e.g.*, silica, asbestos and coal dust) that occurred many years ago and may have developed over long periods of time into diseases such as silicosis, asbestosis, or coal worker's pneumoconiosis. MSA LLC is presently named as a defendant in 2,326 lawsuits, some of which involve multiple plaintiffs. In these lawsuits, plaintiffs allege to have contracted certain cumulative trauma diseases related to exposure to silica, asbestos, and/or coal dust. These lawsuits mainly involve respiratory protection products allegedly manufactured and sold by MSA LLC or its predecessors.

A summary of cumulative trauma product liability lawsuit activity follows:

	2014	2013	2012
Open lawsuits, January 1	2,840	2,609	2,321
New lawsuits	542	489	750
Settled and dismissed lawsuits	(1,056)	(258)	(462)
Open lawsuits, December 31	2,326	2,840	2,609

More than half of the open lawsuits at December 31, 2014 have had a de minimis level of activity over the last 5 years. It is possible that these cases could become active again at any point due to changes in circumstances.

Cumulative trauma product liability litigation has been difficult to predict. In our experience, until late in a lawsuit, we cannot reasonably determine whether it is probable that any of MSA LLC's cumulative trauma lawsuits will ultimately result in a liability. This uncertainty is caused by many factors, including the following: cumulative trauma complaints generally do not provide information sufficient to determine if a loss is probable; cumulative trauma litigation is inherently unpredictable; and information is often insufficient to determine if a lawsuit will develop into an actively litigated case. Even when a case is actively litigated, it is often difficult to determine if the lawsuit will be dismissed or otherwise resolved until late in the lawsuit. Moreover, even once it is probable that such a lawsuit will result in a loss, it is often difficult to reasonably estimate the amount of actual loss that will be incurred. These amounts are highly variable and turn on a case-by-case analysis of the relevant facts, which are often not learned until late in the lawsuit. Consequently, MSA LLC has historically been unable to estimate its cumulative trauma product liability exposure.

As part of the company's ongoing assessment of the ability to estimate MSA LLC's cumulative trauma product liability exposure for both pending and unasserted claims, in the 2014 third quarter, MSA LLC engaged an outside valuation consultant to assist with this effort. This assessment was based on MSA LLC's cumulative claims experience, including recent claims trends, and the development of enhanced claims data analytics. The analysis focused on claims made or resolved over the last several years as these claims are likely to best represent future claim characteristics.

[Table of Contents](#)

After extensive review by the valuation consultant, MSA LLC and its outside counsel, it was determined that MSA LLC cannot estimate its liability for cumulative trauma product liability claims. This is a result of numerous factors, including annual claims levels and indemnity payments that are highly variable and a lack of consistency in the source of the claims. MSA LLC will continue to regularly evaluate its ability to estimate its cumulative trauma product liability exposure.

During the 2014 fourth quarter and into January 2015, MSA LLC settled a number of cumulative trauma cases for \$71.8 million, the vast majority of which were insured. The impact of these settlements has been reflected in MSA Safety Incorporated's 2014 financial statements and in the above roll-forward of lawsuits. As a result of these settlements, at December 31, 2014, the cumulative trauma product liability reserve totaled \$74.9 million, most of which will be paid equally over four quarters, beginning in the 2015 third quarter and ending in the 2016 second quarter. Of this amount, \$35.1 million was recorded in other non-current liabilities and the remainder was recorded in the insurance and product liability line in the current liabilities section of the consolidated balance sheet. The cumulative trauma product liability reserve totaled \$5.6 million at December 31, 2013. All of this amount was recorded in the insurance and product liability line in the other current liabilities section of the consolidated balance sheet. Because litigation is subject to inherent uncertainties, and unfavorable rulings or developments could occur, there can be no certainty that MSA LLC may not ultimately incur charges in excess of presently recorded liabilities. Our aggregate cumulative trauma product liability losses and administrative and defense costs for the three years ended December 31, 2014, totaled approximately \$169.6 million, substantially all of which was insured.

Insurance Receivable

With some common contract exclusions, we maintain insurance for cumulative trauma product liability claims. We have purchased insurance policies for the policy years from 1952-1986 from over 20 different insurance carriers that provide coverage for cumulative trauma product liability losses, and in many instances, related defense costs (the "Occurrence-Based Policies"). The available limits of these policies well exceed the recorded insurance receivable balance.

In the normal course of business, we make payments to settle product liability claims and for related defense costs. We record receivables for the amounts that are covered by insurance. Since December 31, 2013, the insurance receivable has increased by \$95.7 million as a result of the above noted settlements and related defense costs.

Various factors could affect the timing and amount of recovery of the insurance receivable, including the outcome of negotiations with insurers, legal proceedings with respect to product liability insurance coverage and the extent to which insurers may become insolvent in the future.

Insurance receivables at December 31, 2014 totaled \$220.5 million, of which \$2.0 million is reported in other current assets and \$218.5 million in other non-current assets. Insurance receivables at December 31, 2013 totaled \$124.8 million, all of which is reported in other non-current assets.

A summary of insurance receivable balances and activity related to cumulative trauma product liability losses follows:

(In millions)	2014	2013	2012
Balance January 1	\$ 124.8	\$ 130.0	\$ 112.1
Additions	98.2	34.0	29.7
Collections and settlements	(2.5)	(39.2)	(11.8)
Balance December 31	220.5	124.8	130.0

Additions to insurance receivables in the above table represent insured cumulative trauma product liability losses and related defense costs. Uninsured cumulative trauma product liability losses during the year ended December 31, 2014, 2013, and 2012 were \$3.9 million, \$1.7 million and \$2.1 million, respectively. Collections primarily represent agreements with insurance companies to pay amounts due that are applicable to cumulative trauma claims. In cases where the payment stream covers multiple years, the present value of the payments is recorded as a note receivable (current and long-term) in the balance sheet within prepaid expenses and other current assets and other noncurrent assets.

MSA LLC believes that the increase in its insurance receivable balance that it has experienced since 2005 is primarily due to disagreements among its insurance carriers, and consequently with MSA LLC, as to when the individual obligations of insurance carriers to pay are triggered and the amount of each insurer's obligation, as compared to other insurers. MSA LLC believes that its insurers do not contest that they have issued policies to our subsidiaries or that these policies cover cumulative trauma product liability claims. We believe that successful resolution of insurance litigation with various insurance carriers in recent years demonstrates that we have strong legal positions concerning MSA LLC's rights to coverage.

[Table of Contents](#)

The collectability of MSA LLC's insurance receivables is regularly evaluated and the amounts recorded are probable of collection. These conclusions are based on analysis of the terms of the underlying insurance policies, experience in successfully recovering cumulative trauma product liability claims from our insurers under other policies, the financial ability of the insurance carriers to pay the claims, understanding and interpretation of the relevant facts and applicable law and the advice of MSA LLC's legal counsel, who believe that the insurers are required to provide coverage based on the terms of the policies.

Although it is impossible to predict the ultimate outcome of current open claims, based on current information, our experience in handling these matters, and our substantial insurance program, we do not believe that the resolution of these claims will have a material adverse effect on our future financial condition or liquidity.

Insurance Litigation

MSA LLC is currently involved in insurance coverage litigation with a number of our insurance carriers regarding its Occurrence-Based Policies.

In 2009, MSA LLC (as Mine Safety Appliances Company) sued The North River Insurance Company (North River) in the United States District Court for the Western District of Pennsylvania, alleging that North River breached one of its insurance policies by failing to pay amounts owed to MSA LLC and that it engaged in bad-faith claims handling. MSA LLC believes that North River's refusal to indemnify it under the policy for product liability losses and legal fees paid by MSA LLC is wholly contrary to Pennsylvania law and MSA LLC is vigorously pursuing the legal actions necessary to collect all due amounts. Motions for summary judgment on certain issues will be submitted to the court at the earliest possible date. A trial date has not yet been scheduled.

In 2010, North River sued MSA LLC (as Mine Safety Appliances Company) in the Court of Common Pleas of Allegheny County, Pennsylvania seeking a declaratory judgment concerning their responsibilities under three additional policies. MSA LLC asserted claims against North River for breaches of contract for failures to pay amounts owed to MSA LLC. MSA LLC also alleges that North River engaged in bad-faith claims handling. MSA LLC believes that North River's refusal to indemnify us under these policies for product liability losses and legal fees paid by MSA LLC is wholly contrary to Pennsylvania law and MSA LLC is vigorously pursuing the legal actions necessary to collect all due amounts. Summary judgment on certain issues is pending with the court. A trial date has not yet been scheduled.

In July 2010, MSA LLC (as Mine Safety Appliances Company) filed a lawsuit in the Superior Court of the State of Delaware seeking declaratory and other relief from the majority of its excess insurance carriers concerning the future rights and obligations of MSA LLC and its excess insurance carriers under various insurance policies. The reason for this insurance coverage action is to secure a comprehensive resolution of its rights under the insurance policies issued by the insurers. Motions for summary judgment on certain issues will be submitted to the court at various times in 2015. A trial date is currently scheduled for the second quarter of 2016.

MSA LLC has resolved claims against certain of its insurance carriers on some of their policies, including the Occurrence-Based Policies through negotiated settlements. When a settlement is reached, MSA LLC dismisses the settling carrier from relevant above noted lawsuit(s). Assuming satisfactory resolution, once disputes are resolved with each of the remaining carriers responsible for the Occurrence-Based Policies, MSA LLC anticipates having commitments to provide future payment streams which should be sufficient to satisfy its recorded receivables due from insurance carriers. In addition, MSA LLC likely will retain some coverage through coverage-in-place agreements, although that coverage may not be immediately accessible. When these insurance coverage matters are fully resolved, MSA LLC (and its coverage-in-place carriers, where applicable) will be responsible for expenses related to cumulative trauma product liability claims.

Note 19—Assets Held for Sale and Discontinued Operations

Assets Held for Sale - In September 2013, we entered into an agreement to sell our detector tube assets. The transaction closed in January 2014. In addition to the asset sale agreement, we entered into transitional manufacturing and sales agreements with the buyer. Under the terms of the transitional agreements, we continued to manufacture and sell detector tubes on behalf of the buyer until mid-2014. We recognized a gain of \$2.2 million on the transaction in 2014 and have collected all proceeds associated with the transaction at December 31, 2014.

Discontinued Operations - The Company is actively negotiating the sale of substantially all of the assets and liabilities of its South African personal protective equipment distribution business and its Zambian operations with a potential acquirer. Management has deemed it probable that the sale of these assets and liabilities will close in 2015. The operations of this business qualify as a component of an entity under FASB ASC 205-20 "Presentation of Financial Statements - Discontinued Operations", and thus the operations have been reclassified as discontinued operations and prior periods have been reclassified to conform to this presentation. Management does not believe the assets associated with the South African distribution business or the Zambian operations are impaired at December 31, 2014.

[Table of Contents](#)

Summarized financial information for discontinued operations is as follows:

(In thousands)	Year ended December 31,		
	2014	2013	2012
Discontinued Operations			
Net sales	\$ 47,516	\$ 52,692	\$ 58,461
Other income, net	660	40	115
Cost and expenses:			
Cost of products sold	38,259	41,181	45,277
Selling, general and administrative	7,650	7,389	8,376
Interest expense	—	—	17
Currency exchange (gains), net	(116)	(325)	(41)
Income from discontinued operations before income taxes	2,383	4,487	4,947
Provision for income taxes	607	1,426	1,128
Income from discontinued operations, net of tax	1,776	3,061	3,819

The following assets and liabilities are included in the balance sheet line items noted below and are included in the International Segment detail in Note 7.

(In thousands)	December 31,	
	2014	2013
Discontinued Operations assets and liabilities		
Trade receivables, less allowance for doubtful accounts	\$ 6,638	\$ 7,452
Inventories	11,829	11,359
Net property	342	317
Other assets	2,022	1,326
Total assets	20,831	20,454
Accounts payable	5,263	5,447
Accrued and other liabilities	991	930
Total liabilities	6,254	6,377
Net assets	14,577	14,077

The following summary provides financial information for discontinued operations related to net loss (income) related to noncontrolling interests:

(In thousands)	Year ended December 31,		
	2014	2013	2012
Net loss (income) attributable to noncontrolling interests			
Loss (income) from continuing operations	\$ 1,296	\$ 870	\$ (385)
(Income) from discontinued operations	(717)	(672)	(739)
Net loss (income)	579	198	(1,124)

Note 20—Quarterly Financial Information (Unaudited)

(In thousands, except earnings per share)	2014				
	Quarters				Year
	1st	2nd	3rd	4th	
Continuing Operations:					
Net sales	\$ 265,045	\$ 282,493	\$ 275,159	\$ 311,188	\$ 1,133,885
Gross profit	121,815	129,670	123,723	140,141	515,349
Net income attributable to MSA Safety Incorporated	13,522	22,132	18,674	33,119	87,447
Earnings per share*					
Basic	0.37	0.59	0.50	0.88	2.34
Diluted	0.36	0.58	0.49	0.87	2.30
Discontinued Operations:					
Net sales	10,060	10,589	14,645	12,222	47,516
Gross profit	2,363	2,134	2,638	2,122	9,257
Net income attributable to MSA Safety Incorporated	504	356	631	(432)	1,059
Earnings (loss) per share*					
Basic	0.01	0.01	0.02	(0.01)	0.03
Diluted	0.01	0.01	0.02	(0.01)	0.03
2013					
(In thousands, except earnings per share)	Quarters				Year
	1st	2nd	3rd	4th	
Continuing Operations:					
Net sales	\$ 269,886	\$ 285,859	\$ 264,884	\$ 291,429	\$ 1,112,058
Gross profit	121,704	129,665	115,426	130,050	496,845
Net income attributable to MSA Safety Incorporated	18,627	23,315	18,987	24,929	85,858
Earnings per share*					
Basic	0.50	0.63	0.51	0.67	2.31
Diluted	0.49	0.62	0.51	0.66	2.28
Discontinued Operations:					
Net sales	13,353	13,836	13,361	12,142	52,692
Gross profit	3,078	3,215	2,790	2,428	11,511
Net income attributable to MSA Safety Incorporated	659	734	514	482	2,389
Earnings per share*					
Basic	0.02	0.02	0.01	0.01	0.06
Diluted	0.02	0.02	0.01	0.01	0.06

* Per share amounts are calculated independently for each period presented; therefore, the sum of the quarterly per share amounts may not equal the per share amounts for the year.

Note 21—Subsequent Event

During January 2015, MSA LLC settled a number of cumulative trauma cases, the vast majority of which were insured. The impact of these settlements has been reflected in MSA Safety Incorporated's 2014 financial statements. See Note 18 for additional details.

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

None.

Item 9A. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* Based on their evaluation as of the end of the period covered by this Form 10-K, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including the principal executive officer and principle financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in internal control.* There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

See Item 8. Financial Statements and Supplementary Data—"Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm."

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance**Item 11. Executive Compensation****Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters****Item 13. Certain Relationships and Related Transactions, and Director Independence****Item 14. Principal Accountant Fees and Services**

With respect to this Part III, incorporated by reference herein pursuant to Rule 12b—23 are (1) “Election of Directors,” (2) “Executive Compensation,” (3) “Other Information Concerning the Board of Directors,” (4) “Stock Ownership,” and (5) “Selection of Independent Registered Public Accounting Firm,” appearing in the Proxy Statement filed pursuant to Regulation 14A in connection with the registrant’s Annual Meeting of Shareholders to be held on May 12, 2015. The information appearing in such Proxy Statement under the caption “Audit Committee Report” and the other information appearing in such Proxy Statement and not specifically incorporated by reference herein is not incorporated herein. As to Item 10 above, also see the information reported in Part I of this Form 10-K, under the caption “Executive Officers of the Registrant,” which is incorporated herein by reference. As to Item 10 above, the Company has adopted a Code of Ethics applicable to its principal executive officer, principal financial officer and principal accounting officer and other Company officials. The text of the Code of Ethics is available on the Company’s website at www.MSAsafety.com. Any amendment to, or waiver of, a required provision of the Code of Ethics that applies to the Company’s principal executive, financial or accounting officer will also be posted on the Company’s Internet site at that address.

As to Item 12 above, the following table sets forth information as of December 31, 2014 concerning common stock issuable under the Company’s equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,618,561	\$ 35.74	1,612,042*
Equity compensation plans not approved by security holders	None	—	None
Total	1,618,561	35.74	1,612,042

*Includes 1,441,276 shares available for issuance under the 2008 Management Equity Incentive Plan and 170,766 shares available for issuance under the 2008 Non-Employee Directors’ Equity Incentive Plan.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements and Report of Independent Registered Public Accounting Firm (see Part II, Item 8 of this Form 10-K).

The following information is filed as part of this Form 10-K.

	<u>Page</u>
Management's Report on Responsibility for Financial Reporting and Management's Report on Internal Control Over Financial Reporting	31
Report of Independent Registered Public Accounting Firm	32
Consolidated Statement of Income—three years ended December 31, 2014	33
Consolidated Statement of Comprehensive Income—three years ended December 31, 2014	34
Consolidated Balance Sheet—December 31, 2014 and 2013	35
Consolidated Statement of Cash Flows—three years ended December 31, 2014	36
Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Income—three years ended December 31, 2014	37
Notes to Consolidated Financial Statements	38

(a) 2. The following additional financial information for the three years ended December 31, 2014 is filed with the report and should be read in conjunction with the above financial statements:

Schedule II—Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, not material or the required information is shown in the consolidated financial statements and consolidated notes to the financial statements listed above.

(a) 3. Exhibits

Several of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Securities Exchange Act of 1934, as amended, as indicated next to the name of the exhibit. Several other instruments, which would otherwise be required to be listed below, have not been so listed because those instruments do not authorize securities in an amount that exceeds 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees to furnish a copy of any instrument that was so omitted on that basis to the Commission upon request.

- 3(i) Amended and restated Articles of Incorporation, filed as Exhibit 3.1 to Form 8-K on March 7, 2014, is incorporated herein by reference.
- 3(ii) Amended and restated By-laws of the registrant, filed as Exhibit 3.2 to Form 8-K on March 7, 2014, is incorporated herein by reference.
- 4(a) Amended and Restated Note Purchase and Private Shelf Agreement dated March 7, 2014 by and among MSA Safety, Incorporated, Mine Safety Appliances Company, LLC, and the Purchasers named therein, filed herewith.
- 4(b) Form of Amended and Restated Guarantee Agreement entered into as of March 7, 2014 by each of General Monitors, Inc., General Monitors Transnational, LLC and MSA International, Inc., in favor of the Note Purchasers under the Amended and Restated Note Purchase and Private Shelf Agreement dated as of March 7, 2014, filed herewith.
- 4(c) Form of Guarantee Agreement entered into as of March 7, 2014 by each of MSA Worldwide, LLC, MSA Advanced Detection, LLC, Mine Safety Appliances Company, LLC, MSA Safety Development, LLC, MSA Technology, LLC and MSA Innovation, LLC, in favor of the Note Purchasers, under the Amended and Restated Note Purchase and Private Shelf Agreement dated as of March 7, 2014, filed herewith.
- 10(a)* MSA Safety Incorporated 2008 Management Equity Incentive Plan, as amended, filed as Exhibit 10.2 to Form 8-K on March 7, 2014 is incorporated herein by reference.
- 10(b)* Retirement Plan for Directors, as amended effective April 1, 2001, filed as Exhibit 10(a) to Form 10-Q on May 10, 2006, is incorporated herein by reference.

[Table of Contents](#)

10(c)*	Supplemental Pension Plan as of May 5, 1998, filed as Exhibit 10(d) to Form 10-Q on August 12, 2003, is incorporated herein by reference.
10(d)*	Supplemental Pension Plan as amended and restated effective January 1, 2005, filed as Exhibit 10.3 to Form 10-Q on November 27, 2013, is incorporated herein by reference.
10(e)*	2008 Non-Employee Directors' Equity Incentive Plan, as amended through November 27, 2013, filed as Exhibit 10(e) to Form 10-K on February 24, 2014, is incorporated herein by reference.
10(f)*	Executive Insurance Program as Amended and Restated as of January 1, 2006, filed as Exhibit 10(a) to Form 10-Q on August 7, 2007, is incorporated herein by reference.
10(g)*	Annual Incentive Bonus Plan as of May 5, 1998, filed as Exhibit 10(g) to Form 10-Q on August 12, 2003, is incorporated herein by reference.
10(h)*	Supplemental Executive Retirement Plan, effective January 1, 2008, filed as Exhibit 10.2 to Form 10-Q on April 30, 2009, is incorporated herein by reference.
10(i)*	Form of Change-in-Control Severance Agreement between the registrant and its executive officers, filed as Exhibit 10.1 to Form 10-Q on April 30, 2009, is incorporated herein by reference.
10(j)	Trust Agreement, effective June 1, 1996, as amended through May 15, 2010, between the registrant and PNC Bank, N.A. re the Mine Safety Appliances Company Stock Compensation Trust filed as Exhibit 10.1 to Form 10-Q on July 28, 2010, is incorporated herein by reference.
10(k)*	2003 Supplemental Savings Plan, effective January 1, 2003, filed as Exhibit 10(k) to form 10-K on February 24, 2014, is incorporated herein by reference.
10(l)*	2005 Supplemental Savings Plan, effective January 1, 2005, filed as Exhibit 10.4 to Form 10-Q on April 30, 2009, is incorporated herein by reference.
10(m)*	CEO Annual Incentive Award Plan filed as Appendix A to the registrant's definitive proxy statement dated March 29, 2005, is incorporated herein by reference.
10(n)	First Amended and Restated Credit Agreement dated as of March 7, 2014 by and among MSA Safety Incorporated, the guarantors party thereto, the lenders party thereto, and PNC Bank, National Association, as administrative agent for the lenders, filed as Exhibit 10(a) to Form 10-Q on April 23, 2014, is incorporated herein by reference.
10(o)	First Amended and Restated Guaranty and Suretyship Agreement dated March 7, 2014 from MSA Worldwide, LLC, Mine Safety Appliances Company, LLC, MSA Advanced Detection, LLC, General Monitors Transnational, LLC, General Monitors, Inc., MSA Safety Development, LLC, MSA Technology, LLC and MSA Innovation, LLC in favor of PNC Bank, National Association, and the other lenders party to the First Amended and Restated Credit Agreement dated as of March 7, 2014, filed as Exhibit 10(b) to Form 10-Q on April 23, 2014, is incorporated herein by reference.
16	Letter of PricewaterhouseCoopers LLP, dated November 24, 2014, regarding change in independent registered public accounting firm, filed as of Exhibit 16.1 to Form 8-K filed on November 24, 2014, is incorporated herein by reference.
21	Affiliates of the registrant is filed herewith.
23	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm is filed herewith.
31.1	Certification of William M. Lambert pursuant to Rule 13a-14(a) is filed herewith.
31.2	Certification of Stacy P. McMahan pursuant to Rule 13a-14(a) is filed herewith.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C.(S)1350 is filed herewith.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**The exhibits marked by an asterisk are management contracts or compensatory plans or arrangements.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MSA SAFETY INCORPORATED

February 25, 2015 (Date)	By	/s/ WILLIAM M. LAMBERT William M. Lambert President and Chief Executive Officer
-----------------------------	----	---

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN T. RYAN III John T. Ryan III	Director, Chairman of the Board	February 25, 2015
/s/ WILLIAM M. LAMBERT William M. Lambert	Director; President and Chief Executive Officer	February 25, 2015
/s/ STACY P. MCMAHAN Stacy P. McMahan	Senior Vice President Finance; Principal Financial and Accounting Officer	February 25, 2015
/s/ ROBERT A. BRUGGEWORTH Robert A. Bruggeworth	Director	February 25, 2015
/s/ ALVARO GARCIA-TUNON Alvaro Garcia-Tunon	Director	February 25, 2015
/s/ THOMAS B. HOTOPP Thomas B. Hotopp	Director	February 25, 2015
/s/ DIANE M. PEARSE Diane M. Pearse	Director	February 25, 2015
/s/ REBECCA B. ROBERTS Rebecca B. Roberts	Director	February 25, 2015
/s/ L. EDWARD SHAW, JR. L. Edward Shaw, Jr.	Director	February 25, 2015
/s/ THOMAS H. WITMER Thomas H. Witmer	Director	February 25, 2015

MSA SAFETY INCORPORATED AND AFFILIATES
VALUATION AND QUALIFYING ACCOUNTS
THREE YEARS ENDED DECEMBER 31, 2014

	2014	2013	2012
	<i>(In thousands)</i>		
Allowance for doubtful accounts:			
Balance at beginning of year	\$ 7,306	\$ 7,402	\$ 7,043
Additions—			
Charged to costs and expenses	1,249	763	1,289
Deductions—			
Deductions from reserves, net (1)(2)	734	859	930
Balance at end of year	<u>7,821</u>	<u>7,306</u>	<u>7,402</u>
Income tax valuation allowance:			
Balance at beginning of year	\$ 4,938	\$ 3,961	\$ 2,777
Additions—			
Charged to costs and expenses (3)	—	977	1,184
Deductions—			
Deductions from reserves (3)	1,175	—	—
Balance at end of year	<u>3,763</u>	<u>4,938</u>	<u>3,961</u>

(1) Bad debts written off, net of recoveries.

(2) Activity for 2014, 2013 and 2012 includes currency translation gains (losses) of \$(332), \$(121) and \$428, respectively.

(3) Activity for 2014, 2013 and 2012 includes currency translation gains (losses) of \$(643), \$242 and \$97, respectively.

MSA SAFETY INCORPORATED

\$100,000,000
4.00% Amended and Restated Series A Senior Notes due October 13, 2021

\$175,000,000
Private Shelf Facility

AMENDED AND RESTATED NOTE PURCHASE AND PRIVATE SHELF AGREEMENT

Dated March 7, 2014

TABLE OF CONTENTS

	<u>Page</u>
1. BACKGROUND; AMENDMENT AND RESTATEMENT; CONSENTS	2
1.1. Original Series A Notes	2
1.2. Amendment and Restatement of Original Note Purchase and Private Shelf Agreement	2
1.3. Amendment and Restatement of Original Series A Notes	3
1.4. Consents and Assignments	3
1.5. Capitalized Terms	3
2. SHELF FACILITY	4
2.1. Authorization of Issue of Shelf Notes	4
2.2. Sale and Purchase of Shelf Notes	4
3. CLOSING	8
3.1. Restatement Closing	8
3.2. Facility Closings	8
3.3. Rescheduled Facility Closings	8
4. CONDITIONS TO CLOSING AND AMENDMENT AND RESTATEMENT	8
4.1. Representations and Warranties	9
4.2. Performance; No Default	9
4.3. Compliance Certificates	9
4.4. Opinions of Counsel	10
4.5. Financial Projections	10
4.6. Lien Search	10
4.7. Exchange of Original Series A Notes	10
4.8. Purchase and Exchange of Notes Permitted By Applicable Law, Etc	10
4.9. Sale of Other Notes	11
4.10. Payment of Fees	11
4.11. Private Placement Number	11
4.12. Reorganization	11
4.13. [Reserved.]	11
4.14. Delivery of Amended and Restated 2006 Note Purchase Agreement	12
4.15. Delivery of Amended and Restated Bank Credit Agreement	12
4.16. Note Guarantee; Intercompany Subordination Agreement	12
4.17. [Reserved.]	12
4.18. Insurance	12
4.19. Proceedings and Documents	13
5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY	13
5.1. Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default	13
5.2. Subsidiaries and Owners; Investment Companies	14
5.3. Validity and Binding Effect	14
5.4. No Conflict; Material Agreements; Consents	14
5.5. Litigation	15
5.6. Financial Statements	15
5.7. Use of Proceeds; Margin Stock	15
5.8. Full Disclosure	16
5.9. Taxes	16
5.10. Patents, Trademarks, Copyrights, Licenses, Etc	16
5.11. Insurance	16
5.12. ERISA Compliance	16
5.13. [Reserved]	17
5.14. Senior Debt Status	17

TABLE OF CONTENTS
(continued)

	<u>Page</u>
5.15. Solvency	17
5.16. Governmental Authorizations, Etc	17
5.17. Private Offering by the Company	18
5.18. Foreign Assets Control Regulations, Etc	18
5.19. Status under Certain Statutes	20
5.20. No Default	20
6. REPRESENTATIONS OF THE PURCHASERS	20
6.1. Purchase for Investment	20
6.2. Source of Funds	20
7. INFORMATION AS TO COMPANY	22
7.1. Financial and Business Information	22
7.2. Officer's Certificate	24
7.3. Visitation	25
7.4. Electronic Delivery	25
8. PAYMENT AND PREPAYMENT OF THE NOTES	26
8.1. Required Prepayments; Maturity	26
8.2. Optional Prepayments with Make-Whole Amount	27
8.3. Allocation of Partial Prepayments	27
8.4. Maturity; Surrender, Etc	27
8.5. Purchase of Notes	27
8.6. Make-Whole Amount	28
8.7. Prepayment on a Change in Control	29
9. AFFIRMATIVE COVENANTS	30
9.1. Preservation of Existence, Etc	30
9.2. Payment of Liabilities, Including Taxes, Etc	30
9.3. Maintenance of Insurance	30
9.4. Maintenance of Properties and Leases	30
9.5. Keeping of Records and Books of Account	31
9.6. Compliance with Laws; Use of Proceeds	31
9.7. Further Assurances	31
9.8. [Reserved]	31
9.9. Most Favored Lender	32
9.10. Subsidiary Guarantors	33
10. NEGATIVE COVENANTS	35
10.1. Indebtedness	35
10.2. Liens	36
10.3. Guaranties	36
10.4. Loan and Investments	37
10.5. Liquidations, Mergers, Consolidations, Acquisitions	37
10.6. Dispositions of Assets or Subsidiaries	38
10.7. Affiliate Transactions	38
10.8. Subsidiaries, Partnerships and Joint Ventures	39
10.9. Continuation of or Change in Business	39
10.10. Fiscal Year	39

TABLE OF CONTENTS
(continued)

	<u>Page</u>
10.11. [Reserved.]	39
10.12. Changes in Organizational Documents	39
10.13. Terrorism Sanctions Regulations	40
10.14. Minimum Fixed Charges Coverage Ratio	40
10.15. Priority Indebtedness	40
10.16. Maximum Leverage Ratio	40
10.17. Amendment, Etc	40
11. EVENTS OF DEFAULT	40
12. REMEDIES ON DEFAULT, ETC	43
12.1. Acceleration	43
12.2. Other Remedies	44
12.3. Rescission	44
12.4. No Waivers or Election of Remedies, Expenses, Etc	45
13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES	45
13.1. Registration of Notes	45
13.2. Transfer and Exchange of Notes	45
13.3. Replacement of Notes	46
14. PAYMENTS ON NOTES	46
14.1. Place of Payment	46
14.2. Home Office Payment	47
15. EXPENSES, ETC	47
15.1. Transaction Expenses	47
15.2. Survival	48
16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT	48
17. AMENDMENT AND WAIVER	48
17.1. Requirements	48
17.2. Solicitation of Holders of Notes	49
17.3. Binding Effect, Etc	49
17.4. Notes Held by Company, Etc	49
18. NOTICES	50
19. REPRODUCTION OF DOCUMENTS	51
20. CONFIDENTIAL INFORMATION	52
21. SUBSTITUTION OF PURCHASER	53
22. MISCELLANEOUS	53
22.1. Successors and Assigns	53
22.2. Payments Due on Non-Business Days	53
22.3. Accounting Terms and Covenant Calculations	54
22.4. Severability	55
22.5. Construction, Etc	55

22.6. Counterparts	55
22.7. Governing Law	55
22.8. Jurisdiction and Process; Waiver of Jury Trial	55
22.9. Publicity	56
22.10. CONTINUED EFFECTIVENESS; NO NOVATION	56

INFORMATION SCHEDULE	— AUTHORIZED OFFICERS
SCHEDULE A	— INFORMATION RELATING TO PURCHASERS
SCHEDULE B	— DEFINED TERMS
EXHIBIT 1-A	— FORM OF AMENDED AND RESTATED 4.00% SERIES A SENIOR NOTE DUE 2021
EXHIBIT 1-B	— FORM OF SHELF NOTE
EXHIBIT 2	— FORM OF REQUEST FOR PURCHASE
EXHIBIT 3	— FORM OF CONFIRMATION OF ACCEPTANCE
EXHIBIT 4.4(a)	— FORM OF OPINION OF SPECIAL COUNSEL FOR THE OBLIGORS
EXHIBIT 4.4(b)	— FORM OF OPINION OF SPECIAL COUNSEL FOR THE PURCHASERS
EXHIBIT 9.10-A	— FORM OF NOTE GUARANTEE
EXHIBIT 9.10-B	— FORM OF AMENDED AND RESTATED NOTE GUARANTEE
EXHIBIT 10.1(d)	— FORM OF INTERCOMPANY SUBORDINATION AGREEMENT
SCHEDULE 4.12	— REORGANIZATION
SCHEDULE 5.2	— SUBSIDIARIES
SCHEDULE 5.12	— ERISA COMPLIANCE

SCHEDULE 10.1	— EXISTING INDEBTEDNESS
SCHEDULE 10.2	— EXISTING LIENS
SCHEDULE 10.3	— EXISTING GUARANTIES
SCHEDULE 10.4	— PERMITTED INVESTMENTS
SCHEDULE 10.8	— EXCLUDED SUBSIDIARIES

MSA SAFETY INCORPORATED
1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania 16066

\$100,000,000 4.00% Amended and Restated Series A Senior Notes due 2021

\$175,000,000 Private Shelf Facility

MARCH 7, 2014

TO EACH OF THE PURCHASERS LISTED IN
SCHEDULE A HERETO (each a “**Series A Purchaser**”)

TO PRUDENTIAL INVESTMENT MANAGEMENT, INC. (“**Prudential**”)

TO EACH OTHER PRUDENTIAL AFFILIATE WHICH BECOMES
BOUND BY THIS AGREEMENT AS HEREINAFTER
PROVIDED (together with the series a purchasers, each,
a “**Purchaser**” and collectively, the “**Purchasers**”)

Ladies and Gentlemen:

MSA SAFETY INCORPORATED, a Pennsylvania corporation (together with its successors and assigns, the “**Company**”) and MINE SAFETY APPLIANCES COMPANY, LLC, a Pennsylvania limited liability company (as successor to Mine Safety Appliances Company, a Pennsylvania corporation) (together with its successors and assigns, “**MSA**”), agree with Prudential and each of the Purchasers as set forth below.

Subject to the terms and conditions hereof, in connection with the Reorganization, the Company and the Purchasers desire to enter into this Agreement to (a) amend and restate the Original Note Purchase and Private Shelf Agreement in the form of this Agreement, (b) provide for the issuance of Shelf Notes from time to time, and (c) provide for the amendment, restatement and exchange of the Original Series A Notes in the form of the Series A Notes (as defined below).

1. BACKGROUND; AMENDMENT AND RESTATEMENT; CONSENTS.

1.1. Original Series A Notes. MSA and the Original Purchasers are parties to that certain Note Purchase and Private Shelf Agreement dated as of October 13, 2010, as amended by that certain Amendment No. 1 to Note Purchase and Private Shelf Agreement dated as of April 5, 2012, Amendment No. 2 to Note Purchase and Private Shelf Agreement dated as of April, 4, 2013, and Amendment No. 3 and Waiver to Note Purchase Agreement dated as of February 12, 2014 (as so amended, the “**Original Note Purchase and Private Shelf Agreement**”) pursuant to which MSA previously has issued \$100,000,000 in original aggregate principal amount of its 4.00% Series A Senior Notes due October 13, 2021 (all such notes, whether initially issued, or issued in substitution thereof pursuant to Section 13 of the Original Note Purchase and Private Shelf Agreement, the “**Original Series A Notes**”) to the Original Purchasers on the Series A Closing Day. Immediately prior to giving effect to the transactions contemplated by this Agreement on the Restatement Effective Date, the aggregate outstanding principal balance of the Original Series A Notes is \$100,000,000, and accrued and unpaid interest thereon for the period from January 13, 2014 to but excluding the Restatement Effective Date is \$600,000.00 (the “**Accrued Interest**”), and such amounts as to each Original Series A Note and each Original Purchaser are set forth on Schedule A attached hereto. In addition, MSA had previously authorized the issuance and sale of up to \$50,000,000 in aggregate principal amount of its additional senior promissory notes (the “**Original Shelf Notes**”) upon the terms and subject to the conditions set forth in the Original Note Purchase and Private Shelf Agreement. No such Original Shelf Notes were issued under the Facility and the Facility had terminated in accordance with its terms.

1.2. Amendment and Restatement of Original Note Purchase and Private Shelf Agreement. Effective on the Restatement Effective Date upon satisfaction of the conditions set forth in Section 4, this Agreement shall, and hereby does, amend, restate and replace in its entirety the Original Note Purchase and Private Shelf Agreement which, as so amended and restated by this Agreement, continues in full force and effect without rescission or novation thereof. The parties hereto hereby acknowledge and agree that the amendments to the Original Note Purchase and Private Shelf Agreement set forth herein could have been effected through an agreement or instrument amending such agreements, and for convenience, the parties hereto have agreed to restate the terms and provisions of the Original Note Purchase and Private Shelf Agreement, as amended hereby, pursuant to this Agreement.

1.3. Amendment and Restatement of Original Series A Notes. Effective on the Restatement Effective Date upon the satisfaction of the conditions set forth in Section 4, without any further action required on the part of any other Person, the Original Series A Notes shall be deemed to be automatically amended and restated to conform to and have the terms provided in the Amended and Restated 4.00% Series A Senior Notes due October 13, 2021 substantially in the form of Exhibit 1-A (as so amended and restated, and as may be further amended, restated, supplemented or otherwise modified from time to time, including any such notes issued in substitution therefrom pursuant to Section 13 of this Agreement, the “**Series A Notes**”), with such changes therefrom, if any, as may be approved by the Purchasers and the Company. Each Series A Note issued on or after the Restatement Effective Date shall be in substantially the form of Exhibit 1-A hereto. On the Restatement Effective Date, the Company shall deliver to each holder of the Original Series A Note, a new Series A Note in the form of Exhibit 1-A hereto in exchange for, and in replacement of, each Original Series A Note held by such holder. Each such new Series A Note issued by the Company shall be in favor of the payee, in the principal amount and with the registration number and date set forth on Schedule A hereto under each holder’s name. For the avoidance of doubt, the Accrued Interest shall remain outstanding as of the Restatement Effective Date, and shall be payable on the Interest Payment Date following the Restatement Effective Date in accordance with the Series A Notes, together with all accrued and unpaid interest payable on the Series A Notes from and after the Restatement Effective Date.

1.4. Consents and Assignments. As of the Restatement Effective Date, MSA hereby assigns to the Company all of MSA’s obligations, *inter alia*, under the Original Series A Notes, the Original Shelf Notes, and the Original Note Purchase and Private Shelf Agreement pursuant to the terms of the Reorganization, and the Company hereby assumes, and agrees that it shall be liable for, all of the obligations, liabilities and undertakings of MSA, whether now existing or hereafter arising, arising under and in respect of the Original Note Purchase and Private Shelf Agreement and the Original Series A Notes (in each case, as amended and restated pursuant to this Agreement as set forth below). Subject to the satisfaction of the conditions set forth in Section 4, each Purchaser hereby (a) consents to and acknowledges MSA’s assignment of its obligations, *inter alia*, under the Original Series A Notes and the Original Note Purchase and Private Shelf Agreement to the Company, (b) consents to and acknowledges the Company’s assumption of, *inter alia*, all of MSA’s obligations under and in respect of the Original Series A Notes and the Original Note Purchase and Private Shelf Agreement, (c) releases and discharges MSA from all of its obligations and liabilities in its capacity as issuer under the Original Series A Notes and the Original Note Purchase and Private Shelf Agreement; provided that MSA becomes a Guarantor of the Notes under this Agreement and executes and delivers to the holders of the Notes on the Restatement Effective Date a Note Guarantee in respect of the Notes, and (d) consents to the consummation of the Reorganization.

1.5. Capitalized Terms. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a “Schedule” or an “Exhibit” are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. SHELF FACILITY.

2.1. Authorization of Issue of Shelf Notes. The Company has authorized the issue of its additional senior promissory notes (the “**Shelf Notes**”, such term to include any such notes issued in substitution thereof pursuant to Section 13) in the aggregate principal amount of \$175,000,000, to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than 15 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than 12 years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Note delivered pursuant to Section 2.2(e), to be substantially in the form of Exhibit 1-B attached hereto. The terms “**Note**” and “**Notes**” as used herein shall include each Series A Note and each Shelf Note delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment dates and (vi) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note’s ultimate predecessor Note was issued), are herein called a “**Series**” of Notes.

2.2. Sale and Purchase of Shelf Notes.

(a) Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the “**Facility**”. At any time, the aggregate principal amount of Shelf Notes stated in Section 2.1, minus the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, is herein called the “**Available Facility Amount**” at such time. **NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES BY PRUDENTIAL AFFILIATES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.**

(b) Issuance Period. Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the third anniversary of the date of this Agreement (or if such anniversary date is not a Business Day, the Business Day next preceding such anniversary) and (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, a written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the “**Issuance Period**”.

(c) Request for Purchase. The Company may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a “**Request for Purchase**”). Each Request for Purchase shall be made to Prudential by telecopier or overnight delivery service, and shall (i) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than \$5,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities and principal prepayment dates and amounts of the Shelf Notes covered thereby, (iii) specify the use of proceeds of such Shelf Notes and certify that such proceeds shall not be used for the purpose of financing a Hostile Tender Offer, (iv) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 20 days after the making of such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in Section 5 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (vii) be substantially in the form of Exhibit 2 attached hereto. Each Request for Purchase shall be in writing signed by the Company and shall be deemed made when received by Prudential.

(d) Rate Quotes. Not later than five Business Days after the Company shall have given Prudential a Request for Purchase pursuant to Section 2.2(c), Prudential may, but shall be under no obligation to, provide to the Company by telephone between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as Prudential may elect) interest rate quotes for principal amounts, maturities and principal prepayment schedules of Shelf Notes specified in such Request for Purchase (each such interest rate quote provided in response to a Request for Purchase herein called a “**Quotation**”). Each Quotation shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which Prudential or a Prudential Affiliate would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

(e) **Acceptance.** Within the Acceptance Window, an Authorized Officer of the Company may, subject to Section 2.2(f), elect to accept on behalf of the Company a Quotation as to the aggregate principal amount of the Shelf Notes specified in the related Request for Purchase (each such Shelf Note being herein called an “**Accepted Note**” and such acceptance being herein called an “**Acceptance**”). The day the Company notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the “**Acceptance Day**” for such Accepted Notes. Any Quotation as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on any such expired Quotation. Subject to Section 2.2(f) and the other terms and conditions hereof, the Company agrees to sell to a Prudential Affiliate, and Prudential agrees to cause the purchase by a Prudential Affiliate of, the Accepted Notes at 100% of the principal amount of such Notes. As soon as practicable following the Acceptance Day, the Company, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit 3 attached hereto (herein called a “**Confirmation of Acceptance**”). If the Company should fail to execute and return to Prudential within three Business Days following the Company’s receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential may at its election at any time prior to Prudential’s receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Company in writing.

(f) **Market Disruption.** Notwithstanding the provisions of Section 2.2(e), any Quotation provided pursuant to Section 2.2(d) shall expire if, prior to the time an Acceptance with respect to such Quotation shall have been notified to Prudential in accordance with Section 2.2(e), in the case of any Shelf Notes, the domestic market for U.S. Treasury securities or derivatives shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or derivatives. No purchase or sale of Shelf Notes hereunder shall be made based on such expired Quotation. If the Company thereafter notifies Prudential of the Acceptance of any such Quotation, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this Section 2.2(f) are applicable with respect to such Acceptance.

(g) **Fees.**

(i) [Reserved].

(ii) **Issuance Fee.** The Company will pay to each Purchaser in immediately available funds a fee (herein called the “**Issuance Fee**”) on each Closing Day (other than the Series A Closing Day and any other Closing Day occurring within 180 days of the date of this Agreement) in an amount equal to 0.10% of the aggregate principal amount of Notes sold to such Purchaser on such Closing Day.

(iii) **Delayed Delivery Fee.** If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Company will pay to each Purchaser which shall have agreed to purchase such Accepted Note on the Cancellation Date or actual closing date of such purchase and sale, an amount (herein called the “**Delayed Delivery Fee**”) equal to the product of (1) the amount determined by Prudential to be the amount by which the bond equivalent yield per annum of such Accepted Note exceeds the investment rate per annum on an alternative Dollar investment of the highest quality selected by Prudential and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day from time to time fixed for the delayed delivery of such Accepted Note, (2) the principal amount of such Accepted Note, and (3) a fraction the numerator of which is equal to the number of actual days elapsed from and including the original Closing Day for such Accepted Note to but excluding the date of such payment, and the denominator of which is 360. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with Section 3.3.

(iv) **Cancellation Fee.** If the Company at any time notifies Prudential in writing that the Company is canceling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of Section 2.2(e) or the penultimate sentence of Section 3.3 that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the “**Cancellation Date**”), the Company will pay to each Purchaser which shall have agreed to purchase such Accepted Note no later than one day after the Cancellation Date in immediately available funds an amount (the “**Cancellation Fee**”) equal to the product of (1) the principal amount of such Accepted Note and (2) the quotient (expressed in decimals) obtained by dividing (y) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (z) such bid price, with the foregoing bid and ask prices as reported by Tradeweb LLC, or if such information ceases to be available through Tradeweb LLC, any publicly available source of such market data selected by Prudential, and rounded to the second decimal place.

3. CLOSING.

3.1. Restatement Closing. The amendment and restatement of the Original Note Purchase and Private Shelf Agreement and the Original Series A Notes and the issuance and exchange of the Series A Notes for the Original Series A Notes, in each case as contemplated by this Agreement, shall become effective as of the Restatement Effective Date upon the satisfaction of the conditions set forth in Section 4 hereof (the “**Restatement Closing**”).

3.2. Facility Closings. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group, 1114 Avenue of the Americas, 30th Floor, New York, NY 10036, Attention: Law Department, or at such other place pursuant to the directions of Prudential, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser’s name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company’s account specified in the Request for Purchase of such Notes.

3.3. Rescheduled Facility Closings. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in Section 3.2, or any of the conditions specified in Section 4 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (a) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the “**Rescheduled Closing Day**”)) and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in Section 4 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with Section 2.2(g)(iii) or (b) such closing is to be canceled. In the event that the Company shall fail to give such notice referred to in the second preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Company may not elect to reschedule a closing with respect to any given Accepted Notes on more than one occasion, unless Prudential shall have otherwise consented in writing.

4. CONDITIONS TO CLOSING AND AMENDMENT AND RESTATEMENT.

The effectiveness of the Restatement Closing and each Purchaser’s obligation to purchase and pay for the Shelf Notes to be sold to such Purchaser at any Shelf Closing for such Shelf Notes is subject to the fulfillment to such Purchaser’s satisfaction, prior to or at each such Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the applicable Closing (except to the extent of changes caused by the transactions herein contemplated).

4.2. Performance; No Default.

The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at such Closing and after giving effect to (a) the Reorganization (other than the Foreign Reorganization, which has not been consummated as of the Restatement Effective Date) and the transactions contemplated on the Restatement Effective Date and (b) the issue and sale of the Shelf Notes (and the application of the proceeds thereof as contemplated by Section 5.7), as applicable, no Default or Event of Default shall have occurred and be continuing.

4.3. Compliance Certificates.

(a) Officer's Certificate. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of such Closing, certifying that the conditions specified in Sections 4.1 and 4.2 and Section 4.12 (for the Restatement Closing only) have been fulfilled and that there has been no event or condition that has resulted in or could reasonably be expected to have a Material Adverse Effect since December 31, 2013.

(b) Secretary's Certificate. The Company shall have delivered to such Purchaser a certificate of the Secretary or an Assistant Secretary of each Obligor, dated the date of such Closing, (i) certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes, the applicable Note Guarantee, this Agreement and the other Financing Documents to which such Obligor is a party (as applicable), (ii) certifying as to the names of the Responsible Officers authorized to sign the Financing Documents on behalf of such Obligor and their true signatures, (iii) attaching certified copies of such Obligor's certificate of incorporation, certificate of formation or other constitutional documents, as applicable, certified as true and complete of a date within 60 days of the Restatement Effective Date by the Governmental Authority of the jurisdiction of organization of such Obligor, (iv) certifying as to the operating agreement, by-laws or other similar organizational documents of such Obligor, and (v) attaching a good standing or similar certificate dated as of a recent date from (A) the state or other jurisdiction of such Obligor's organization or formation, as applicable, and (B) from each other state or other jurisdiction in which such Obligor is qualified to do business.

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of such Closing (a) from Sidley Austin LLP, as special New York counsel for the Obligors, and Reed Smith LLP, as special Pennsylvania counsel for the Obligors, as to the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinions to the Purchasers) and (b) from Bingham McCutchen LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Financial Projections.

Such Purchaser shall have received copies of the financial projections of the Company and its Subsidiaries for fiscal year 2014 through fiscal year 2017 that were delivered to the Bank Lenders.

4.6. Lien Search.

Such Purchaser shall have received a Lien search in acceptable scope and with results to the satisfaction of such Purchaser and, if applicable, evidence that all necessary termination statements, release statements and other releases in connection with all Liens (other than Permitted Liens) have been filed or satisfactory arrangements have been made for such filing (including payoff letters, if applicable).

4.7. Exchange of Original Series A Notes.

With respect to the Restatement Closing, the Company shall have issued to each Original Purchaser a new Series A Note in the form of Exhibit 1-A in the principal amount set forth under such Original Purchaser's name on Schedule A, in exchange for such Original Purchaser's Original Series A Note.

4.8. Purchase and Exchange of Notes Permitted By Applicable Law, Etc.

With respect to (x) the Restatement Closing, the amendment and restatement of the Original Note Purchase and Private Shelf Agreement and the Original Series A Notes and each Original Purchaser's exchange of its Original Series A Notes for new Series A Notes as contemplated by this Agreement, and (y) each Shelf Closing, such Purchaser's purchase of Notes, shall in each case (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.9. Sale of Other Notes.

Contemporaneously with each Shelf Closing, the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Shelf Notes to be purchased by it at such Shelf Closing as specified in the applicable Confirmation of Acceptance.

4.10. Payment of Fees.

(a) Without limiting the provisions of Section 15.1, the Company shall have paid to Prudential and each Purchaser on or before such Closing any fees due it pursuant to or in connection with this Agreement, including any Issuance Fee due pursuant to Section 2.2(g)(ii) and any Delayed Delivery Fee due pursuant to Section 2.2(g)(iii), as applicable.

(b) Without limiting the provisions of Section 15.1, the Company shall have paid on or before such Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to such Closing.

4.11. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Series of Notes to be issued at such Closing.

4.12. Reorganization.

With respect to the Restatement Closing only, the Company shall have delivered to each holder of the Original Series A Notes final executed copies of all agreements, documents and instruments necessary to effectuate the Reorganization (other than the Foreign Reorganization), all of which shall be satisfactory in form and substance to the holders of the Original Series A Notes, and the Reorganization (other than the Foreign Reorganization) shall have been consummated simultaneously with the Restatement Closing and the Original Series A Notes as contemplated hereby and the issuance of the Series A Notes in exchange for, and in replacement of, the Original Series A Notes. All appropriate corporate, limited liability company and other similar organizational action required in connection with the consummation of the Reorganization (other than the Foreign Reorganization) shall have been duly taken or obtained by the Company and each Subsidiary, and the holders of the Series A Notes shall have received evidence, in form and substance satisfactory to the holders of the Original Series A Notes, that all regulatory approvals and licenses have been received with respect to, and the absence of any legal or regulatory prohibitions or restrictions to, (a) the consummation of the Reorganization (other than the Foreign Reorganization) and (b) the execution of, and performance under, the Financing Documents by the Obligors.

4.13. [Reserved.]

4.14. Delivery of Amended and Restated 2006 Note Purchase Agreement.

With respect to the Restatement Closing only, the Company shall have delivered to such Purchaser a copy of the fully executed 2006 Note Purchase Agreement and all documents, instruments and agreements executed in connection therewith, including all amendments or other modifications to each of the foregoing, accompanied by an Officer's Certificate certifying that such copies are true, correct and complete copies thereof. All material conditions precedent to the effectiveness of the 2006 Note Purchase Agreement shall have been satisfied to the satisfaction of Prudential and the 2006 Note Purchase Agreement shall be in full force and effect as of the Restatement Effective Date.

4.15. Delivery of Amended and Restated Bank Credit Agreement.

With respect to the Restatement Closing only, the Company shall have delivered to such Purchaser a copy of the fully executed Bank Credit Agreement and all documents, instruments and agreements executed in connection therewith, including all amendments or other modifications to each of the foregoing, accompanied by an Officer's Certificate certifying that such copies are true, correct and complete copies thereof. All material conditions precedent to the effectiveness of the Bank Credit Agreement shall have been satisfied to the satisfaction of Prudential and the Bank Credit Agreement shall be in full force and effect as of the Restatement Effective Date.

4.16. Note Guarantee; Intercompany Subordination Agreement.

Each of (a) MSA, (b) MSAW, (c) MSA Advanced Detection, LLC, a Pennsylvania limited liability company, (d) MSA Safety Development, LLC, a Pennsylvania limited liability company, (e) MSA Technology, LLC, a Pennsylvania limited liability company, and (f) MSA Innovation, LLC, a Pennsylvania limited liability company, shall have executed and delivered to such Original Purchaser a Note Guarantee, dated as of the Restatement Effective Date, in favor of the holders from time to time of the Original Notes and such Note Guarantee shall be in full force and effect. In addition, each Initial Subsidiary Guarantor shall have executed and delivered to such Original Purchaser an Amended and Restated Note Guarantee, dated as of the Restatement Effective Date, in favor of the holders from time to time of the Series A Notes, and such Amended and Restated Note Guarantee shall be in full force and effect. With respect to the Restatement Closing only, the Company and each Guarantor shall have executed and delivered to such Purchaser the Intercompany Subordination Agreement and such Intercompany Subordination Agreement shall be in full force and effect.

4.17. [Reserved.]

4.18. Insurance.

Such Purchaser shall have received evidence that adequate insurance required to be maintained under this Agreement is in full force and effect with additional insured special endorsements attached thereto, in form and substance satisfactory to such Purchaser and its counsel naming each Purchaser as an additional insured.

4.19. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Purchasers and the holders of the Notes recognize and acknowledge that the Company may supplement the following representations and warranties in this Section 5, including the Schedules related thereto, pursuant to a Request for Purchase; provided that no such supplement to any representation or warranty applicable to any particular Closing Day shall change or otherwise modify or be deemed or construed to change or otherwise modify any representation or warranty given on any other Closing Day or any determination of the falseness or inaccuracy thereof pursuant to Section 11(d). The Company represents and warrants to each Purchaser that:

5.1. Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default.

Each Obligor and each Subsidiary of each Obligor (a) is a corporation, partnership or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, (c) except where the failure to do so would not have a Material Adverse Effect, is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary, (d) has full power to enter into, execute, deliver and carry out this Agreement and the other Financing Documents to which it is a party, to incur the Indebtedness contemplated by the Financing Documents and to perform its obligations under the Financing Documents to which it is a party and 2006 Note Purchase Agreement, as applicable, and to consummate the transactions contemplated by the Bank Credit Agreement, and all such actions have been duly authorized by all necessary proceedings on its part, (e) is in compliance in all material respects with all applicable Laws (including Environmental Laws) applicable to it, except where the failure to do so would not have a Material Adverse Effect, and (f) has good and marketable title to or valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances, except Permitted Liens and except for such defects in title as could not reasonably be expected to have a Material Adverse Effect. No Default or Event of Default exists or is continuing.

5.2. Subsidiaries and Owners; Investment Companies.

Schedule 5.2 states (a) the name of each of the Company's Subsidiaries after giving effect to the Reorganization (other than the Foreign Reorganization), its jurisdiction of organization and the amount, percentage and type of Equity Interests in such Subsidiary held by the Company and its Subsidiaries (the “**Subsidiary Equity Interests**”), and (b) the name of each holder of an Equity Interest in each such Subsidiary and the amount, percentage and type of such Equity Interest. The Company and each Subsidiary of the Company has good and marketable title to all of the Subsidiary Equity Interests it purports to own, free and clear in each case of any Lien (other than Permitted Liens or, in the case of any Foreign Subsidiary, any restriction imposed by local Law) and all such Subsidiary Equity Interests have been validly issued, fully paid and nonassessable. None of the Obligor or Subsidiaries of any Obligor is an “investment company” registered or required to be registered under the Investment Company Act of 1940 or under the “control” of an “investment company” as such terms are defined in the Investment Company Act of 1940.

5.3. Validity and Binding Effect.

This Agreement and each of the other Financing Documents (a) have been duly and validly executed and delivered by each Obligor party thereto, and (b) constitute, or will constitute, legal, valid and binding obligations of each Obligor which is or will be a party thereto, enforceable against such Obligor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or by equitable principles relating to enforceability.

5.4. No Conflict; Material Agreements; Consents.

Neither the execution and delivery of this Agreement or the other Financing Documents by any Obligor nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them will (a) contravene or breach any of the terms and conditions of the certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Obligor, (b) contravene or violate any Law to which any Obligor or any of its Subsidiaries is subject or (c) constitute a default under or result in a breach of any material agreement or instrument or order, writ, judgment, injunction or decree to which any Obligor or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which it is subject, or result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property of any Obligor or any of its Subsidiaries. There is no default under such material agreement (referred to above) and none of the Obligors or their Subsidiaries is bound by any contractual obligation, or subject to any restriction in any organization document, or any requirement of Law which could reasonably be expected to have a Material Adverse Effect. No consent, approval, exemption, order or authorization of, or a registration or filing with, any Governmental Authority or any other Person is required by any Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Financing Documents and/or the Reorganization, other than those obtained and in full force and effect.

5.5. Litigation.

Except as disclosed in the Company's Annual Reports or Quarterly Reports filed with the Securities and Exchange Commission prior to the Restatement Effective Date, which such documents are filed for public availability on the EDGAR website, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against any Obligor or any Subsidiary of such Obligor at law or in equity before any Governmental Authority which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. None of the Obligors or any Subsidiaries of any Obligor is in violation of any order, writ, injunction or any decree of any Governmental Authority which could reasonably be expected to have a Material Adverse Effect.

5.6. Financial Statements.

(a) Historical Statements. The Company has delivered to each of the holders of the Notes copies of its audited consolidated year-end financial statements for and as of the end of the fiscal year ended December 31, 2013 (such annual statements being referred to

as the "**Statements**"). The Statements were compiled from the books and records maintained by the Company's management, are correct and complete in all material respects and fairly represent in all material respects the consolidated financial condition of the Company and its Subsidiaries as of their dates and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied, subject (in the case of the interim statements) to the absence of footnotes required by GAAP and normal year-end audit adjustments.

(b) Absence of Material Adverse Change. Since December 31, 2013, no Material Adverse Change has occurred.

5.7. Use of Proceeds; Margin Stock.

The Company has applied the proceeds of the sale of the Original Series A Notes to finance, in part, the GM Acquisition and for general corporate purposes and will apply the proceeds of the sale of the Shelf Notes as set forth in the applicable Request for Purchase. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer. None of the Obligors or any Subsidiaries of any Obligor engages or intends to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System). No part of the proceeds of the Notes will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or which is inconsistent with the provisions of the regulations of the Board of Governors of the Federal Reserve System. None of the Obligors or any Subsidiary of any Obligor holds or intends to hold margin stock in such amounts that more than twenty five percent (25%) of the reasonable value of the assets of any Obligor or Subsidiary of any Obligor are or will be represented by margin stock.

5.8. Full Disclosure.

Neither this Agreement nor any other Financing Document, nor any certificate, statement, agreement or other documents furnished to Prudential or the Purchasers in connection herewith or therewith (other than the Projections and information of a general and economic nature or industry-specific nature), contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading.

5.9. Taxes.

All federal, state, local and other tax returns required to have been filed with respect to each Obligor and each Subsidiary of each Obligor have been filed, and payment or adequate provision has been made for the payment of all taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent that such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made.

5.10. Patents, Trademarks, Copyrights, Licenses, Etc.

Each Obligor and each Subsidiary of each Obligor owns or possesses all material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights (the “**Intellectual Property**”) necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by such Obligor or Subsidiary, without known possible, alleged or actual conflict with the rights of others.

5.11. Insurance.

The properties of each Obligor and each of its Subsidiaries are insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Obligor and Subsidiary in accordance with prudent business practice in the industry of such Obligors and Subsidiaries.

5.12. ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Company, nothing has occurred which would prevent, or cause the loss of, such qualification. The Company and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) Except as disclosed in Schedule 5.12, (i) no ERISA Event has occurred or is reasonably expected to occur; (ii) no Plan has any unfunded pension liability (i.e. excess of benefit liabilities over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan for the applicable plan year); (iii) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

(c) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(c) is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Original Notes purchased by such Purchaser under the Original Note Purchase and Private Shelf Agreement.

5.13. [Reserved].

5.14. Senior Debt Status.

The payment obligations of each Obligor under this Agreement, the Notes, the Note Guarantees and each of the other Financing Documents to which any Obligor is a party do rank and will rank at least *pari passu* in priority of payment with all other Indebtedness of such Obligor, except Indebtedness of such Obligor to the extent secured by Permitted Liens.

5.15. Solvency.

Before and after giving effect to the issuance, exchange and sale of the Notes hereunder, and the Reorganization (other than the Foreign Reorganization, which has not been consummated as of the Restatement Effective Date), the Obligors, taken as a whole, are Solvent.

5.16. Governmental Authorizations, Etc.

Except for (i) filings completed on or before the Restatement Effective Date and (ii) consents, approvals and filings required in order to effectuate the Foreign Reorganization, no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement, the Notes, any other Financing Document or the Reorganization.

5.17. Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject (a) the issuance of the Series A Notes in exchange for the Original Series A Notes or (b) the issuance or sale of any of the Shelf Notes, to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

5.18. Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury (“**OFAC**”) (an “**OFAC Listed Person**”), (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act (“**CISADA**”) or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, “**U.S. Economic Sanctions**”) (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (i), clause (ii) or clause (iii), a “**Blocked Person**”). Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(b) Neither the Company nor any Controlled Entity (i) has been found in violation of, charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, “**Anti-Money Laundering Laws**”) or any U.S. Economic Sanctions violations, (ii) to the Company’s actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (iii) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance in all material respects with all applicable current and future Anti-Money Laundering Laws and U.S. Economic Sanctions.

(c) Neither the Company nor any Controlled Entity (i) has been charged with, or convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, “**Anti-Corruption Laws**”), (ii) to the Company’s actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (iii) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (iv) has been or is the target of sanctions imposed by the United Nations or the European Union.

(d) To the Company’s actual knowledge after making due inquiry, neither the Company nor any Controlled Entity has, within the last five years, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (i) influencing any act, decision or failure to act by such Government Official in his or her official capacity or such commercial counterparty, (ii) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official’s lawful duty, or (iii) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage in violation of any applicable law or regulation or which would cause any holder to be in violation of any law or regulation applicable to such holder.

(e) No part of the proceeds from the sale of any Shelf Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

5.19. Status under Certain Statutes.

Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.20. No Default.

Immediately prior to, and after giving effect to, the Reorganization (other than the Foreign Reorganization) and the transactions contemplated by this Agreement and the other Financing Documents, no Default or Event of Default has occurred and is continuing.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1. Purchase for Investment.

Each Purchaser severally represents that it purchased the Original Series A Notes and is purchasing the Shelf Notes to be purchased by it hereunder, as applicable, for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Original Series A Note and the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Original Series A Notes or the Notes.

6.2. Source of Funds.

Each Purchaser severally represents that as of the Series A Closing Day (or such later date when such Purchaser purchased the Original Series A Notes or hereafter acquires any of the Series A Notes from any Original Purchaser) and on the Closing Day for any issuance of Shelf Notes at least one of the following statements is an accurate representation as to each source of funds (a "**Source**") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by it hereunder:

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

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

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

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 (the "**QPAM Exemption**")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be "related" within the meaning of Part V(h) of the QPAM Exemption, and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

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

(f) the Source is a governmental plan; or

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

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

As used in this Section 6.2, the terms “employee benefit plan,” “governmental plan,” and “separate account” shall have the respective meanings assigned to such terms in section 3 of ERISA.

7. INFORMATION AS TO COMPANY.

7.1. Financial and Business Information.

The Company shall deliver to Prudential and each holder of Notes that is an Institutional Investor:

(i) Quarterly Statements -- as soon as available and in any event within forty-five (45) calendar days after the end of each of the first three (3) fiscal quarters in each fiscal year of the Company, financial statements of the Company, consisting of a consolidated balance sheet as of the end of such fiscal quarter and related consolidated statements of income, stockholders' equity and cash flows for the fiscal quarter then ended and the fiscal year through that date, all in reasonable detail and certified (subject to normal year-end audit adjustments) by a Senior Financial Officer of the Company as having been prepared in accordance with GAAP, consistently applied, and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year;

(j) Annual Statements -- as soon as available and in any event within ninety (90) days after the end of each fiscal year of the Company, financial statements of the Company consisting of a consolidated balance sheet as of the end of such fiscal year, and related consolidated statements of income, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year, and certified by PricewaterhouseCoopers LLP or such other firm of independent certified public accountants of nationally recognized standing selected by the Company, which certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur, and provided that to the extent the components of such consolidated financial statements relating to a prior fiscal period are separately audited by different independent public accounting firms, the audit report of any such accounting firm may contain a qualification or exception as to scope of such consolidated financial statements as they relate to such components) and shall not indicate the occurrence or existence of any event, condition or contingency which would materially impair the prospect of payment or performance of any covenant, agreement or duty of any Obligor under any of the Financing Documents;

(k) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice or proxy statement or similar document sent by the Company or any Subsidiary to its public securities holders generally, and (ii) any reports, including Forms 10-K, 10-Q and 8-K, registration statements and prospectuses and other shareholder communications, filed by the Company with the Securities and Exchange Commission which are not posted to the EDGAR website;

(l) Notice of Default or Event of Default -- promptly and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(m) [Reserved;]

(n) Employee Benefit Matters -- promptly upon the occurrence thereof, written notice of any ERISA Event;

(o) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(p) IFRS Reconciliations -- at any time following the Company's election to use IFRS in preparing the financial statements referred to herein, (i) concurrently with any delivery of financial statements under Sections 7.1(a) or 7.1(b) hereof, deliver a reconciliation between such statements prepared using IFRS and GAAP and (ii) if requested by the Required Holders, provide financial statements under Sections 7.1(a) and/or 7.1(b) hereof, prepared in accordance with both IFRS and GAAP;

(q) Litigation -- promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Governmental Authority or any other Person against any Obligor or Subsidiary of any Obligor which, involve a claim or series of claims which could reasonably be expected to have a Material Adverse Effect;

(r) Organizational Documents -- promptly and in any event within five days of the execution thereof, a copy of any amendment to the organizational documents of any Obligor;

(s) Erroneous Financial Information -- promptly upon any such conclusion or determination, written notice of any conclusion by the Company or any determination by or advice from its accountants that any previously issued financial statement, audit report or interim review should no longer be relied upon or that disclosure should be made or action should be taken to prevent future reliance;

(t) Annual Budget -- as soon as available, and in any event on or before March 1st of each fiscal year of the Company, a copy of the Company's annual budget and any forecasts or projections of the Company for such fiscal year;

(u) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any holder that is an Institutional Investor, including information readily available to the Company explaining the Company's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes.

7.2. Officer's Certificate.

Each set of financial statements delivered to Prudential or a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 10.2, Section 10.6, Section 10.14 through Section 10.16 and any Additional Covenant incorporated into this Agreement pursuant to Section 9.9, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default — a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto; and

(c) Subsidiary Guarantees — a list of all Additional Subsidiary Guarantors as of the date of such certificate which have or are required pursuant to Section 9.10 of this Agreement to execute a Note Guarantee in respect of the Notes.

7.3. Visitation.

Subject to (y) the rights of tenants and (z) applicable health and safety laws, and except to the extent disclosure could reasonably be expected to contravene attorney-client privilege or similar protection or violate any bona fide confidentiality or privacy obligation owing to any third party or otherwise contravene applicable Law, the Company shall, and shall cause each of its Subsidiaries to, permit the representatives of each holder of Notes that is an Institutional Investor, to visit and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances and accounts with its officers, all in such detail and at such times and as often as any of such holders may reasonably request; provided that each holder shall provide the Company with reasonable notice prior to any visit or inspection; and provided, further, that (i) absent an Event of Default, the Obligors shall only be required to pay for one (1) such visit and inspection in any twelve (12) month period and (ii) when an Event of Default exists any holder of the Notes (or any of their representatives or independent contractors) may do any of the foregoing at the expense of the Obligors at any time during normal business hours without advance notice. In the event any holder desires to conduct an audit of any Obligor, such holder shall make a reasonable effort to conduct such audit contemporaneously with any audit to be performed by any other holder of Notes.

7.4. Electronic Delivery.

Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to Sections 7.1(a), (b), (c), (l) or (m) and Section 7.2 shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of Section 7.1(a) or (b) and related Officer's Certificate satisfying the requirements of Section 7.2 are delivered to each holder of a Note by e-mail;

(ii) the Company shall have timely filed its Form 10-Q or Form 10-K, within the time period specified in Section 7.1(a) or Section 7.1(b), as the case may be, with the SEC on EDGAR and shall have made such form and the related Officer's Certificate satisfying the requirements of Section 7.2 available on its home page on the internet, which is located at <http://www.msasafety.com> as of the date of this Agreement;

(iii) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate(s) satisfying the requirements of Section 7.2 or any items referred to in Section 7.1(l) or 7.1(m), as applicable, are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each holder of Notes has free access; or

(iv) the Company shall have filed any of the items referred to in Section 7.1(c) with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each holder of Notes has free access;

provided however, that in the case of any of clauses (ii), (iii) or (iv), the Company shall have given each holder of a Note prior written notice, which may be by e-mail or in accordance with Section 18, of such posting or filing in connection with each delivery, *provided further*, that upon request of any holder to receive paper copies of such forms, financial statements and Officer's Certificates or to receive them by e-mail, the Company will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1. Required Prepayments; Maturity.

(d) Series A Notes. On October 13, 2017 and on each October 13th thereafter to and including October 13, 2020 the Company will prepay \$20,000,000 principal amount (or such lesser principal amount as shall then be outstanding) of the Series A Notes at par and without payment of the Make-Whole Amount or any premium; *provided* that upon any partial prepayment of the Series A Notes pursuant to Section 8.2, the principal amount of each required prepayment of the Series A Notes becoming due under this Section 8.1(a) on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the Series A Notes is reduced as a result of such prepayment. The entire remaining unpaid principal balance of the Series A Notes shall be due and payable on October 13, 2021.

(e) Shelf Notes. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series, provided that upon any partial prepayment of the Shelf Notes of any Series pursuant to Section 8.2, the principal amount of each required prepayment of the Shelf Notes of such Series becoming due under this Section 8.1(b) on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the Shelf Notes of such Series is reduced as a result of such prepayment.

8.2. Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, any Series of Notes, in a principal amount of \$1,000,000 or any integral multiple of \$100,000 in excess thereof in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of the Series of Notes to be prepaid written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Series of Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of the Series of Notes to be prepaid a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes of any Series pursuant to Section 8.1 or 8.2, the principal amount of the Notes of such Series to be prepaid shall be allocated among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.4. Maturity; Surrender, Etc.

In the case of each prepayment of Notes of any Series pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.5. Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment or prepayment of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.6. Make-Whole Amount.

The term **“Make-Whole Amount”** means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“Called Principal” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or Section 8.7 or has become or is declared to be immediately due and payable pursuant to Section 12.1.

“Discounted Value” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding sentence, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield will be rounded to that number of decimals as appears in the coupon for the applicable Note.

“Remaining Average Life” means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, Section 8.7 or Section 12.1.

“Settlement Date” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or Section 8.7 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

8.7. Prepayment on a Change in Control.

(a) Promptly upon becoming aware that a Change in Control has occurred, the Company shall give written notice of such fact (the **“Company Notice”**) to all holders of the Notes. The Company Notice shall (i) describe the facts and circumstances of such Change in Control in reasonable detail, (ii) refer to this Section 8.7 and the rights of the holders hereunder and state that a Change in Control has occurred, (iii) contain an offer by the Company to prepay the entire unpaid principal amount of Notes held by each holder, together with interest thereon to the prepayment date selected by the Company with respect to each Note, plus the Make-Whole Amount with respect thereto, which prepayment shall be on a date specified in the Company Notice and which date shall be a Business Day not less than 30 days and not more than 45 days after such Company Notice is given, (iv) request each holder to notify the Company in writing by a stated date (the **“Change in Control Response Date”**), which date is not less than 30 days after such holder’s receipt of the Company Notice, of its acceptance or rejection of such prepayment offer and (v) be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such Company Notice were the date of the prepayment), setting forth the details of such computation. If a holder does not notify the Company as provided above, then the holder shall be deemed to have accepted such offer.

(b) Two Business Days prior to the prepayment date specified in the Company Notice, the Company shall deliver to each holder of Notes to be prepaid a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the prepayment date.

(c) On the prepayment date specified in the Company Notice, the entire unpaid principal amount of the Notes held by each holder of Notes who has accepted such prepayment offer (in accordance with paragraph (a) above), together with interest thereon to the prepayment date with respect to each such Note and the Make-Whole Amount with respect thereto shall become due and payable.

9. AFFIRMATIVE COVENANTS.

The Company covenants that during the Issuance Period and so long thereafter as any of the Notes are outstanding:

9.1. Preservation of Existence, Etc.

The Company shall, and shall cause each of its Subsidiaries to, maintain its legal existence as a corporation, partnership or limited liability company, as the case may be, and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary, except as otherwise expressly permitted in Section 10.5 and except, in the case of good standing, where such failure could not reasonably be expected to have a Material Adverse Effect.

9.2. Payment of Liabilities, Including Taxes, Etc.

The Company shall, and shall cause each of its Subsidiaries to, duly pay and discharge all liabilities to which it is subject or which are asserted against it, promptly as and when the same shall become due and payable, including all taxes, assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except to the extent that (i) such liabilities, including taxes, assessments or charges, are being contested in good faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made, or (ii) the failure to pay any such liability would not constitute an Event of Default and would not reasonably be expected to have a Material Adverse Effect.

9.3. Maintenance of Insurance.

The Company shall, and shall cause each of its Material Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability and business interruption insurance) and against other risks (including errors and omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with reputable and financially sound insurers, including self-insurance to the extent deemed prudent by the Company's board of directors.

9.4. Maintenance of Properties and Leases.

The Company shall, and shall cause each of its Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties necessary to operate its business, and from time to time, the Company shall, shall cause its Subsidiaries to, make or cause to be made all appropriate repairs, renewals or replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

9.5. Keeping of Records and Books of Account.

The Company shall, and shall cause each of its Subsidiaries to, maintain and keep proper books of record and account which enable the Company and its Subsidiaries to issue consolidated financial statements in accordance with GAAP and as otherwise required by the applicable Laws of any Governmental Authority having jurisdiction over the Company or any Subsidiary of the Company, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs.

9.6. Compliance with Laws; Use of Proceeds.

The Company shall, and shall cause each of its Subsidiaries to, comply with all applicable Laws, including all Environmental Laws, in all respects; provided that it shall not be deemed to be a violation of this Section 9.6 if any failure to comply with any Law would not reasonably be expected to have a Material Adverse Effect. The Company shall, and shall cause each of its Subsidiaries to, use the proceeds of the Notes only in accordance with Section 5.7 and as permitted by applicable Law.

9.7. Further Assurances.

The Company shall, from time to time, at its expense, do such other acts and things as each holder of Notes may reasonably request from time to time in order to exercise and enforce its rights and remedies thereunder.

9.8. [Reserved].

9.9. Most Favored Lender.

(a) If at any time the Bank Credit Agreement or the 2006 Note Purchase Agreement shall include any financial covenant, undertaking, restriction, event of default or other provision (or any thereof shall be amended or otherwise modified) that provides for limitations on or measures of indebtedness, interest expense, fixed charges, net worth, stockholders' equity or total assets, changes in control of the Company or transfers of interests in assets of the Company or any Subsidiary (however expressed and whether stated as a ratio, as a fixed threshold, as an event of default or otherwise) and such covenant, undertaking, restriction, event of default or provision is not contained in this Agreement or would be more beneficial to the holders of Notes than any analogous covenant, undertaking, restriction, event of default or provision contained in this Agreement (any such covenant, undertaking, restriction, event of default or provision, an "**Additional Covenant**"), then the Company shall provide a Most Favored Lender Notice to the holders of Notes. Thereupon, unless waived in writing by the Required Holders within five (5) Business Days of receipt of such notice by the holders of the Notes, such Additional Covenant (including any associated cure period) shall be deemed automatically incorporated by reference into this Agreement, mutatis mutandis, as if set forth fully herein, without any further action required on the part of any Person, effective as of the date when such Additional Covenant became effective under the Bank Credit Agreement or 2006 Note Purchase Agreement, as applicable. Thereafter, upon the request of any holder of a Note, the Company shall enter into any additional agreement or amendment to this Agreement reasonably requested by such holder evidencing any of the foregoing. Notwithstanding anything contained in this Section 9.9(a) to the contrary, in no event shall any amendment to the covenant levels set forth in any covenant contained in the Bank Credit Agreement or the 2006 Note Purchase Agreement as of the Restatement Effective Date be deemed to constitute an Additional Covenant for purposes of this Section 9.9(a).

(b) Any Additional Covenant (including any associated cure period) incorporated into this Agreement pursuant to this Section 9.9 (herein referred to as an “**Incorporated Covenant**”) (i) shall be deemed automatically amended herein to reflect any subsequent amendments made to such Additional Covenant (including any associated cure period) under the Bank Credit Agreement or 2006 Note Purchase Agreement, as applicable; provided that if any Default or an Event of Default then exists (including in respect of such Incorporated Covenant) and the amendment of such Additional Covenant would result in such Additional Covenant being less restrictive on the Company, such Incorporated Covenant shall only be deemed automatically amended at such time as no Default or Event of Default then exists) and (ii) shall be deemed automatically deleted from this Agreement at such time as such Additional Covenant is deleted or otherwise removed from the Bank Credit Agreement or 2006 Note Purchase Agreement (as applicable) or the Bank Credit Agreement or 2006 Note Purchase Agreement (as applicable) shall have been terminated, all commitments thereunder cancelled and all liabilities existing thereunder paid in full (other than unasserted contingent liabilities and obligations); provided that, if a Default or an Event of Default then exists (including in respect of such Incorporated Covenant), such Incorporated Covenant shall only be deemed automatically deleted from this Agreement at such time as no Default or Event of Default then exists. Upon the request of the Company, the holders of Notes shall (at the Company’s sole cost and expense) enter into any additional agreement or amendment to this Agreement requested by the Company evidencing the amendment or deletion of any such Incorporated Covenant in accordance with the terms hereof. If any Person party to the Bank Credit Agreement or the 2006 Note Purchase Agreement (as applicable) receives any remuneration, fee or other compensation as consideration for any amendment, waiver, modification, deletion or termination of any Additional Covenant that constitutes an Incorporated Covenant hereunder, such amendment, waiver, modification, deletion or termination shall not become effective under this Agreement unless the holders shall have received equivalent remuneration, fees or other compensation.

(c) For the avoidance of doubt, all of the existing financial covenants in Sections 10.14, 10.15 and 10.16 as of the date of this Agreement shall remain in this Agreement regardless of whether any Additional Covenants are incorporated into this Agreement.

9.10. Subsidiary Guarantors.

(a) The Company shall promptly cause each Additional Subsidiary Guarantor to execute and deliver a Note Guarantee substantially in the form of Exhibit 9.10-A hereto (with such modifications as may be required to reflect the legal requirements of the jurisdiction of formation of the relevant Subsidiary, including any modifications necessary to make the obligations of such guarantee agreement *pari passu* with the other unsecured and unsubordinated Indebtedness of such Subsidiary to the extent permitted under applicable law) or otherwise in form and substance reasonably satisfactory to the Required Holders.

(b) The Company may, from time to time at its discretion and upon written notice from the Company to the holders of Notes, cause any of its Subsidiaries which are not otherwise Guarantors pursuant to Section 9.10(a) or otherwise to enter into a Note Guarantee substantially in the form of Exhibit 9.10-A hereto (with such modifications as may be required to reflect the legal requirements of the jurisdiction of formation of the relevant Subsidiary, including any modifications necessary to make the obligations of such guarantee agreement *pari passu* with the other unsecured and unsubordinated Indebtedness of such Subsidiary to the extent permitted under applicable law) or otherwise in form and substance reasonably satisfactory to the Required Holders.

(c) The delivery of a Note Guarantee by any Guarantor shall be accompanied by the following:

(i) an Officer's Certificate from such Guarantor confirming that (A) the representations and warranties of such Guarantor contained in such Note Guarantee are true and correct, and (B) the guarantee provided under the Note Guarantee would not cause any borrowing, guaranteeing or similar limit binding on the Guarantor to be exceeded;

(ii) copies of the articles of association or certificate or articles of incorporation, bylaws, limited liability company operating agreement, partnership agreement and all other constitutive documents, of such Guarantor (as applicable), resolutions of the board of directors or other similar governing body (and, where applicable, the shareholders) of such Guarantor authorizing its execution and delivery of the Note Guarantee and the transactions contemplated thereby, and specimen signatures of authorized officers of such Guarantor (in each case, certified as correct and complete copies by the secretary or an assistant secretary (or an equivalent officer) of such Guarantor);

(iii) a legal opinion, satisfactory in form, scope and substance to the Required Holders, of legal counsel to the effect that, subject to customary qualifications and assumptions, (A) such Guarantor is validly existing under the laws of its jurisdiction of formation and (if applicable in such jurisdiction) is in good standing, (B) such Note Guarantee has been duly authorized, executed and delivered by such Guarantor, (C) such Note Guarantee is enforceable in accordance with its terms, and (D) in the case of a Guarantor organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia, the obligations of such Guarantor under such Note Guarantee rank at least *pari passu* with all of such Guarantor's other unsecured and unsubordinated Indebtedness in an insolvency proceeding of such Guarantor (to the extent possible under applicable law) and are not subject to any legal or contractual limitations or restrictions that are not equally applicable to all other indebtedness for borrowed money of such Guarantor;

(iv) a completed and executed joinder to the Intercompany Subordination Agreement in substantially the form attached as Exhibit A to the Intercompany Subordination Agreement; and

(v) in the case of a Guarantor organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia, evidence of the appointment of the Company as such Guarantor's agent to receive, for it and on its behalf, service of process in the United States of America.

An original executed counterpart of each such Note Guarantee shall be delivered to each holder of Notes promptly after the execution thereof.

10. NEGATIVE COVENANTS.

The Company covenants that during the Issuance Period and so long thereafter as any of the Notes are outstanding:

10.1. Indebtedness.

The Company shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(c) Indebtedness under the Financing Documents;

(d) Existing Indebtedness as set forth on Schedule 10.1 (including any extensions, refinancings or renewals thereof; provided there is no increase in the amount thereof or other significant change in the terms thereof that would otherwise be materially less favorable to the Obligors and their Subsidiaries, taken as a whole (other than fees, expenses, interest accrual and premiums incurred in connection with any such refinancing);

(e) Indebtedness under (i) the Bank Credit Agreement, (ii) the Bank Guarantees, (iii) the 2006 Note Purchase Agreement and the 2006 Notes and (iv) the 2006 Note Purchase Agreement Guarantees, in each case, as the same may be extended, renewed or refinanced;

(f) Indebtedness of an Obligor to another Obligor which is subordinated pursuant to the Intercompany Subordination Agreement;

(g) Indebtedness of an Obligor to an Excluded Subsidiary, provided that such Indebtedness to Excluded Subsidiaries does not exceed One Hundred Million Dollars (\$100,000,000.00) in the aggregate for all such Indebtedness to all such Excluded Subsidiaries at any time outstanding;

(h) Indebtedness incurred with respect to Purchase Money Security Interests and Capital Leases;

(i) Any (i) Currency Agreement, (ii) Lender Provided Interest Rate Hedge, (iii) Lender Provided Commodity Hedge, (iv) Interest Rate Hedge approved by the Administrative Agent or (v) Indebtedness under any Other Lender Provided Financial Services Product; provided, however, the Obligors and their Subsidiaries shall enter into any Currency Agreement, Lender Provided Interest Rate Hedge, Lender Provided Commodity Hedge or any other Interest Rate Hedge only for hedging (rather than speculative) purposes;

(j) Indebtedness of an Excluded Subsidiary to an Excluded Subsidiary;

(k) Guarantees permitted under Section 10.3 and transactions permitted by Section 10.4;

(l) Any Indebtedness not otherwise permitted in items (a) through (i) above which does not exceed Twenty Million and 00/100 Dollars (\$20,000,000.00) in the aggregate at any time outstanding, provided that the documentation relating to such Indebtedness does not result in covenants materially more restrictive, taken as a whole, on the Obligors than those set forth in the Financing Documents and, provided, further, that such Indebtedness shall only be permitted to be secured as and to the extent permitted under clause (xiii) of the definition of “Permitted Liens”;

(m) Any unsecured Indebtedness not otherwise permitted in items (a) through (i) above which does not exceed Two Hundred Thirty Million Dollars (\$230,000,000.00) in the aggregate at any time outstanding; provided that the documentation relating to such Indebtedness does not contain covenants, undertakings or events of default materially more restrictive, taken as a whole, on the Obligors than those set forth in this Agreement.

10.2. Liens.

The Company shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens. Notwithstanding the foregoing, the Company shall not, and shall not permit any Subsidiary to, grant any Liens securing Indebtedness outstanding under or pursuant to the Bank Credit Agreement unless and until the Notes (and any Guaranty delivered in connection therewith) shall be substantially concurrently secured equally and ratably with such Indebtedness pursuant to documentation in form and substance satisfactory to the Required Holders.

10.3. Guaranties.

The Company shall not, and shall not permit any of its Subsidiaries to, at any time, directly or indirectly, become or be liable in respect of any Guaranty, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any other Person, except for (a) Guaranties of Indebtedness of the Obligors and their respective Subsidiaries permitted under Section 10.1, (b) Guaranties that are in existence on the Restatement Effective Date and set forth on Schedule 10.3 (including any extensions or renewals thereof; provided there is no increase in the amount thereof or other significant change in the terms thereof unless otherwise specified on Schedule 10.3), and (c) any unsecured Guaranty (including, but not limited to, Guarantees of leases (other than Capital Leases) or of other obligations that do not constitute Indebtedness in each case entered into in the ordinary course of business) not otherwise permitted by clauses (a) and (b) above, provided that the Indebtedness guaranteed under all such Guaranties at any time outstanding under this clause (c) does not exceed Twenty Million and 00/100 Dollars (\$20,000,000.00) in the aggregate.

10.4. Loan and Investments.

The Company shall not, and shall not permit any of its Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any bonds, notes, securities or Equity Interests of, or any other investment or interest in, or make any capital contribution to, any other Person, or agree, become or remain liable to do any of the foregoing, except:

- (c) trade credit extended on usual and customary terms in the ordinary course of business;
- (d) advances to employees to meet expenses incurred by such employees in the ordinary course of business;
- (e) Permitted Investments;
- (f) loans, advances and investments in other Obligor;
- (g) Permitted Acquisitions;
- (h) Investments in the Company and its Subsidiaries in connection with the Foreign Reorganization;
- (i) loans, advances and investments by Excluded Subsidiaries in other Excluded Subsidiaries;
- (j) transactions permitted under Section 10.1;

(k) loans, advances and investments not otherwise permitted in clauses (a) through (h) above in Excluded Subsidiaries and Joint Ventures in an amount, measured at the time any such loan, advance or investment is made, which shall not exceed One Hundred Million and 00/100 Dollars (\$100,000,000.00) in the aggregate at any one time outstanding.

10.5. Liquidations, Mergers, Consolidations, Acquisitions.

The Company shall not, and shall not permit any of its Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or Equity Interests of any other Person; provided that

- (d) any Obligor other than the Company may consolidate or merge into another Obligor which is a Wholly-Owned Subsidiary of one or more of the other Obligors;
- (e) the Reorganization (including, without limitation, the Foreign Reorganization) may be consummated;

(f) any Obligor or any Subsidiary of an Obligor may acquire, whether by purchase or by merger, (x) all or substantially all of the Equity Interests of another Person or (y) all or substantially all of the assets of another Person or of a business or division of another Person (each a "**Permitted Acquisition**"), provided that, each of the following requirements is met:

(i) if an Obligor is acquiring the Equity Interests in such Person, such Person shall, unless not required by Section 10.8 or Section 9.10 hereof, execute a Note Guarantee and such other documents set forth in Section 9.10 within thirty (30) Business Days after the date of such Permitted Acquisition;

(ii) no Default or Event of Default shall exist immediately prior to and after giving effect to such Permitted Acquisition; and

(iii) in the case of a merger or consolidation involving an Obligor, such Obligor shall be the continuing and surviving entity; and

(g) An Excluded Subsidiary that is not a Material Subsidiary may dissolve, liquidate and wind-up its affairs, so long as such dissolution, liquidation, or winding-up could not reasonably be expected to have a Material Adverse Effect.

10.6. Dispositions of Assets or Subsidiaries.

The Company shall not, and shall not permit any of its Subsidiaries to make any Asset Disposition, except (a) Asset Dispositions where the Disposition Value of the property subject to such Asset Disposition, together with the aggregate Disposition Value of all property of the Company and its Subsidiaries that was subject of an Asset Disposition during the then current fiscal year of the Company, would not exceed ten percent (10.0%) of Consolidated Net Tangible Assets determined as of the end of the then most recently ended fiscal year of the Company; provided that, immediately after giving effect to such Asset Disposition, no Default or Event of Default would exist or (b) Asset Dispositions in connection with the consummation of the Foreign Reorganization.

10.7. Affiliate Transactions.

The Company shall not, and shall not permit any of its Subsidiaries to, enter into or carry out any transaction with any Affiliate of any Obligor (including purchasing property or services from or selling property or services to any Affiliate of any Obligor) unless (a) such transaction is consummated in connection with the Foreign Reorganization, (b) such transaction involves the provision of corporate services by MSAW to the Company and its Subsidiaries, (c) such transaction is solely between Obligors, or (d) such transaction is not otherwise prohibited by this Agreement, is entered into in the ordinary course of business upon fair and reasonable arms-length terms and conditions no less favorable to the Company or such Subsidiary than the Company or such Subsidiary would obtain in a comparable arm's length transaction and is in accordance with all applicable Law.

10.8. Subsidiaries, Partnerships and Joint Ventures.

The Company shall not, and shall not permit any of its Subsidiaries to own or create directly or indirectly any Subsidiaries, other than (a) any Subsidiary which has joined this Agreement as a Guarantor on or prior to the Restatement Effective Date, (b) any Excluded Subsidiary as of the Restatement Effective Date, (c) any Domestic Subsidiary created, acquired or otherwise formed after the Restatement Effective Date in compliance with this Agreement (including, without limitation, Section 10.1, so long as either (i) such Domestic Subsidiary joins this Agreement as a Guarantor pursuant to Section 9.10 hereof, or (ii) such Domestic Subsidiary is listed as an Excluded Subsidiary on Schedule 10.8 pursuant to an update to such schedule provided by the Company to each holder of Notes within thirty (30) days after the creation, acquisition or formation of such Domestic Subsidiary, or such later date as consented to by the Required Holders, and (d) any Foreign Subsidiary created, acquired or otherwise formed after the Restatement Effective Date in compliance with this Agreement (including, without limitation, Section 10.4). Except as set forth in Schedule 10.8 and as permitted pursuant to Section 10.4 hereof, each of the Obligors shall not become or agree to become a party to a Joint Venture.

10.9. Continuation of or Change in Business.

The Company shall not, and shall not permit any of its Subsidiaries to, engage in any business other than the development, manufacturing, sales and administration of safety products and related items, substantially as conducted and operated by the Company and its Subsidiaries during the present fiscal year, and business substantially related, incidental or ancillary thereto.

10.10. Fiscal Year.

The Company shall not, and shall not permit any Subsidiary of the Company to, change its fiscal year from the twelve month period beginning January 1 and ending December 31.

10.11. [Reserved.]

10.12. Changes in Organizational Documents.

The Company shall not, and shall not permit any of its Subsidiaries to, amend in any respect its certificate or articles of incorporation (including any provisions or resolutions relating to capital stock), by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents in the event such change would be materially adverse to the holders of Notes, without obtaining the prior written consent of the Required Holders; provided that the Obligors may permit any of their Subsidiaries to amend in any respect its certificate or articles of incorporation (including any provisions or resolutions relating to capital stock), by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents if such amendment is required (a) to effectuate the transactions contemplated by the Foreign Reorganization or (b) to effectuate a Permitted Acquisition (provided such Subsidiary shall remain a Wholly-Owned Subsidiary).

10.13. Terrorism Sanctions Regulations.

(a) Neither the Company nor any Controlled Entity will become a Blocked Person; (b) neither the Company nor any Controlled Entity, either in its own right or through any third party, will (i) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Blocked Person in violation of any U.S. Economic Sanctions; (ii) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Blocked Person in violation of any U.S. Economic Sanctions; (iii) engage in any dealings or transactions prohibited by any U.S. Economic Sanctions or (iv) make any payments to, a Sanctioned Country or Blocked Person in violation of any U.S. Economic Sanctions; *provided, however*, if a country in which the Company or any of its Subsidiaries does business or has assets is hereafter designated a Sanctioned Country, the Company or such Subsidiary shall have whatever time is allowed by law to discontinue such business or operations in such country, so long as such continued business or operations does not result in any liability for any holder of the Notes; (c) the funds used to repay the Notes will not be derived from any unlawful activity; (d) the Company and each Controlled Entity shall comply with all U.S. Economic Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws and (e) the Company shall promptly notify the holders of the Notes in writing upon the occurrence of a Reportable Compliance Event.

10.14. Minimum Fixed Charges Coverage Ratio.

The Company shall not permit the Fixed Charges Coverage Ratio, calculated as of the end of each fiscal quarter for the period equal to the four (4) consecutive fiscal quarters then ended, to be less than 1.50 to 1.00.

10.15. Priority Indebtedness.

The Company will not, at any time, permit Priority Indebtedness to exceed the greater of (a) \$150,000,000 or (b) 20% of Consolidated Net Worth, determined at such time.

10.16. Maximum Leverage Ratio.

The Company shall not, at any time, permit the Leverage Ratio to exceed 3.25 to 1.00.

10.17. Amendment, Etc. of Indebtedness.

The Company covenants and agrees that it shall not amend, modify or change in any manner any term or condition of any Indebtedness, including, but not limited to the Bank Credit Agreement and the 2006 Note Purchase Agreement, except for (a) any refinancing, refunding, renewal or extension thereof permitted by Section 10.1, (b) any increase in the Indebtedness permitted under the terms of any such Indebtedness and this Agreement, or (c) changes and amendments which (i) do not materially and adversely affect the rights and privileges or the interests of the holders of Notes under this Agreement or the Notes and (ii) are not materially more restrictive on the Obligors, taken as a whole, than those set forth in this Agreement.

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal, interest or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for payment or prepayment or by declaration or otherwise; or

(b) the Company defaults in the performance of or compliance with any term contained in (i) Section 7.1(d), Section 7.3 or Section 10 or (ii) any Additional Covenant incorporated into this Agreement pursuant to Section 9.9 and such default is not remedied prior to the expiration of the associated cure period for such Additional Covenant; or

(c) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a) and (b)) or in any other Financing Document and such default is not remedied within thirty (30) days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as “notice of default” and to refer specifically to this Section 11(c)); or

(d) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any other Financing Document or by or on behalf of any Guarantor or by any officer of any Guarantor in connection with any Note Guarantee proves to have been false or incorrect in any material respect on the date as of which made; or

(e) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$25,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$25,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into Equity Interests or a voluntary redemption of such Indebtedness in accordance with its terms or the making of a change of control repurchase offer, provided such change of control offer is also made to the holders of the Notes pursuant to the provisions of Section 8.7), (x) the Company or any Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$25,000,000, or (y) one or more Persons have the right to require the Company or any Subsidiary so to purchase or repay such Indebtedness; or

(f) the Company or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(g) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Material Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Material Subsidiaries, or any such petition shall be filed against the Company or any of its Material Subsidiaries and such petition shall not be dismissed within 30 days; or

(h) a final judgment or judgments for the payment of money aggregating in excess of an amount equal to \$25,000,000 in the aggregate in excess of any valid and binding third party insurance coverage not in dispute shall be rendered against one or more of the Obligor and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay; or

(i) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed 5% of Consolidated Net Worth, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(j) (i) any default shall occur under any Note Guarantee or any Note Guarantee shall cease to be in full force and effect for any reason whatsoever (except as otherwise permitted hereunder and under such Note Guarantee), including, without limitation, a determination by any Governmental Authority that such Note Guarantee is invalid, void or unenforceable or (ii) the Company or any Guarantor shall contest or deny in writing the validity or enforceability of any Guarantor's obligations under its Note Guarantee; or

(k) [Reserved]; or

(l) this Agreement, any Note or any other Financing Document shall cease to constitute a legal, valid and binding agreement enforceable against the party executing the same or such party's successors and assigns (as permitted under such documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested or cease to give or provide the respective rights, titles, interests, remedies, powers or privileges intended to be created thereby; or

(m) any of the Obligor's or any of their Material Subsidiaries' assets are attached, seized, levied upon or subjected to a writ or distress warrant; or such come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and the same is not cured within sixty (60) days thereafter.

As used in Section 11(i), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to the Company described in Section 11(f) or (g) (other than an Event of Default described in clause (i) of Section 11(f) or described in clause (vi) of Section 11(f) by virtue of the fact that such clause encompasses clause (i) of Section 11(f)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 18) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other details for notices of each transferee of such Note or part thereof) within ten Business Days thereafter the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same Series as such surrendered Note in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1-A, in the case of a Series A Note, or in the form of Exhibit 1-B, in the case of a Shelf Note. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

13.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series as such lost, stolen, destroyed or mutilated Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1. Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York, at the principal office of JPMorgan Chase Bank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

14.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest and all other amounts by the method and at the address specified for such purpose below such Purchaser's name in Schedule A (in the case of the Series A Notes) or as specified in such Purchaser's Confirmation of Acceptance (in the case of a Shelf Note), or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 14.2.

15. EXPENSES, ETC.

15.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed \$5,000 per Series of Notes. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

15.2. Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1.2, 1.3, 1.4, 2.1, 3, 4, 5, 6 or 21, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, (b) (i) with the written consent of Prudential (and without the consent of any other holder of Notes), the provisions of Section 2.1 or 2.2 may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (ii) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of Sections 2.2 and 4 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes and (c) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8, 11(a), 12, 17 or 20.

17.2. Solicitation of Holders of Notes.

(d) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes, unless such proposed amendment, waiver or consent relates only to a specific Series of Accepted Notes which have not yet been purchased, in which case such information will only be required to be delivered to the Purchasers which shall have become obligated to purchase Accepted Notes of such Series. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(e) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

17.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4. Notes Held by Company, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (b) by registered or certified mail with return receipt (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A (in the case of the Series A Notes) or as specified by such Purchaser in its Confirmation of Acceptance (in the case of Shelf Notes), or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Senior Vice President and Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

Notwithstanding anything to the contrary in this Section 18, any communication pursuant to Section 2.2 shall be made by the method specified for such communication in Section 2.2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is listed for the party receiving the communication in the Information Schedule or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at any Closing (except the Original Series A Notes and the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, “**Confidential Information**” means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser’s Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement (including, without limitation, as contemplated by Section 7.4), any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 20 shall supersede any such other confidentiality undertaking.

21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

22.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.4 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that, if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

22.3. Accounting Terms and Covenant Calculations.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with GAAP, and all financial statements shall be prepared in accordance with GAAP.

(b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with the covenants in this Agreement, any election by the Company or any Subsidiary to measure any portion of a non-derivative financial liability at fair value (as permitted by FASB ASC 825-10-25 (formerly known as FASB Statement No. 159) or any similar accounting standard), other than to reflect any hedging of such non-derivative financial liability (including both interest rate and foreign currency hedges), shall be disregarded and such determination shall be made as if such election had not been made.

(c) As used in this Agreement, accounting terms relating to the Company and its Subsidiaries not defined in Schedule B, and accounting terms partly defined in Schedule B, but only to the extent not so defined, shall have the respective meanings given to them under GAAP; provided, however, that all accounting terms used in Section 10 (and all defined terms used in the definition of any accounting term used in Section 10 shall have the meaning given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing the Company's audited consolidated year-end financial statements for the fiscal year ended December 29, 2013. In the event any change in GAAP after the date hereof would affect the computation of any financial covenants set forth in this Agreement, and either the Company or the Required Holders shall so request, the holders of Notes and the Company shall negotiate in good faith to amend such financial covenants in a manner that would preserve the original intent thereof, but would allow compliance therewith to be determined in accordance with the Company's financial statements at that time; provided that, until so amended (i) such financial covenants shall continue to be computed in accordance with GAAP prior to such change therein, and (ii) the Company shall provide to the holders of Notes financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change.

(d) Any financial ratios required to be maintained by the Company pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

22.4. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.5. Construction, Etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

22.6. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Delivery of a facsimile or electronic transmission of an executed counterpart of a signature page to this Agreement shall be as effective as delivery of a manually executed counterpart of this Agreement.

22.7. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

22.8. Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Nothing in this Section 22.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(c) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

22.9. Publicity.

The Company agrees that Prudential (and its Affiliates) may (a) refer to its (and their) role in originating the purchase of the Series A Notes from the Company and establishing the Facility, as well as the identity of the Company and the aggregate principal amount and issue date of the Series A Notes and the maximum aggregate principal amount of the Shelf Notes and the date on which the Facility was established, on its internet site or in marketing materials, press releases, published “tombstone” announcements or any other print or electronic medium and (b) display the Company’s corporate logo in conjunction with any such reference.

22.10. CONTINUED EFFECTIVENESS; NO NOVATION.

Anything contained herein to the contrary notwithstanding, this Agreement is not intended to and shall not serve to effect a novation of the obligations under the Original Note Purchase and Private Shelf Agreement or the Original Series A Notes. Instead, it is the express intention of the parties hereto to reaffirm the indebtedness created under the Original Note Purchase and Private Shelf Agreement and the Original Series A Notes, as amended by this Agreement. The Company acknowledges and confirms that it has no defense, set off, claim or counterclaim arising prior to the Restatement Effective Date against any of the holders of Notes with regard to the indebtedness, liabilities and obligations created under the Original Note Purchase and Private Shelf Agreement or the Original Series A Notes. This Agreement and all agreements, instruments and documents executed or delivered in connection herewith shall each be deemed to be amended to the extent necessary to give effect to the provisions of this Section. All references in this Agreement or in the Note Guarantee to “Notes” shall be deemed to refer to, without limitation, the “Notes” of the Company under, pursuant to and as defined in this Agreement.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

MSA SAFETY INCORPORATED

By: _____

Name:

Title:

MINE SAFETY APPLIANCES COMPANY, LLC

By: _____

Name:

Title:

This Agreement is hereby accepted
and agreed to as of the date thereof.

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By__
Vice President

[Signature Page to Note Purchase and Private Shelf Agreement]

**THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA**

By: _____
Vice President

ZURICH AMERICAN INSURANCE COMPANY

By: Prudential Private Placement Investors,
L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc.
(as its General Partner)

By: _____
Vice President

FORETHOUGHT LIFE INSURANCE COMPANY

By: Prudential Private Placement Investors,
L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc.
(as its General Partner)

By: _____
Vice President

[Signature Page to Note Purchase and Private Shelf Agreement]

INFORMATION SCHEDULE

Authorized Officers for Prudential

Prudential Investment Management, Inc.
c/o Prudential Capital Group
1114 Avenue of the Americas, 30th Floor
New York, NY 10036
Attention: Managing Director
Telecopy: 212-626-2077
Telephone: 212-626-2060
Email: (see below)

Paul L. Meiring
Yvonne M. Guajardo
Engin W. Okaya
Eric R. Seward

Email: paul.meiring@prudential.com
Email: yvonne.guajardo@prudential.com
Email: engin.okaya@prudential.com
Email: eric.seward@prudential.com

Authorized Officers for Company

Stacy McMahan
Senior Vice President and Chief Financial Officer
MSA Safety Incorporated
1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania 16066
Telephone: 724-741-8237
Fax: 724-741-1589
Email: stacy.mcmahan@msasafety.com

Kenneth Krause
Executive Director, Global Finance and Assistant Treasurer
MSA Safety Incorporated
1000 Cranberry Woods Drive
Cranberry Township, Pennsylvania 16066
Telephone: 724-741-8534
Fax: 724-741-1589
Email: ken.krause@msasafety.com

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“2006 Note Purchase Agreement” means that certain Amended and Restated Note Purchase Agreement, dated as of March 7, 2014, made by the Company for the benefit of the Purchasers (as defined therein) party thereto from time to time, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“2006 Note Purchase Agreement Guarantees” means, collectively, each Note Guarantee (as defined in the 2006 Note Purchase Agreement).

“2006 Notes” means the Company’s 5.41% Amended and Restated Senior Notes due December 20, 2021 in the original aggregate principal amount of \$60,000,000 issued pursuant to the terms of the 2006 Note Purchase Agreement.

“Acceptance” is defined in Section 2.2(e).

“Acceptance Day” is defined in Section 2.2(e).

“Acceptance Window” means, with respect to any Quotation, the time period designated by Prudential during which the Company may elect to accept such Quotation. The Acceptance Window with respect to any Quotation is expected to be two minutes, but may be a shorter period if Prudential so elects.

“Accepted Note” is defined in Section 2.2(e).

“Accrued Interest” is defined in Section 1.1.

“Additional Covenant” is defined in Section 9.9(a).

“Additional Subsidiary Guarantor” means, at any time, each Subsidiary of the Company which (a) guarantees all or any part of the obligations of the Company or any Subsidiary under, or in respect of, the Bank Credit Agreement or the 2006 Note Purchase Agreement, or (b) is a borrower, issuer or other obligor under, or in respect of, the Bank Credit Agreement or the 2006 Note Purchase Agreement.

“Administrative Agent” means the Administrative Agent so designated under the Bank Credit Agreement.

“**Affiliate**” means, at any time, (a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, (b) with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests and (c) with respect to Prudential, shall include any managed account, investment fund or other vehicle for which Prudential or any Prudential Affiliate acts as investment advisor or portfolio manager. As used in this definition, “*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“**Amended and Restated Note Guarantee**” means an amended and restated guarantee agreement substantially in the form attached hereto as Exhibit 9.10-B, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Anti-Corruption Laws**” is defined in Section 5.18(c).

“**Anti-Money Laundering Laws**” is defined in Section 5.18(b).

“**Asset Disposition**” means any Transfer except

(a) any Transfer from a Subsidiary to the Company or from the Company to a Subsidiary, or from a Subsidiary to another Subsidiary, so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, no Event of Default or Default exists;

(b) any Transfer made in the ordinary course of business and involving only property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials no longer used or useful in the operation of the business of the Company or any of its Subsidiaries or that are obsolete;

(c) any Transfer by the Company or any Subsidiary constituting a Permitted Investment;

(d) non-exclusive licenses or sublicenses to use the patents, trade secrets, know-how and other intellectual property of the Company or any of its Subsidiaries in the ordinary course of business;

(e) dispositions or discounts, without recourse of accounts receivables in connection with the compromise or collection thereof in the ordinary course of business; and

(f) leases and sub-leases and licenses and sub-licenses of property in the ordinary course of business.

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

“Available Facility Amount” is defined in Section 2.2(a).

“Bank Credit Agreement” means that certain First Amended and Restated Credit Agreement, dated as of March 7, 2014, by and among the Company, each of the guarantors from time to time party thereto, each of the Bank Lenders from time to time party thereto and PNC Bank, National Association, as Administrative Agent, as the same may be amended, restated, supplemented, modified, renewed, extended, replaced or refinanced from time to time to the extent permitted by the terms hereof.

“Bank Guarantee” means each Guaranty by any Subsidiary of the Company of the obligations of the Company under the Bank Credit Agreement.

“Bank Lender” means each financial institution that is a “Lender” under, and as defined in, the Bank Credit Agreement from time to time.

“Blocked Person” is defined in Section 5.18(a).

“Business Day” means (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Pittsburgh, Pennsylvania or New York, New York are required or authorized to be closed.

“Cancellation Date” is defined in Section 2.2(g)(iv).

“Cancellation Fee” is defined in Section 2.2(g)(iv).

“**Capital Lease**” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“**Capital Lease Obligation**” means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

“**Change in Control**” means (a) any Person or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) (i) acquiring or having acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under such Act) of 50% or more of any outstanding class of Equity Interests having ordinary voting power in the election of the directors of the Company (other than the aggregate beneficial ownership of the Persons who are officers or directors of the Company on the Restatement Effective Date) or (ii) obtaining or having obtained the power (whether or not exercised) to elect a majority of the Company’s directors; or (b) any event constituting a “Change of Control” (or any term of similar import) under the Bank Credit Agreement or the 2006 Note Purchase Agreement. For the avoidance of doubt, the transactions contemplated in connection with the Reorganization on or after the Restatement Effective Date shall not be deemed to be a Change in Control hereunder.

“**Change in Control Response Date**” is defined in Section 8.7(a).

“**CISADA**” is defined in Section 5.18(a).

“**Closing**” shall mean (a) the Restatement Closing and (b) each Shelf Closing.

“**Closing Day**” means, with respect to the Original Series A Notes, the Series A Closing Day and, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Confirmation of Acceptance for such Accepted Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the “**Closing Day**” for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to Section 3.3, the Closing Day for such Accepted Note, for all purposes of this Agreement except references to “original Closing Day” in Section 2.2(g)(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Commodity Hedge**” means a price protection agreement related to commodity products and entered into by the Company or its Subsidiaries for hedging purposes (and not for speculation).

“**Company**” is defined in the introductory sentence of this Agreement.

“**Company Notice**” is defined in Section 8.7(a).

“**Confidential Information**” is defined in Section 20.

“Confirmation of Acceptance” is defined in Section 2.2(e).

“Consolidated EBITDA” means, for any period of determination, (a) the sum of Consolidated Net Income, depreciation, amortization, other non-cash charges, non-cash expenses, or non-cash losses to net income (provided, however, that cash payments made in such period or in any future period in respect of such non-cash charges, expenses or losses shall be subtracted from Consolidated Net Income in calculating Consolidated EBITDA in the period when such payments are made), Interest Charges, income tax expense and restructuring costs in connection with the Reorganization, minus (b) non-cash credits or non-cash gains to net income, in each case of the Company and its Subsidiaries for such period determined and consolidated in accordance with GAAP. For purposes of determining Consolidated EBITDA, items related to Joint Ventures shall be excluded, except that cash dividends paid by any Joint Venture to the Company or a wholly-owned Subsidiary of the Company shall be included in Consolidated EBITDA. For purposes of calculating Consolidated EBITDA, (i) with respect to a business acquired by the Obligors pursuant to a Permitted Acquisition, Consolidated EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if the Permitted Acquisition had been consummated at the beginning of such period and (ii) with respect to a business liquidated, sold or disposed of by the Obligors pursuant to Section 10.5 or Section 10.6, Consolidated EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if such liquidation, sale or disposition had been consummated at the beginning of such period.

“Consolidated Funded Indebtedness” means, for any period of determination, (a) the principal balance of the Notes and all obligations of the Company and its Subsidiaries for borrowed money (including, without limitation, Capital Lease Obligations, plus (b) (without duplication) contingent liabilities related to letters of credit and Guaranties of the Company and its Subsidiaries, plus (c) obligations (contingent or otherwise) under any Currency Agreement, Interest Rate Hedge or Commodity Hedge: (i) in the case of a Currency Agreement, Interest Rate Hedge or Commodity Hedge that has been closed out, in an amount equal to the termination value thereof and (ii) in the case of a Currency Agreement, Interest Rate Hedge or Commodity Hedge that has not been closed out, in an amount equal to the mark to market value thereof determined on the basis of readily available quotations provided by any recognized dealer in such Currency Agreement, Interest Rate Hedge or Commodity Hedge (provided, however, that amounts under this clause (c) shall exclude net obligations under a Currency Agreement, Interest Rate Hedge or Commodity Hedge (exclusive of any mark to market adjustment not requiring any actual cash payment or settlement)), in each case determined and consolidated for the Company and its Subsidiaries in accordance with GAAP.

“Consolidated Income Available for Fixed Charges” means for any period of determination, Consolidated Net Income for such period, plus all amounts deducted in the computation thereof on account of (a) Fixed Charges and (b) taxes imposed on or measured by income or excess profits, in each case determined and consolidated for the Company and its Subsidiaries in accordance with GAAP.

“Consolidated Net Income” means with respect to any period of determination, the net income (or loss) of the Company and its Subsidiaries for such period (taken as a cumulative whole), as determined and consolidated for the Company and its Subsidiaries in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP.

“Consolidated Net Tangible Assets” means, at any time, the total amount of assets of the Company and its Subsidiaries at such date as determined and consolidated for the Company and its Subsidiaries in accordance with GAAP, minus (a) all applicable depreciation, amortization and other valuation reserves and (b) all goodwill, tradenames, trademarks, patents, unamortized debt premium or discount and expense and other like intangible assets of the Company and its Subsidiaries at such date determined and consolidated for the Company and its Subsidiaries in accordance with GAAP.

“Consolidated Net Worth” means, at any time, (a) the sum of (i) the par value (or value stated on the books of the corporation) of the capital stock (but excluding treasury stock and capital stock subscribed and unissued) of the Company and its Subsidiaries plus (ii) the amount of paid-in capital and retained earnings of the Company and its Subsidiaries, in each case as determined and consolidated as of such time for the Company and its Subsidiaries in accordance with GAAP, minus (b) to the extent included in clause (a) above, all amounts properly attributable to minority interests, if any, in the stock and surplus of the Company’s Subsidiaries.

“Consolidated Total Assets” means, at any time of determination, the total amount of assets (less properly deductible reserves), which under GAAP appear on a consolidated balance sheet of the Company and its Subsidiaries, in each case determined and consolidated for the Company and its Subsidiaries in accordance with GAAP.

“Controlled Entity” means (a) any of the Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (b) if the Company has a parent company, such parent company and its Controlled Affiliates. As used in this definition, **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Currency Agreement” means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement, among the Company or any of its Subsidiaries, on the one hand, and one or more financial institutions, on the other hand, designed to protect the Company or any of its Subsidiaries against fluctuations in currency values.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” with respect to any Note, has the meaning given in such Note.

“Delayed Delivery Fee” is defined in Section 2.2(g)(iii).

“Disposition Value” means at any time, with respect to any property, (a) in the case of property that does not constitute Equity Interests, the book value thereof, and (b) in the case of property that constitutes Equity Interests, an amount equal to that percentage of the book value of the assets of the Subsidiary that issued such Equity Interests as is equal to the percentage that the book value of all of the outstanding Equity Interests of such Subsidiary determined at the time of the disposition thereof, in good faith by the Company.

“Dollars” or **“\$”** means lawful money of the United States of America.

“Domestic Person” shall mean an entity organized under the laws of any state of the United States of America or the District of Columbia.

“Domestic Subsidiary” shall mean any Subsidiary (other than a Domestic Person that is a Subsidiary of a non-Domestic Person) of any Obligor that is a Domestic Person.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“Equity Interests” means any and all shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“ERISA Event” means (a) a reportable event (under Section 4043 of ERISA and the regulations thereunder) with respect to a Pension Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

“**Event of Default**” is defined in Section 11.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Excluded Subsidiary**” means each Subsidiary listed on Schedule 10.8. The Excluded Subsidiaries are not required to execute a Note Guarantee with respect to the Notes, except to the extent that the Company causes any such Excluded Subsidiary becomes an Additional Subsidiary Guarantor.

“**Facility**” is defined in Section 2.2(a).

“**Fair Market Value**” means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

“**Financing Documents**” means this Agreement, the Note Guarantees, the Intercompany Subordination Agreement, the Notes and any other instruments, certificates or documents delivered in connection herewith or therewith, as the same may be amended, modified or supplemented from time to time in accordance herewith or therewith, and “**Financing Document**” shall mean any of the Financing Documents.

“**Fixed Charges**” means for any period of determination, the sum of (a) Interest Charges for such period, plus (b) Lease Rentals for such period.

“**Fixed Charges Coverage Ratio**” means, for any date of determination, the ratio of (a) Consolidated Income Available for Fixed Charges for the four (4) consecutive fiscal quarters of the Company then most recently ended to (b) Fixed Charges for such period.

“**Foreign Reorganization**” means the reorganization of the Foreign Subsidiaries as set forth on Schedule 4.12, which reorganization shall be consummated and effective after the effectiveness of this Agreement.

“**Foreign Subsidiary**” means any Subsidiary of the Company that is not a Domestic Person.

“**GAAP**” means either (a) generally accepted accounting principles as in effect from time to time in the United States of America; or (b) at the election of the Company effective as of the end of any applicable fiscal quarter upon written notice to Prudential and the holders of the Notes, IFRS; provided that the Company may only make one such election during the term of this Agreement.

“GM Acquisition” means (a) the purchase by Newco of all or substantially all of the assets of General Monitors, Inc., a Nevada corporation, pursuant to that certain Asset Purchase Agreement, dated September 7, 2010, by and among the Company, Newco, General Monitors, Inc., a Nevada corporation, the Stockholders (as defined therein) and Joseph A. Sperske (as the Sellers’ Representative); (b) the purchase by the Company of all or substantially all of the equity interests in GMT pursuant to that certain Equity Purchase Agreement, dated September 7, 2010, by and among the Company, GMT, the GMT Members (as defined therein) and Joseph A. Sperske (as the GMT Members’ Representative); and (c) the purchase by Mine Safety Fifty Ireland Limited, a company incorporated under the laws of Ireland, of all or substantially all of the equity interests in General Monitors Ireland Ltd., a company incorporated under the laws of Ireland, pursuant to that certain Share Purchase Agreement, dated September 7, 2010, by and among, the Company, Mine Safety Fifty Ireland Limited, a company incorporated under the laws of Ireland, General Monitors Ireland Ltd., a company incorporated under the laws of Ireland, Raybeam Limited, a company incorporated under the laws of Ireland, the Edwards QSST Trust I, the Edwards QSST Trust II, the Edwards QSST Trust III, Denis Connolly, an individual and Cecil Lenihan, an individual.

“GMT” means General Monitors Transnational, LLC, a Nevada limited liability company.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantor” means separately, and **“Guarantors”** shall mean collectively, (a) the Initial Subsidiary Guarantors, (b) MSAW, (c) MSA Advanced Detection, LLC, a Pennsylvania limited liability company, (d) MSA, (e) MSA Safety Development, LLC, a Pennsylvania limited liability company, (f) MSA Technology, LLC, a Pennsylvania limited liability company, (g) MSA Innovation, LLC, a Pennsylvania limited liability company and (h) each other Person which executes and delivers a Note Guarantee pursuant to Section 4.16, Section 9.10 or otherwise on or after the Series A Closing Day.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

- (a) to purchase such indebtedness or obligation or any property constituting security therefor;
- (b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“**Hazardous Material**” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**Hedge Treasury Note(s)**” means, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

“**holder**” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1.

“**Hostile Tender Offer**” shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

“**IFRS**” means the body of pronouncements issued by the International Accounting Standards Board (IASB), including International Financial Reporting Standards and interpretations approved by the IASB, International Accounting Standards and Standing Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee and adapted for use in the European Union.

“**Incorporated Covenant**” is defined in Section 9.9(b).

“Indebtedness” means, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device, (iv) any other transaction (including forward sale or purchase agreements, Capital Leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness and which are not more than thirty (30) days past due), or (v) any Guaranty of Indebtedness for borrowed money.

“Initial Subsidiary Guarantor” means (a) GMT, (b) General Monitors, Inc., a Nevada corporation, and (c) MSA International, Inc., a Delaware corporation.

“Institutional Investor” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5.0% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

“Intellectual Property” is defined in Section 5.10.

“Intercompany Subordination Agreement” shall mean that certain Amended and Restated Intercompany Subordination Agreement, dated as of the Restatement Effective Date, among the Obligor in favor of the holders of the Notes substantially the form attached as Exhibit 10.1(d) hereto, as amended, restated, supplemented or otherwise modified from time to time.

“Interest Charges” means, for any period of determination, the sum (without duplication) of the following (in each case, eliminating all offsetting debits and credits between the Company and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Subsidiaries in accordance with GAAP): (a) all interest in respect of Indebtedness of the Company and its Subsidiaries (including imputed interest on Capital Lease Obligations) deducted in determining Consolidated Net Income for such period, together with all interest capitalized or deferred during such period and not deducted in determining Consolidated Net Income for such period, and (b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Income for such period.

“Interest Payment Date” means April 13, 2014, and each 13th day of January, April, July and October thereafter to and including October 13, 2021.

“**Interest Rate Hedge**” means an interest rate exchange, collar, cap, swap, adjustable strike cap, adjustable strike corridor or similar agreements entered into by any Obligor or any Subsidiary thereof in order to provide protection to, or minimize the impact upon, the Company, the Guarantors and/or their Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

“**IRS**” means the Internal Revenue Service.

“**Issuance Fee**” is defined in Section 2.2(g)(ii).

“**Issuance Period**” is defined in Section 2.2(b).

“**Joint Venture**” means a corporation, partnership, limited liability company or other entity (excluding any Subsidiary) in which any Person other than the Obligors and their respective Subsidiaries holds, directly or indirectly, an Equity Interest.

“**Law**” means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, issued guidance, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement arrangement by agreement, consent or otherwise, with any Governmental Authority, foreign or domestic.

“**Lease Rentals**” means, for any period of determination, the sum of the minimum amount of rental and other obligations required to be paid during such period by the Company or any of its Subsidiaries as lessee under all leases of real or personal property (other than Capital Leases), excluding any amounts required to be paid by the lessee (whether or not therein designated as rental or additional rental) (a) which are on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges, or (b) which are based on profits, revenues or sales realized by the lessee from the leased property or otherwise based on the performance of the lessee.

“**Lender Provided Commodity Hedge**” means a Commodity Hedge which is provided by any Bank Lender or its Affiliate and with respect to which the Administrative Agent confirms: (i) is documented in a standard International Swap Dealer Association Agreement and (ii) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner.

“**Lender Provided Interest Rate Hedge**” means an Interest Rate Hedge which is provided by any Bank Lender or its Affiliate and with respect to which the Administrative Agent (as defined under the Bank Credit Agreement) confirms: (i) is documented in a standard International Swap Dealer Association Agreement and (ii) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner.

“**Leverage Ratio**” means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness of the Company and its Subsidiaries on such date to (b) Consolidated EBITDA (i) for the period equal to the four (4) consecutive fiscal quarters then ending if such date is a fiscal quarter end or (ii) for the period equal to the four (4) consecutive fiscal quarters most recently ended if such date is not a fiscal quarter end.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, hypothecation, assignment, deposit arrangement, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements) or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

“**Make-Whole Amount**” is defined in Section 8.6.

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“**Material Adverse Effect**” means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement, the Notes or the other Financing Documents, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition or results of operations of the Obligor taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of the Obligor taken as a whole to duly and punctually pay or perform any of their obligations under, and in respect of, this Agreement, the Notes or the other Financing Documents, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Purchasers or holders of the Notes, to the extent permitted, to enforce their legal remedies pursuant to this Agreement, the Notes or any other Financing Document.

“**Material Subsidiary**” means any Subsidiary (i) that is an Obligor, or (ii) which, as of the most recently ended fiscal quarter of the Company, (A) for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 7.1(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 7.1(a) or (b), the most recent financial statements referred to in Schedule 5.5), contributed greater than five percent (5%) of Consolidated EBITDA for such period or (B) which contributed greater than five percent (5%) of Consolidated Total Assets determined as of the last day of such fiscal quarter.

“**Most Favored Lender Notice**” means a written notice from the Company to each of the holders of the Notes delivered promptly, and in any event within ten (10) Business Days after the inclusion of any Additional Covenant in the Bank Credit Agreement or the 2006 Note Purchase Agreement, as applicable (including by way of amendment or other modification of any existing provision thereof), pursuant to Section 9.9 by a Senior Financial Officer in reasonable detail, including reference to Section 9.9, a verbatim statement of such Additional Covenant (including any defined terms used therein) and related explanatory calculations, as applicable.

“**MSA**” is defined in the introductory sentence of this Agreement.

“**MSAW**” means MSA Worldwide, LLC, a Pennsylvania limited liability company.

“**Multiemployer Plan**” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**Newco**” means Fifty Acquisition Corp., a Nevada corporation.

“**Note Guarantee**” means collectively, (a) a guarantee agreement substantially in the form attached hereto as Exhibit 9.10-A, as the same may be amended, restated, supplemented or otherwise modified from time to time, and (b) with respect to each Initial Subsidiary Guarantor, an Amended and Restated Note Guarantee.

“**Notes**” is defined in Section 2.1.

“**Obligors**” means collectively the Company and the Guarantors and “**Obligor**” shall mean the Company or any Guarantor.

“**OFAC**” is defined in Section 5.18(a).

“**OFAC Listed Person**” is defined in Section 5.18(a).

“**OFAC Sanctions Program**” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“**Officer’s Certificate**” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“**Original Note Purchase and Private Shelf Agreement**” is defined in Section 1.1.

“**Original Purchasers**” means, collectively, each of the holders of the Original Series A Notes on the Restatement Effective Date immediately prior to giving effect to the transactions contemplated by this Agreement.

“**Original Series A Notes**” is defined in Section 1.1.

“**Original Shelf Notes**” is defined in Section 1.1.

“**Other Lender Provided Financial Services Product**” means agreements or other arrangements under which any Bank Lender or Affiliate of a Bank Lender provides any of the following products or services to any of the Obligors: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services, or (g) foreign currency exchange.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“Permitted Acquisition” is defined in Section 10.5.

“Permitted Investment” means

- (i) any investment, loan or advance existing on the date of this Agreement and described on Schedule 10.4;
- (ii) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;
- (iii) commercial paper maturing in 270 days or less rated not lower than A-2, by Standard & Poor's or P-2 by Moody's Investors Services, Inc. on the date of acquisition;
- (iv) investments in certificates of deposit maturing no later than 365 days from the date of acquisition and issued by a bank or trust company that has combined capital, surplus and undivided profits of over Five Hundred Million and 00/100 Dollars (\$500,000,000.00);
- (v) investments in mutual funds that invest only in either (A) money market securities or (B) whose investments are limited to those types of investments described in clauses (ii)-(iv) above;
- (vi) investments made under agreements regarding the management and investment of deposit, sweep and other similar accounts with any commercial bank that satisfies the requirements of (iv) above; and
- (vii) in the case of Foreign Subsidiaries, investments denominated in the currency of the jurisdiction in which such Subsidiary is organized or has its principal place of business which are similar to the investments specified in clauses (ii) through (vi) of this definition made in the ordinary course of business.

“Permitted Liens” means:

- (i) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business and which are not yet due and payable;
- (ii) Pledges or deposits made in the ordinary course of business to secure payment of workers' compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;
- (iii) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default;
- (iv) Liens consisting of bankers' Liens encumbering deposit accounts (including, without limitation, rights of setoff);

(v) Good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business, provided that the aggregate amount secured by appeal bonds together with the Liens referred to in clause (x)(4) below shall not at any time exceed five percent (5.0%) of Consolidated Total Assets;

(vi) Encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the actual or intended use by the Company or its Subsidiaries of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;

(vii) Liens on property leased by any Obligor or Subsidiary of an Obligor under Capital Leases and operating leases securing obligations of such Obligor or Subsidiary to the lessor under such leases;

(viii) Any Lien existing on the date of this Agreement and described on Schedule 10.2, provided that the principal amount secured thereby is not hereafter increased and no additional assets become subject to such Lien;

(ix) Purchase Money Security Interests, provided that (A) any such Lien shall extend solely to the item or items of such property (or improvements thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon) or which is real property being improved by such acquired or constructed property (or improvement thereon), (B) the aggregate value of the assets subject to such Purchase Money Security Interest securing such Indebtedness shall not exceed an amount equal to the lesser of (x) the cost of such property (or improvement thereon) and (y) the Fair Market Value (as determined in good faith by the board of directors of the Company) of such property (or improvement thereon) at the time of such acquisition (excluding for the purpose of this computation any loans or deferred payments secured by Liens described on Schedule 10.2) and (C) any such Lien shall be created contemporaneously with, or within 180 days after the acquisition or construction of such property;

(x) The following, (A) if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (B) if a final judgment is entered and such judgment is discharged within thirty (30) days of entry, and in any case they do not, in the aggregate, materially impair the ability of any Obligor to perform its obligations under this Agreement or the Notes:

(1) Claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty; provided that the applicable Obligor maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(2) Claims, Liens or encumbrances upon, and defects of title to, real or personal property, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(3) Claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens; or

(4) Liens resulting from final judgments or orders described in Section 11(h) that the aggregate amount secured by all such Liens together with the Liens referred to in clause (v) above shall not at any time exceed five percent (5.0%) of Consolidated Total Assets; and

(xi) Any interest or title of a lessor, sublessor, licensor or sublicensor under any leases (other than Capital Leases), subleases, licenses or sublicenses entered into by the Company or any Subsidiary of the Company as lessee, sublessee, licensee or sublicensee in the ordinary course of business;

(xii) Liens existing on property or any asset at the time of acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary on or after the Restatement Effective Date prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary (other than proceeds) and (iii) such Lien shall secure only those obligations which it secured on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding principal amount thereof (other than by an amount not in excess of fees and expenses, including premium and defeasance costs associated therewith) or result in a decreased average weighted life thereof; and

(xiii) Liens not otherwise described by the foregoing clauses in this definition on assets of the Obligors securing obligations not exceeding Twenty Million and 00/100 Dollars (\$20,000,000.00) in the aggregate.

“**Person**” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“**Plan**” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“**Priority Indebtedness**” means, without duplication, the sum of (a) all Indebtedness of Subsidiaries (excluding (x) Indebtedness owing to the Company or another Subsidiary, and (y) Indebtedness of any Subsidiary that is a Guarantor); (b) all Indebtedness secured by Liens permitted by clause (xiii) of the definition of “Permitted Liens”; and (c) the greater of the mandatory redemption amount or the liquidation preference of the Preferred Stock, if any, of all Subsidiaries.

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Projections**” is defined in Section 5.20.

“**Prudential**” is defined in the addressee line to this Agreement.

“**Prudential Affiliate**” means any Affiliate of Prudential.

“**PTE**” is defined in Section 6.2.

“**Purchase Money Security Interest**” means Liens upon tangible personal property securing loans to any Obligor or Subsidiary of an Obligor or deferred payments by such Obligor or Subsidiary for the purchase of such tangible personal property.

“**Purchaser**” is defined in the addressee line to this Agreement.

“**Qualified Institutional Buyer**” means any Person who is a “qualified institutional buyer” within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

“**Quotation**” shall have the meaning provided in paragraph 2.2(d).

“**Related Fund**” means, with respect to any holder of any Note, any fund or entity that (a) invests in securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

“**Reorganization**” means the reorganization (including but not limited to, the Foreign Reorganization) of the Obligors and their Subsidiaries as set forth on Schedule 4.12, which reorganization shall be consummated and effective simultaneously with the effectiveness of this Agreement.

“**Reportable Compliance Event**” means that the Company or any Controlled Entity becomes a Blocked Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any U.S. Economic Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws or any predicate crime to any U.S. Economic Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any U.S. Economic Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

“**Request for Purchase**” is defined in Section 2.2(c).

“**Required Holders**” means, at any time, the holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

“**Rescheduled Closing Day**” is defined in Section 3.3.

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“Restatement Closing” is defined in Section 3.1.

“Restatement Effective Date” means March 7, 2014.

“Sanctioned Country” means a country subject to a sanctions program maintained under any U.S. Economic Sanctions.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

“Series” is defined in Section 2.1.

“Series A Closing Day” means October 13, 2010.

“Series A Note” is defined in Section 1.3.

“Series A Purchaser” is defined in the addressee line to this Agreement.

“Shelf Closing” means, with respect to any Series of Shelf Notes, the closing of the sale and purchase of such Series of Shelf Notes.

“Shelf Notes” is defined in Section 2.1.

“Solvency” means with respect to any Person on any date of determination, taking into account such right of reimbursement, contribution or similar right available to such Person from other Persons, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (ii) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (v) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Subsidiary**” of any Person at any time shall mean any corporation, trust, partnership, any limited liability company or other business entity of which more than fifty percent (50%) of the outstanding voting securities or other interests normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries. Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“**Subsidiary Equity Interests**” is defined in Section 5.2.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Tax**” means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“**Transfer**” means with respect to the Company or any Subsidiary of the Company, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Equity Interests.

“**USA Patriot Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**U.S. Economic Sanctions**” is defined in Section 5.18(a).

“**Wholly-Owned Subsidiary**” means, at any time, any Subsidiary all of the Equity Interests (except directors' qualifying shares and de minimis foreign ownership requirements) and all voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

[FORM OF AMENDED AND RESTATED SERIES A NOTE]**MSA SAFETY INCORPORATED****4.00% AMENDED AND RESTATED SERIES A SENIOR NOTE DUE OCTOBER 13, 2021**

No. RA-[] [Date]

\$[] PPN: 553498 A*7

FOR VALUE RECEIVED, the undersigned, MSA SAFETY INCORPORATED (herein called the “**Company**”), a corporation organized and existing under the laws of Pennsylvania, hereby promises to pay to [], or registered assigns, the principal sum of [] DOLLARS (or so much thereof as shall not have been prepaid) on October 13, 2021, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.00% per annum from the date hereof, payable quarterly on each Interest Payment Date in each year, commencing with the Interest Payment Date next succeeding the date hereof (which, for the Interest Payment Date occurring on April 13, 2014, shall also include all Accrued Interest payable in respect of this Note) until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum (the “**Default Rate**”) from time to time equal to the greater of (i) 6.00% and (ii) 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime rate”, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of 4.00% Amended and Restated Series A Senior Notes (herein called the “**Notes**”) issued pursuant to the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of March 7, 2014 (as from time to time amended, the “**Note Purchase Agreement**”), between the Company, Prudential Investment Management, Inc. and each Prudential Affiliate which becomes a party thereto and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

Exhibit 1-A-1

This Note amends and restates and is given in substitution for, but not in satisfaction of, that certain 4.00% Series A Senior Note due October 13, 2021 issued by Mine Safety Appliances Company, LLC (as successor to Mine Safety Appliances Company) in favor of [_____] in the original principal amount of \$[_____].

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company agrees to make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

MSA SAFETY INCORPORATED

By__
Name:
Title:

Exhibit 1-A-2

[FORM OF SHELF NOTE]**MSA SAFETY INCORPORATED**

[]% SERIES ___ SENIOR NOTE DUE [_____, ___]

No. [] [Date]

PPN[_____]

ORIGINAL PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE:

INTEREST RATE:

FINAL MATURITY DATE:

PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

For Value Received, the undersigned, MSA SAFETY INCORPORATED (herein called the “**Company**”), a corporation organized and existing under the laws of the State of Pennsylvania, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] Dollars [on the Final Maturity Date specified above (or so much thereof as shall not have been prepaid)], payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the Interest Rate per annum specified above, payable quarterly, on the [] day of [_____, _____, _____] and [_____] in each year, commencing with the [_____, _____, _____] or [_____] next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum (the “**Default Rate**”) from time to time equal to the greater of (i) 2% over the Interest Rate specified above or (ii) 2% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime rate”, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the “**Notes**”) issued pursuant to the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of March 7, 2014 (as from time to time amended, the “**Note Purchase Agreement**”), between the Company, Prudential Investment Management, Inc. and each Prudential Affiliate which becomes a party thereto and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Note Purchase Agreement.

Exhibit 1-B-1

Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

[The Company will make required prepayments of principal on the dates and in the amounts specified above and in the Note Purchase Agreement.] [This Note is [also] subject to [optional] prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.] [This Note is not subject to prepayment.]

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

MSA SAFETY INCORPORATED

By__
Name:
Title:

[FORM OF]REQUEST FOR PURCHASE**MSA SAFETY INCORPORATED****NOTE PURCHASE AND PRIVATE SHELF AGREEMENT**

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (the “**Agreement**”), dated as of March 7, 2014, between MSA Safety Incorporated (the “**Company**”), on the one hand, and Prudential Investment Management, Inc. (“**Prudential**”), the Series A Purchasers and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Section 2.2(c) of the Agreement, the Company hereby makes the following Request for Purchase:

1. Aggregate principal amount of the Shelf Notes covered hereby (the “**Notes**”): \$ _____

2. Interest Rate: [●]%

3. Interest Payment Period: Quarterly

4. Individual specifications of the Notes:

Principal			
Final Prepayment			
Principal Maturity	Dates and		
<u>Amount</u>	<u>Date</u>	<u>Amounts</u>	

5. Use of proceeds of the Notes:

6. Proposed day for the closing of the purchase and sale of the Notes:

7. The purchase price of the Notes is to be transferred to:

Name and Address
and ABA Routing Number of
Number of Bank Account

30. The Company certifies that (a) [except as set forth on Exhibit A hereto,] the representations and warranties contained in Section 5 of the Agreement are true on and as of the date of this Request for Purchase, (b) on the date of this Request for Purchase no Default or Event of Default has occurred or is continuing and (c) none of the proceeds of the Notes will be used for the purpose of financing a Hostile Tender Offer.

31. The Issuance Fee to be paid pursuant to the Agreement will be paid by the Company on the closing date.

Dated: [●] 20[●]

MSA SAFETY INCORPORATED

By:____
Authorized Officer

EXHIBIT A

SUPPLEMENTAL REPRESENTATIONS

The Section references hereinafter set forth correspond to the similar sections of the Agreement which are supplemented hereby:

Exhibit 2-3

A/75932249.10

[FORM OF]CONFIRMATION OF ACCEPTANCE**MSA SAFETY INCORPORATED****NOTE PURCHASE AND PRIVATE SHELF AGREEMENT**

Reference is made to the Amended and Restated Note Purchase and Private Shelf Agreement (the “Agreement”), dated as of March 7, 2014, between MSA Safety Incorporated (the “**Company**”), on the one hand, and Prudential Investment Management, Inc. (“**Prudential**”), the Series A Purchasers and each Prudential Affiliate which becomes party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

Prudential or the Prudential Affiliate which is named below as a Purchaser of Shelf Notes hereby confirms the representations as to such Shelf Notes set forth in Section 6 of the Agreement, and agrees to be bound by the provisions of the Agreement applicable to the Purchasers or holders of the Notes.

Pursuant to Section 2.2(e) of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Accepted Notes: Aggregate principal amount \$[●]

- (A) (a) Name of Purchaser:
- (b) Principal amount:
- (c) Final maturity date:
- (d) Principal prepayment dates and amounts:
- (e) Interest rate:
- (f) Interest payment period: quarterly in arrears
- (g) Payment and notice instructions: As set forth on attached Purchaser Schedule
- (B) (a) Name of Purchaser:
- (b) Principal amount:
- (c) Final maturity date:
- (d) Principal prepayment dates and amounts:
- (e) Interest rate:

(f) Interest payment period: quarterly in arrears

(g) Payment and notice instructions: as set forth on attached Purchaser Schedule

[(C), (D)..... same information as above.]

II. Closing Day: [●], 20[●].

MSA SAFETY INCORPORATED

By:___

Name:

Title:

Dated:

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By:_____

Name:

Title:

[PRUDENTIAL AFFILIATE]

By:_____

Name:

Title:

[ATTACH PURCHASER SCHEDULES]

FORM OF OPINION OF SPECIAL COUNSEL TO THE COMPANY

[See Attached]

Exhibit 4.4(b)-1

FORM OF OPINION OF SPECIAL COUNSEL TO THE PURCHASERS

[See Attached]

Exhibit 3-2

FORM OF NOTE GUARANTEE

[See Attached]

Exhibit 9.10

FORM OF AMENDED AND RESTATED NOTE GUARANTEE

[See Attached]

Exhibit 3-2

FORM OF INTERCOMPANY SUBORDINATION AGREEMENT

[See Attached]

AMENDED AND RESTATED
INTERCOMPANY SUBORDINATION AGREEMENT

THIS AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT (this “Agreement”), dated March 7, 2014, is made by and among the entities listed on the signature page hereto (or subsequently joining this Agreement as provided herein) (each being individually referred to herein as a “Loan Party” and collectively as the “Loan Parties”) in favor of the Purchasers (as defined below).

W I T N E S S E T H:

WHEREAS, Mine Safety Appliances Company, LLC, a Pennsylvania limited liability company (successor to Mine Safety Appliances Company, a Pennsylvania corporation) (together with its successors and assigns, “MSA”), previously entered into a Note Purchase and Private Shelf Agreement, dated as of October 13, 2010 (as amended, modified, supplemented or restated from time to time prior to the date hereof, the “Original Note Purchase Agreement”), with Prudential Investment Management, Inc. (“PIM”), the Series A Purchasers listed on the signature pages thereto and each Prudential Affiliate which becomes a party thereto from time to time (such Series A Purchasers and Prudential Affiliates, together with their respective successors and assigns, collectively, the “Purchasers”), pursuant to which the Company authorized the issuance of (i) \$100,000,000 aggregate principal amount of its 4.00% Series A Senior Notes due October 13, 2021 (as amended, modified, supplemented or restated from time to time prior to the date hereof, the “Original Series A Notes”) and (ii) its additional senior promissory notes in the aggregate principal amount of up to \$50,000,000 (as amended, modified, supplemented or restated from time to time prior to the date hereof, the “Original Shelf Notes” and together with the Original Series A Notes, collectively, the “Original Notes”) (no Original Shelf Notes were issued pursuant to the Original Note Purchase Agreement and the “Facility” under, and as defined in, the Original Note Purchase Agreement terminated prior to the date hereof);

WHEREAS, on the date hereof, MSA, MSA Safety Incorporated, a Pennsylvania corporation (the “Company”) and certain of their affiliates are entering into a corporate reorganization;

WHEREAS, in connection with such corporate reorganization, MSA, the Company and the Purchasers have agreed to amend and restate the Original Note Purchase Agreement pursuant to the terms of that certain Amended and Restated Note Purchase and Private Shelf Agreement, dated as of the date hereof, among MSA, the Company, PIM and the Purchasers (as may be amended, modified, supplemented or restated from time to time, the “Note Purchase Agreement”);

WHEREAS, pursuant to the Note Purchase Agreement, (a) MSA has agreed to assign to the Company and the Company has agreed to assume all of MSA’s obligations, *inter alia*, under the Original Note Purchase Agreement and the Original Series A Notes, (b) the Company has agreed to issue \$100,000,000 in aggregate principal amount of its 4.00% Amended and Restated Series A Senior Notes due October 13, 2021 in exchange for, and in replacement of, the Original Series A Notes (the “Series A Notes”), and (c) the Company has authorized the issuance and sale of additional senior promissory notes from time to time in the aggregate principal amount of up to \$175,000,000 (as the same may be amended, modified, supplemented or restated from time to time, the “Shelf Notes”, and together with the Series A Notes, collectively, the “Notes”);

WHEREAS, the Loan Parties are or may become indebted to each other (the Indebtedness of each of the Loan Parties to any other Loan Party, now existing or hereafter incurred (whether created directly or acquired by assignment or otherwise), and interest and premiums, if any, thereon and other amounts payable in respect thereof are hereinafter collectively referred to as the “Intercompany Indebtedness”);

WHEREAS, certain of the Loan Parties previously executed an Intercompany Subordination Agreement, dated as of October 13, 2010 (the “Original Intercompany Subordination Agreement”) pursuant to which, among other things, such Loan Parties agreed to subordinate the Intercompany Indebtedness held by such Loan Parties to all principal, interest, fees and other Indebtedness and obligations of the Company or any other Loan Party to the Purchasers pursuant to the Original Note Purchase Agreement and the Original Notes;

WHEREAS, it is a condition to the agreement of the holders of the Notes to enter into the Note Purchase Agreement and exchange the Original Series A Notes for the Series A Notes that each of the Loan Parties party to the Original Intercompany Subordination Agreement agree to amend and restate the terms of the Original Intercompany Subordination Agreement upon the terms set forth in this Agreement, that each of the other Loan Parties enter into this Agreement and that this Agreement be in full force and effect; and

WHEREAS, unless otherwise defined herein, terms defined in the Note Purchase Agreement shall have such defined meanings when used herein; and

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. **Intercompany Indebtedness Subordinated to Senior Debt.** The recitals set forth above are hereby incorporated by reference. All Intercompany Indebtedness shall be subordinate and subject in right of payment to the prior indefeasible payment in full of all principal, interest, fees and other Indebtedness and obligations of the Company or any other Loan Party to the Purchasers pursuant to the Note Purchase Agreement, the Notes and the other Financing Documents, including, without limitation, any Make-Whole Amount payable in respect of the Notes (collectively, the “Senior Debt”) pursuant to the provisions contained herein.

2. **Payment Over of Proceeds Upon Bankruptcy, Etc.** Upon any distribution of assets of any Loan Party in connection with (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to any such Loan Party or to its creditors, as such, or to its assets, or (b) any liquidation, dissolution or other winding up of any such Loan Party, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any marshaling of assets and liabilities of any such Loan Party (a Loan Party distributing assets as set forth herein being referred to in such capacity as a “Distributing Loan Party”), then and in any such event, the Purchasers shall be entitled to receive indefeasible payment in full of all amounts due or to become due (whether or not an Event of Default has occurred under the terms of the Financing Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) on or in respect of any and all Senior Debt before the holder of any Intercompany Indebtedness owed by the Distributing Loan Party is entitled to receive any payment on account of the principal of or interest on such Intercompany Indebtedness, and to that end, the Purchasers shall be entitled to receive, for application to the payment of the Senior Debt, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Intercompany Indebtedness owed by the Distributing Loan Party in any such case, proceeding, dissolution, liquidation or other winding up event.

If, notwithstanding the foregoing provisions of this Section 2, a Loan Party that is owed Intercompany Indebtedness by a Distributing Loan Party shall have received any payment or distribution of assets from the Distributing Loan Party of any kind or character, whether in cash, property or securities, then and in such event such payment or distribution shall be held in trust for the benefit of the Purchasers, shall be segregated from other funds and property held by such Loan Party, and shall be forthwith paid over to the Purchasers on a pro rata basis (based on the outstanding principal amount of the Notes then held by each Purchaser) in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to or held as collateral (in the case of noncash property or securities) for the payment or prepayment of the Senior Debt in accordance with the terms of the Note Purchase Agreement.

3. **No Commencement of Any Proceeding.** Each Loan Party agrees that, so long as the Senior Debt shall remain unpaid, it will not commence, or join with any creditor other than the Purchasers in commencing any proceeding referred to in the first paragraph of Section 2 against any other Loan Party which owes it any Intercompany Indebtedness.

4. **Prior Payment of Senior Debt Upon Acceleration of Intercompany Indebtedness.** If any portion of the Intercompany Indebtedness owed by any Loan Party becomes or is declared due and payable before its stated maturity, then and in such event the Purchasers shall be entitled to receive indefeasible payment in full of all amounts due and to become due on or in respect of the Senior Debt (whether or not an Event of Default has occurred under the terms of the Financing Documents or the Senior Debt has been declared due and payable prior to the date on which it would otherwise have become due and payable) before the holder of any such Intercompany Indebtedness is entitled to receive any payment thereon.

If, notwithstanding the foregoing, any Loan Party shall make any payment of the Intercompany Indebtedness prohibited by the foregoing provisions of this Section 4, such payment shall be paid over and delivered forthwith to the Purchasers on a pro rata basis (based on the outstanding principal amount of the Notes then held by each Purchaser).

The provisions of this Section 4 shall not apply to any payment with respect to which Section 2 hereof would be applicable.

5. **No Payment When Senior Debt in Default.** If any Default or Event of Default shall have occurred and be continuing, or such a Default or Event of Default would result from or exist after giving effect to a payment with respect to any portion of the Intercompany Indebtedness, unless the Required Holders shall have consented to or waived the same, so long as any of the Senior Debt shall remain outstanding, no payment shall be made by any Loan Party owing such Intercompany Indebtedness on account of principal or interest on any portion of the Intercompany Indebtedness.

If, notwithstanding the foregoing, any Loan Party shall make any payment of the Intercompany Indebtedness prohibited by the foregoing provisions of this Section 5, such payment shall be paid over and delivered forthwith to the Purchasers on a pro rata basis (based on the outstanding principal amount of the Notes then held by each Purchaser).

The provisions of this Section 5 shall not apply to any payment with respect to which Section 2 hereof would be applicable.

6. **Payment Permitted if No Default.** Except during the pendency of any of the conditions described in Sections 2, 4 and 5 hereof, nothing contained in this Agreement shall prevent any Loan Party from (i) making payments of principal of or interest on any portion of the Intercompany Indebtedness, or (ii) retaining any money deposited with such Loan Party for the payment of or on account of the principal of or interest on the Intercompany Indebtedness.

7. **Rights of Subrogation.** Each Loan Party agrees that no payment or distribution to the Purchasers pursuant to the provisions of this Agreement shall entitle it to exercise any rights of subrogation in respect thereof until the Senior Debt shall have been indefeasibly paid in full and the Facility shall have expired or been terminated.

8. **Instruments Evidencing Intercompany Indebtedness.** Each Loan Party shall cause each instrument, if any, which now or hereafter evidences all or a portion of the Intercompany Indebtedness to be conspicuously marked as follows:

“This instrument is subject to the terms of an Amended and Restated Intercompany Subordination Agreement, dated March 7, 2014, in favor of each of the holders of Notes referred to therein, which Amended and Restated Intercompany Subordination Agreement is incorporated herein by reference. Notwithstanding any contrary statement contained in the within instrument, no payment on account of the principal thereof or interest thereon shall become due or payable except in accordance with the express terms of said Amended and Restated Intercompany Subordination Agreement.”

Each Loan Party will further mark its books of account in such a manner as shall be effective to give proper notice to the effect of this Agreement.

9. **Agreement Solely to Define Relative Rights.** The purpose of this Agreement is solely to define the relative rights of the Loan Parties, on the one hand, and the Purchasers, on the other hand. Nothing contained in this Agreement is intended to or shall impair, as between any of the Loan Parties and their creditors other than the Purchasers, the obligation of the Loan Parties to each other to pay the principal of and interest on the Intercompany Indebtedness as and when the same shall become due and payable in accordance with its terms, or is intended to or shall affect the relative rights among the Loan Parties and their creditors other than the Purchasers, nor shall anything herein prevent any of the Loan Parties from exercising all remedies otherwise permitted by applicable Law upon default under any agreement pursuant to which the Intercompany Indebtedness is created, subject to the rights, if any, under this Agreement of the Purchasers to receive cash, property or securities otherwise payable or deliverable with respect to the Intercompany Indebtedness.

10. **No Implied Waivers of Subordination.** No right of the Purchasers to enforce subordination, as herein provided, shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Loan Party or by any act or failure to act by the any Purchaser, or by any non-compliance by any Loan Party with the terms, provisions and covenants of any agreement pursuant to which the Intercompany Indebtedness is created, regardless of any knowledge thereof any Purchaser may have or be otherwise charged with. Each Loan Party by its acceptance hereof shall agree that, so long as there is Senior Debt outstanding or the Facility is in effect under the Note Purchase Agreement, such Loan Party shall not agree to sell, assign, pledge, encumber or otherwise dispose of, or to compromise, the obligations of the other Loan Parties with respect to their Intercompany Indebtedness, other than by means of payment of such Intercompany Indebtedness according to its terms, without the prior written consent of the Required Holders.

Without in any way limiting the generality of the foregoing paragraph, any of the Purchasers may, at any time and from time to time, without the consent of or notice to the Loan Parties or the Company except to the extent provided in the Note Purchase Agreement, without incurring responsibility to the Loan Parties and without impairing or releasing the subordination provided in this Agreement or the obligations hereunder of the Loan Parties to the Purchasers, do any one or more of the following: (i) change the manner, place or terms of payment, or extend the time of payment, renew or alter the Senior Debt or otherwise amend or supplement the Senior Debt or the Financing Documents; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing the Senior Debt, if any; (iii) release any Person liable in any manner for the payment or collection of the Senior Debt; and (iv) exercise or refrain from exercising any rights against any of the Loan Parties and any other Person.

11. **Additional Subsidiaries.** The Loan Parties covenant and agree that they shall cause Subsidiaries created or acquired after the date of this Agreement that are required to execute a Note Guarantee pursuant to Section 9.10 of the Note Purchase Agreement, to execute a joinder to this Agreement in substantially the form of Exhibit A hereto (a “Loan Party Joinder”), whereby such Subsidiary joins this Agreement and subordinates all Indebtedness owed to any such Subsidiary by any of the Loan Parties or other Subsidiaries hereafter created or acquired to the Senior Debt.

12. **Continuing Force and Effect.** This Agreement shall continue in force for so long as any portion of the Senior Debt remains unpaid and the Facility under the Note Purchase Agreement has not expired by its terms or been terminated, it being contemplated that this Agreement be of a continuing nature.

13. **Modification, Amendments or Waivers.** Any and all agreements amending or changing any provision of this Agreement or the rights of the Purchasers hereunder, and any and all waivers or consents to Events of Default or other departures from the due performance of the Loan Parties hereunder, shall be made only by written agreement, waiver or consent signed by the Required Holders, any such agreement, waiver or consent made with such written consent being effective to bind all the Purchasers and, with respect to amendments or changes to any provision of this Agreement, signed by the Company, acting on behalf of the Loan Parties.

14. **Expenses.** The Loan Parties unconditionally and jointly and severally agree upon demand to pay to the Purchasers the amount of any and all costs, expenses and disbursements for which reimbursement is customarily obtained, including fees and expenses of counsel, which the any of the Purchasers may incur in connection with (a) the administration of this Agreement, (b) the exercise or enforcement of any of the rights of the Purchasers hereunder, or (c) the failure by the Loan Parties to perform or observe any of the provisions hereof.

15. **Severability.** The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

16. **Governing Law.** This Agreement shall be a contract under the internal Laws of the State of New York and for all purposes shall be construed in accordance with the internal Laws of the State of New York without giving effect to its principles of conflict of Laws.

17. **Successors and Assigns.** This Agreement shall inure to the benefit of the Purchasers and their respective successors and assigns, as permitted in the Note Purchase Agreement, and the obligations of the Loan Parties shall be binding upon their respective successors and assigns. The duties and obligations of the Loan Parties may not be delegated or transferred by the Loan Parties without the written consent of the Required Holders and any such delegation or transfer without such consent shall be null and void. Except to the extent otherwise required by the context of this Agreement, the word “Purchasers” when used herein shall include, without limitation, any holder of a Note or an assignment of rights therein originally issued to a Purchaser under the Note Purchase Agreement, and each such holder of a Note or assignment shall have the benefits of this Agreement to the same extent as if such holder had originally been a Purchaser under the Note Purchase Agreement.

18. **Counterparts; Electronic Signature.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all such counterparts shall constitute but one and the same instrument. A facsimile or electronic transmission of the signature of any party on any counterpart shall be effective as the signature of the party executing such counterpart and shall be deemed to constitute an original signature of such party to this Agreement and shall be admissible into evidence for all purposes.

19. **Attorneys-in-Fact.** Each of the Loan Parties hereby authorizes and empowers each Purchaser, at its election and in the name of either itself, for the benefit of the Purchasers, or in the name of each such Loan Party as is owed Intercompany Indebtedness, to execute and file proofs and documents and take any other action such Purchaser may deem advisable to completely protect the Purchasers’ interests in the Intercompany Indebtedness and their right of enforcement thereof, and to that end each of the Loan Parties hereby irrevocably makes, constitutes and appoints each such Purchaser, its officers, employees and agents, or any of them, with full power of substitution, as the true and lawful attorney-in-fact and agent of such Loan Party, and with full power for such Loan Party, and in the name, place and stead of such Loan Party for the purpose of carrying out the provisions of this Agreement, and taking any action and executing, delivering, filing and recording any instruments which the Purchasers may deem necessary or advisable to accomplish the purposes hereof, which power of attorney, being given for security, is coupled with an interest and is irrevocable. Each Loan Party hereby ratifies and confirms, and agrees to ratify and confirm, all action taken by each such Purchaser, its officers, employees or agents pursuant to the foregoing power of attorney.

20. **Application of Payments.** In the event any payments are received by any Purchaser under the terms of this Agreement for application to the Senior Debt at any time when the Senior Debt has not been declared due and payable and prior to the date on which it would otherwise become due and payable, such payment shall constitute a voluntary prepayment of the Senior Debt for all purposes under the Note Purchase Agreement and shall be applied in accordance with Sections 8.2 and 8.3 of the Note Purchase Agreement.

21. **Remedies.** In the event of a breach by any of the Loan Parties in the performance of any of the terms of this Agreement, the Purchasers, may demand specific performance of this Agreement and seek injunctive relief and may exercise any other remedy available at law or in equity, it being recognized that the remedies of the Purchasers at law may not fully compensate the Purchasers for the damages they may suffer in the event of a breach hereof.

22. **Consent to Jurisdiction, Waiver of Jury Trial.** Each of the Loan Parties hereby irrevocably consents to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York over any suit, action or proceeding arising out of or relating to this Agreement, waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to the Loan Parties at the addresses referred to in Section 23 hereof and service so made shall be deemed to be completed upon actual receipt thereof. Each of the Loan Parties waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE PURCHASERS TO ACCEPT THIS AGREEMENT AND PURCHASE THE NOTES.

23. **Notices.** All notices, statements, requests and demands and other communications given to or made upon the Loan Parties or the Purchasers in accordance with the provisions of this Agreement shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to any Loan Party, to the address set forth below its signature hereto or in the Loan Party Joinder executed by such Loan Party (as applicable), or to such other address as such Loan Party shall have specified to the Purchasers in writing, or

(b) if to any Purchaser, to such Purchaser at the addresses specified for such communications set forth in Schedule A to the Note Purchase Agreement (or, if such Purchaser's address is not set forth therein, in such Purchaser's Confirmation of Acceptance), or such other address as such Purchaser shall have specified to the Loan Parties in writing.

24. Continued Effectiveness; No Novation. This Agreement shall, and hereby does, amend, restate and replace in its entirety the Original Intercompany Subordination Agreement which, as so amended and restated by this Agreement, continues in full force and effect without rescission or novation thereof. The parties hereto hereby acknowledge and agree that the amendments to the Original Intercompany Subordination Agreement set forth herein could have been effected through an agreement or instrument amending the Original Intercompany Subordination Agreement, and for convenience, the parties hereto have agreed to amend and restate the terms and provisions of the Original Intercompany Subordination Agreement pursuant to this Agreement. Anything contained herein to the contrary notwithstanding, this Agreement is not intended to and shall not serve to effect a novation of the obligations under the Original Intercompany Subordination Agreement. Instead, it is the express intention of the Loan Parties to reaffirm the liabilities and obligations created under the Original Intercompany and Subordination Agreement, as amended and restated by this Agreement. Each Loan Party acknowledges and confirms that it has no defense, set off, claim or counterclaim arising prior to the date hereof against any of the holders of the Notes with regard to the liabilities and obligations created under the Original Intercompany Subordination Agreement.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned have executed this Agreement on the day and year first above written, with the intention that it constitute a document under seal.

LOAN PARTIES:

WITNESS:

MSA Safety Incorporated, a Pennsylvania corporation

By: _____ (SEAL)

Name: _____

Title: _____

Address:

MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

Mine Safety Appliances, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

General Monitors, Inc., a Nevada corporation

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

General Monitors Transnational, LLC, a Nevada limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA International, Inc., a Delaware corporation

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA Worldwide, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA Advanced Detection, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA Safety Development, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA Technology, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

WITNESS:

MSA Innovation, LLC, a Pennsylvania limited liability company

By: _____ (SEAL)

Name: _____

Title: _____

Address:

c/o MSA Safety Incorporated

1000 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Attention: Senior Vice President and Chief Financial Officer

Exhibit A
Form of Joinder

[Addressed to each of the Purchasers]

Reference is made to that certain Amended and Restated Intercompany Subordination Agreement (the “**Intercompany Subordination Agreement**”), dated as of March 7, 2014, by and among the Loan Parties identified therein in favor of each of you, as Purchasers. All capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Intercompany Subordination Agreement.

The undersigned hereby agrees that it is a party to the Intercompany Subordination Agreement and is therefore bound by, and subject to, the terms of the Intercompany Subordination Agreement, and that it is a “Loan Party” under, and as defined, therein.

The address and facsimile number for notices pursuant to the Intercompany Subordination Agreement are as follows:

[set forth address and facsimile number for notices]

Very truly yours,

[NAME OF LOAN PARTY]

By__

SCHEDULE 4.12

REORGANIZATION

Domestic Reorganization

Simultaneously with the effectiveness of this Agreement, Mine Safety Appliances Company, a Pennsylvania corporation (“*Original Issuer*”), completed a series of transactions in which (i) MSA Safety Incorporated, a Pennsylvania corporation (“*Company*”), became the parent holding company for the Original Issuer, as described below under “Holding Company Formation” and (ii) the Original Issuer realigned its Subsidiaries, as described below under “Subsidiary Realignment.”

Holding Company Formation

The holding company structure was established through a merger transaction. The Original Issuer formed the Company and Project Q Merger Sub (“*Merger Sub*”) as Pennsylvania corporations for the purpose of effecting the merger. At the effective time, Merger Sub merged into the Original Issuer, which was the surviving entity. In connection with that merger, the outstanding preferred stock and common stock of the Original Issuer (including treasury shares, which the Original Issuer contributed to the Company) were converted into an equivalent number of shares of preferred stock and common stock, respectively, of the Company. As a result of that merger, the Original Issuer became a wholly-owned subsidiary of the Company.

The Company has the same charter (other than corporate name), bylaws and board of directors as the Original Issuer. As a result of the merger, the Company became the NYSE-listed, SEC-reporting parent company for the Original Issuer and its Subsidiaries.

Subsidiary Realignment

The subsidiary realignment involved several transactions that led to those subsidiaries being placed under an intermediate holding company, named MSA Worldwide, LLC (“*MSAW*”), which is wholly-owned by the Company.

As a preliminary step to the subsidiary realignment, the Original Issuer converted into a Pennsylvania limited liability company. That conversion was accomplished by merging the Original Issuer into a limited liability company, named Mine Safety Appliances Company, LLC (“*MSACL*”), which was the merger survivor (the “*Second Merger*”).

The Original Issuer formed the following wholly-owned subsidiaries as Pennsylvania limited liability companies:

- **MSA Worldwide, LLC**, which serves as an intermediate holding company underneath the Company.
- **MSA Advanced Detection, LLC** (“*MADL*”), which serves as a wholly-owned sub-holding company underneath MSAW for the existing General Monitors entities. The equity interests formerly held by the Original Issuer in General Monitors, Inc. and General Monitors Transnational LLC (including its subsidiaries) were contributed immediately following the completion of the Second Merger to MADL.

- **MSA Safety Development, LLC (“MSASD”)**, which serves as a wholly-owned sub-holding company underneath MSAW for the following two intellectual property subsidiaries:
 - **MSA Technology, LLC**, which holds intellectual property rights formerly held by the Original Issuer. The Original Issuer’s intellectual property was contributed to this subsidiary immediately following the completion of the Second Merger.
 - **MSA Innovation, LLC (“Innovation”)**, which will conduct research and development activities. The research and development facilities located in Cranberry Township, Pennsylvania and owned by the Original Issuer were leased to this subsidiary, and the research and development activities formerly conducted by the Original Issuer will be conducted by this subsidiary.

Following the contribution of the intellectual property assets, the two intellectual property Subsidiaries were contributed by MSACL to MSASD. MSASD, MADL and MSA International, Inc. (“**MSAII**”) (including its subsidiaries) were contributed by MSACL to MSAW. At that point, MSAW held all of the outstanding equity of MADL (including the General Monitors entities), MSASD (including the two intellectual property Subsidiaries) and MSAII (including its Subsidiaries).

MSACL transferred its equity interests in MSAW by dividend to the Company.

Following the dividend transfer of MSAW from MSACL to the Company, the Company contributed its equity interests in MSACL to MSAW. As a result, MSACL became a subsidiary of MSAW and a second tier subsidiary of the Company, along with MADL, MSASD and MSAII. MSACL retained its equity interests in Microsensor Systems Inc., Safety Supply Specialists Inc., Safety Works, LLC and Mine Safety Funding Corp.; and retained its equity interests in various Foreign Subsidiaries and MSA Far East LTD. (see “Foreign Reorganization” below for information regarding the proposed disposition of these Foreign Subsidiaries and MSA Far East LTD.).

In connection with the Reorganization , the following agreements were entered:

(1) MSAW entered into a shared services agreement with its domestic Subsidiaries (including MADL, MSASD, MSAII and MSACL) whereby MSAW will provide corporate services, such as executive administration, finance and treasury, human resources, law and IT services, for the benefit of the entire enterprise. Initially, MSACL will provide those services to MSAW with MSACL employees. On or around January 1, 2015, the employees performing those services, along with the Company’s executive organization, will be transferred to MSAW, which will become their employer and will provide those corporate services directly under the shared services agreement.

(2) MSAW entered into a lease agreement with MSACL pursuant to which it has leased the real estate and personal property constituting MSACL’s office facilities at 1000 Cranberry Woods Drive, Cranberry Township, Pennsylvania.

(3) Innovation entered into a lease agreement with MSACL pursuant to which it leased the real estate and personal property constituting MSACL’s research and development facilities located at 1000 Cranberry Woods Drive, Cranberry Township, Pennsylvania.

Foreign Reorganization

After the Restatement Closing, the Company intends to reorganize and realign certain Foreign Subsidiaries – including Foreign Subsidiaries directly held by MSACL and Foreign Subsidiaries held directly or indirectly by MSAIL. The primary purpose of the reorganization is to implement a “principal operating company” (“**POC**”) structure to facilitate on-going management of the European operations of the Company. In the POC structure, certain manufacturing operations are intended to be transferred into new entities that would sell finished goods to the POC. The POC would in turn distribute the finished goods through limited risk distributors in the various jurisdictions. The POC would also contract with intercompany service providers and after-market service providers, as well as research and development companies and intellectual property owning companies.

As part of that reorganization, the equity interests held directly or indirectly by MSACL in various Foreign Subsidiaries and MSA Far East LTD. may be transferred to MSAIL, another subsidiary of the Company that is a subsidiary guarantor, or any direct or indirect subsidiary of MSAIL or any such subsidiary guarantor. The entities to be transferred include the following:

Name	State or Other Jurisdiction of Incorporation	Equity Interest Holders
MSA Europe GmbH	Germany	99% by MSA International Holdings B.V. and 1% by MSACL
MSA de Mexico S.A. de C.V.	Mexico	100% by MSACL
MSA Española S.A.U.	Spain	100% by MSACL
MSA Far East LTD.	Delaware	100% by MSACL
Braddock Insurance Company	Bermuda	100% by MSA Far East LTD.
MSA de Chile Ltda.	Chile	99% by MSACL and 1% by MSA Far East LTD.
Wuxi - MSA Safety Equipment Co. Ltd.	China	90% by MSACL and 10% by Wuxi Lima Chemical Machinery Ltd.
SAMSAC	South Africa	74.9% by MSACL and 25.1% by Mineworkers Investment Co.
Select Personal Protective Equipment (PTY) Ltd.	South Africa	100% by SAMSAC
SAMSAC Africa (Proprietary) Ltd.	South Africa	100% by SAMSAC
MSA Select Ltd.	Zambia	50% by Select Personal Protective Equipment (PTY) Ltd. and 50% by SAMSAC Africa (Proprietary) Ltd.
MSA (India) Limited	India	100% by MSACL
MSA del Peru S.A.C.	Peru	100% by MSACL
MSA (Aust.) Pty. Ltd.	Australia	100% by MSACL
EYMSAL Safety Solutions Inc. LLC	Egypt	99.5% by MSACL and 0.5% by Mr. Girgis Sarwat Girgis Abdel Shahid
MSA Egypt LLC	Egypt	99.5% by EYMSAL Safety Solutions Inc. LLC and 0.5% by Mr. Girgis Sarwat Girgis Abdel Shahid
MSA (China) Safety Equipment Co., Ltd.	China	65% by MSA Hong Kong Ltd., 25% by MSACL and 10% by Wuxi Lima Chemical Machinery Ltd.
Compañía MSA de Argentina S.A.	Argentina	95% by MSAIL and 5% by MSACL

Each transfer of an equity interest held by MSACL will be effected in one of two ways:

(1) MSACL will transfer its equity interest in an entity to MSAW by dividend. MSAW will then contribute that equity interest to MSAIL as a capital contribution. The capital contribution may or may not include the issuance of additional shares of MSAIL's capital stock to MSAW, which would continue to own 100% of the outstanding capital stock of MSAIL.

(2) MSACL will transfer its equity interest in an entity directly to MSAIL in exchange for shares of the capital stock of MSAIL in a sale type transaction. The shares of the capital stock of MSAIL so received by MSACL will be transferred to MSAW by dividend.

When the transfers are completed, MSAW will remain the owner of 100% of the outstanding capital stock of MSAIL.

In each case, it is possible that the certificate of incorporation of MSAIL will need to be amended in order to provide sufficient authorized but unissued shares of the capital stock of MSAIL to facilitate the transfers. In addition, once the equity interest in an entity is received by MSAIL, there may be further downstream capital contributions of that equity interest to MSAIL's Subsidiaries (for example, MSA International Holdings B.V. and its Subsidiary, MSA Europe GmbH). MSAIL may also contribute subsidiaries it already owns as part of the foreign restructuring, such as MSA Britain Ltd. Those capital contributions may also involve the issuance of additional equity interests to the contributor/transferor, and possible amendments to the governing documents of the transferee in the event there is insufficient authorized equity of the transferee for such issuances. The transfers are expected to take place over time due to transfer processing requirements in the foreign jurisdictions and in order to manage tax considerations.

Certain Subsidiaries under MSAIL (including certain Subsidiaries transferred as described above as well as additional Subsidiaries not transferred as described above) will be realigned and restructured to rationalize existing operations and to improve tax efficiencies of those operations. Certain existing Subsidiaries will be restructured, and new Subsidiaries will be formed, to undertake manufacturing, sales, services and other operations. Several existing Subsidiaries will undergo a change in form, which will affect their name, governing documents and local tax status; and several existing Subsidiaries will be liquidated and dissolved after their assets and operations have been transferred to their equity owners (other Subsidiaries). Some assets and operations will be moved between some of those existing and new Subsidiaries; and those transfers may involve the issuance of additional equity interests by the transferee to the transferor. Again, amendments to the governing documents of the transferee entity may be needed if there is insufficient authorized equity for such issuances. In each instance, the Company will remain directly or indirectly the 100% owner of the equity of each of the entities included in the restructuring (other than any required director's qualifying shares).

The changes described in the preceding paragraph include the following:

Operations	Current Legal Entity	Restructured Entity
POC	n/a	MSA Europe GmbH*
Manufacturing (Tollers)	MSA Auer GmbH MSA Gallet SAS MSA Sordin AB Gallet Morocco	MSA Produktion Deutschland GmbH* MSA Production France SAS* MSA Produktion Sverige AB** MSA Production Morocco Ste**
Sales (LRDs)	MSA Auer Sickerheitsvertrieb GmbH MSA Belgium N.V. MSA Czech S.R.O. MSA Gallet SAS MSA Auer GmbH MSA Safety Hungary MSA Italiana SpA MSA Netherlands B.V. MSA Safety Poland Sp.z.o.o. MSA Safety Romania MSA Espanol SA MSA Nordic AB MSA Auer Schweiz GmbH MSA Britain Ltd	MSA Osterreich GmbH** MSA Belgium B.V. MSA Czech S.R.O. MSA France SAS** MSA Deutschland GmbH** <i>To be liquidated and assets distributed to equity holders.</i> MSA Italia S.R.L. MSA Nederland B.V.** MSA Polska Sp.z.o.o.** <i>To be liquidated and assets distributed to equity holder</i> MSA Espanol S.R.L. MSA Nordic AB MSA Schweiz GmbH** MSA Great Britain Ltd**
Services	MSA Auer Service GmbH n/a n/a	MSA Technologies and Enterprise Services GmbH** MSA Safety Services GmbH* MSA Technologies and Enterprise Services SAS*
Other	MSA Europe GmbH MSA Gallet Holdings SAS MSA Eurex	MSA Europe Holdings GmbH** MSA Gallet Holdings SAS MSA Eurex B.V.
	Gasonic General Monitors Ireland	Gasonic A/S General Monitors Ireland Ltd.

* New entity.

** New name.

MSA Auer GmbH's assets, liabilities and operations will be reorganized into three new entities, each of which will be wholly owned by MSA Europe Holdings GmbH (formerly known as MSA Europe GmbH): MSA Produktion Deutschland GmbH (manufacturing functions), MSA Technologies and Enterprise Services GmbH (formerly known as MSA Auer Service GmbH) (intercompany services, including operation support services, research and development support services and administrative support services), and MSA Safety Services GmbH (customer facing after market services). MSA Auer GmbH will remain, but will be renamed MSA Deutschland GmbH (limited risk distributor).

MSA Gallet SAS' assets, liabilities and operations will be reorganized into two new entities: MSA Production France SAS (manufacturing functions) and MSA Technologies and Enterprise Services SAS (intercompany services, including operation support services, research and development support services and administrative support services). MSA Gallet SAS remains, but will be renamed MSA France SAS (limited risk distributor).

In addition to the customer facing after market service functions in Germany that will be spun off into MSA Safety Services GmbH, each of MSA Espanol S.R.L., MSA France SAS and MSA Italia S.R.L (formerly known as MSA Italiana SpA) will transfer their respective customer facing after-market services resources to MSA Safety Services GmbH. In subsequent transactions, MSA Great Britain Ltd. (formerly known as MSA Britain Ltd.), MSA Polska Sp.z.o.o. (formerly known as MSA Safety Poland Sp.z.o.o.), MSA Nederland B.V. (formerly known as MSA Netherlands B.V.), MSA Belgium N.V., MSA Schweiz GmbH (formerly known as MSA Auer Schweiz GmbH), MSA Czech S.R.O. and MSA Osterreich GmbH (formerly known as MSA Auer Sickerheitsvertrieb GmbH) will transfer their respective customer facing after-market services resources to MSA Safety Services GmbH. MSA Safety Services GmbH will form local country branches for purposes of providing the after-market services in the relevant countries.

MSA International Holdings B.V. will establish a new entity known as MSA Europe GmbH as the principal operating company ("**POC**") for its European operations, and certain of the Subsidiaries will be transferred to the POC. The POC and various of the Subsidiaries will enter into intercompany agreements for toll manufacturing, sales and distribution, enterprise services and after-market services.

These transactions will occur over a period of several months in order to address employee consultations, transfer restrictions and other procedures applicable in some of the foreign jurisdictions and to manage tax considerations. The POC structure is expected to be implemented on or around January 1, 2015.

In addition, General Monitors Transnational, LLC may transfer its 70% equity interest in Gassonic to MSAII or one of its Subsidiaries. If transferred, the transfer would be effected by dividend transfer and subsequent capital contribution, or by sale type transfer, in much the same way as described above for the transfer of the equity interests held by MSACL to MSAII or its Subsidiaries.

We anticipate that the restructuring of the Foreign Subsidiaries and the implementation of the POC structure will adhere generally to the program outlined above. Nevertheless, it is possible that certain adjustments, amendments or variations may be required to achieve the efficient POC structure contemplated as a part of the Foreign Reorganization. Such adjustments, amendments or variations may include (among other things) the formation of new or different entities, the conversion of entities to a new form, the change of the name or the charter documents of the entities, the issuance of additional capital or share premium, the distribution of assets or dividends, the further transfer of assets or shares among the Subsidiaries, and/or entering into new or amended intercompany agreements. No such adjustment, amendment or variation would result in the Company ceasing to hold 100% of the equity of the Subsidiaries referred to in this Schedule (other than the existing minority interests noted above).

SCHEDULE 5.2

SUBSIDIARIES

Name	State or Other Jurisdiction of Incorporation	Holders of Equity Interests and Percentages
MSA Worldwide, LLC	Pennsylvania	100% by MSA Safety Incorporated
MSA Advanced Detection, LLC	Pennsylvania	100% by MSA Worldwide, LLC
MSA International, Inc.	Delaware	100% by MSA Worldwide, LLC
General Monitors, Inc.	Nevada	100% by MSA Advanced Detection, LLC
General Monitors Transnational, LLC	Nevada	100% by MSA Advanced Detection, LLC
Mine Safety Appliances Company, LLC	Pennsylvania	100% by MSA Worldwide, LLC
MSA Europe GmbH	Germany	99% by MSA International Holdings B.V. and 1% by Mine Safety Appliances Company, LLC
Mine Safety Romania S.R.L.	Romania	100% by MSA Europe GmbH
MSA-Auer Sicherheitstechnik Vertriebs GmbH	Austria	100% by MSA Europe GmbH
MSA Safety Czech s.r.o.	Czechoslovakia	100% by MSA Europe GmbH
MSA AUER GmbH	Germany	100% by MSA Europe GmbH
MSA Nederland B.V.	Netherlands	100% by MSA Europe GmbH
MSA Italiana S.p.A.	Italy	99% by MSA Europe GmbH and 1% by MSA Far East LTD.
MSA Belgium N.Y.	Belgium	100% by MSA Europe GmbH
MSA AUER Schweiz GmbH	Switzerland	100% by MSA Europe GmbH
MSA Nordic AB	Sweden	100% by MSA Europe GmbH
MSA Sordin AB	Sweden	100% by MSA Nordic AB
Microsensor Systems Inc.	Kentucky	100% by Mine Safety Appliances Company, LLC
MSA de Mexico S.A. de C.V.	Mexico	100% by Mine Safety Appliances Company, LLC
Safety Supply Specialists Inc.	Delaware	100% by Mine Safety Appliances Company, LLC
MSA Española S.A.U.	Spain	100% by Mine Safety Appliances Company, LLC
MSA Far East LTD.	Delaware	100% by Mine Safety Appliances Company, LLC
Braddock Insurance Company	Bermuda	100% by MSA Far East LTD.
MSA de Chile Ltda.	Chile	99% by Mine Safety Appliances Company, LLC and 1% by MSA Far East LTD.
Wuxi - MSA Safety Equipment Co. Ltd.	China	90% by Mine Safety Appliances Company, LLC and 10% by Wuxi Lima Chemical Machinery Ltd.
SAMSAC	South Africa	74.9% by Mine Safety Appliances Company, LLC and 25.1% by Mineworkers Investment Co.

Name	State or Other Jurisdiction of Incorporation	Holders of Equity Interests and Percentages
Select Personal Protective Equipment (PTY) Ltd.	South Africa	100% by SAMSAC
SAMSAC Africa (Proprietary) Ltd.	South Africa	100% by SAMSAC
MSA Select Ltd.	Zambia	50% by Select Personal Protective Equipment (PTY) Ltd. and 50% by SAMSAC Africa (Proprietary) Ltd.
MSA (India) Limited	India	100% by Mine Safety Appliances Company, LLC
MSA del Peru S.A.C.	Peru	100% by Mine Safety Appliances Company, LLC
MSA (Aust.) Pty. Ltd.	Australia	100% by Mine Safety Appliances Company, LLC
MSA Middle East	UAE branch office of Mine Safety Appliances Company, LLC	
EYMSAL Safety Solutions Inc. LLC	Egypt	99.5% by Mine Safety Appliances Company, LLC and 0.5% by Mr. Girgis Sarwat Girgis Abdel Shahid
MSA Egypt LLC	Egypt	99.5% by EYMSAL Safety Solutions Inc. LLC and 0.5% by Mr. Girgis Sarwat Girgis Abdel Shahid
Mine Safety Funding Corp.	Delaware	100% by Mine Safety Appliances Company, LLC
MSA International Holdings B.V.	Netherlands	100% by MSA International, Inc.
MSA Eurex B.V. (EU Trading Company)	Netherlands	100% by MSA International Holdings B.V.
Mine Safety Ireland	Ireland	99% by MSA International Holdings B.V. and 1% by MSA Eurex B.V. (EU Trading Company)
MSA Safety Hungary Ltd.	Hungary	75% by MSA International Holdings B.V. and 25% by MSA Europe GmbH
MSA Safety Sp: z.o.o.	Poland	100% by MSA International Holdings B.V.
MSA Gallet Holding	France	100% by MSA International Holdings B.V.
MSA Gallet SAS	France	100% by MSA Gallet Holding
MSA Gallet Morocco	Morocco	100% by MSA Gallet SAS
MSA Safety Malaysia Sdn. Bhd.	Malaysia	100% by MSA International Holdings B.V.
MSA Middle East FZE	UAE	100% by MSA International Holdings B.V.
MSA Hong Kong Ltd.	Hong Kong	100% by MSA International Holdings B.V.
MSA (China) Safety Equipment Co., Ltd.	China	65% by MSA Hong Kong Ltd., 25% by Mine Safety Appliances Company, LLC and 10% by Wuxi Lima Chemical Machinery Ltd.
MSA (Suzhou) Safety Equipment R&D Co., Ltd.	China	100% by MSA Hong Kong Ltd.
Compañía MSA de Argentina S.A.	Argentina	95% by MSA International, Inc. and 5% by Mine Safety Appliances Company, LLC
MSA de Mexico Servicios S.A. de C. V.	Mexico	99.9% by MSA International, Inc. and 0.1% by MSA de Mexico S.A. de C.V.
MSA Canada Inc.	Canada	100% by MSA International, Inc.

Name	State or Other Jurisdiction of Incorporation	Holders of Equity Interests and Percentages
MSA de Columbia S.A.S.	Columbia	99% by MSA Canada Inc. and 1% by MSA International, Inc.
MSA do Brasil Ltda.	Brazil	100% by MSA Canada Inc.
MSA (Britain) Ltd.	United Kingdom	100% by MSA International, Inc.
MSA Japan Ltd.	Japan	100% by MSA International, Inc.
MSA S.E. Asia Pte. Ltd.	Singapore	100% by MSA International, Inc.
PT MSA Indonesia Ltd.	Indonesia	99% by MSA International, Inc. and 1% by MSA S.E. Asia Pte. Ltd.
MSA (Thailand) Ltd.	Thailand	100% by MSA International, Inc.
Mine Safety Fifty Ireland	Ireland	100% by MSA International Holdings B.V.
General Monitors Ireland Ltd	Ireland	100% by Mine Safety Fifty Ireland
General Monitors Systems, LLC	Nevada	70% by General Monitors Transnational, LLC and 30% by Mine Safety Appliances Company, LLC
Electrasem LLC	California	100% by General Monitors Transnational, LLC
Gassonic A/S	Denmark	70% by General Monitors Transnational, LLC and 30% by MSA International Holdings B.V.
General Monitors Pacifica, Pte. Ltd.	Singapore	100% by General Monitors Transnational, LLC
General Monitors Systems Asia Pte. Ltd.	Singapore	100% by General Monitors Systems, LLC
Safety Works, LLC	Pennsylvania	64.4% by Mine Safety Appliances Company, LLC
MSA AUER Service GmbH	Germany	100% by MSA Europe GmbH
MSA Safety, LLC	Russia	99% by MSA International Holdings B.V. and 1% by MSA Eurex B.V. (EU Trading Company)
MSA Safety Development, LLC	Pennsylvania	100% by MSA Worldwide, LLC
MSA Technology, LLC	Pennsylvania	100% by MSA Safety Development, LLC
MSA Innovation, LLC	Pennsylvania	100% by MSA Safety Development, LLC

SCHEDULE 5.12
ERISA COMPLIANCE

None.

Schedule 5.12 -- 1

SCHEDULE 10.1

EXISTING INDEBTEDNESS

None.

SCHEDULE 10.2

EXISTING LIENS

Jurisdiction and Thru-Date	Debtor	Secured Party	Filing Information	Collateral Description
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 121 Gamma Drive Pittsburgh, PA 15230	General Electric Capital Corporation 10 Riverview Drive Danbury, CT 06810	#2006010600577 filed 1/6/06 #2008021203457 filed 2/12/08 (Debtor Name Change Amendment) #2010120107662 filed 12/1/10 (Continuation Statement) #2010122105507 filed 12/21/10 (Restated Collateral Description)	All accounts in which Honeywell International Inc. is the account debtor that are purchased by secured party from debtor pursuant to that certain Agreement between secured party and debtor dated October 12, 2000, as such Agreement may be amended, restated and/or supplemented from time to time, together with all proceeds thereof (exclusive of the purchase price paid by secured party for such accounts).
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 121 Gamma Drive RIDC Industrial Park Pittsburgh, PA 15238	NMHG Financial Services, Inc. P.O. Box 35701 Billings, MT 59107-5701	#2010102105527 filed 10/21/10	Lessee/Lessor filing All of the equipment now or hereafter leased by lessor to lessee; and all accessions, additions, replacements, and substitutions thereto and therefore; and all proceeds including insurance proceeds thereof.
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 1000 Cranberry Woods Drive Cranberry Twp, PA 16066	Bud Behling Leasing, Inc. 100 Old Pond Road Bridgeview, PA 15017	#2011071202705 filed 7/11/11	2011 Custom Made Trailer - VIN: 1T9FS0811BA282013 2011 Custom Made Trailer - VIN: 1T9FS081XBA282012
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 1000 Cranberry Woods Drive Cranberry Township, PA 16066	PNC Equipment Finance, LLC 995 Dalton Avenue Cincinnati, OH 45203	#2011072605560 filed 7/25/11	Seller interests under Master Sale and Assignment Agreement dated June 27, 2011 between debtor/seller and secured party/buyer and all Equipment leased thereunder. See Attachment A.

Jurisdiction and Thru-Date	Debtor	Secured Party	Filing Information	Collateral Description
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 11000 Cranberry Woods Drive Cranberry Township, PA 16066	PNC Equipment Finance, a division of PNC Bank Canada Branch The Exchange Tower 130 King Street West Suite 2140 Toronto, ON M5X 1E4 Canada	#2011072803344 filed 7/27/11	Seller interests under Canadian Rider to Master Sale and Assignment Agreement dated June 27, 2011 between debtor/seller and secured party/buyer and all Equipment leased thereunder. See Attachment A (Leases) and Exhibit A (Property Description).
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 1000 Cranberry Woods Drive Cranberry Twp, PA 16066	Ikon Financial Svcs 1738 Bass Rd. Macon, GA 31210-1043	#2011123000091 filed 12/30/11	Lessee/Lessor filing All equipment now or hereafter leased in an equipment leasing transaction in connection with that certain Master Agreement/Lease No. 1008365, Product Schedule No./Agreement No. OS643A31, as amended from time to time, between IOS Capital, LLC as lessor, and the lessee/debtor, including, without limit, the equipment listed below, and all additions, improvements, attachments, accessories, accessions, upgrades and replacements related thereto, and any and all substitutions or exchanges, and any and all products, insurance and/or other proceeds (cash and non-cash) there from. CUSTOMER: 37737 RIMP4001SP C23046216 RIMPC2551 C23046206 RIMPC4501 C23046217 RIMPC4501 C23046218 RIMPC4501 C23046219 RIMPC5501 C23046220 RIMP3351SP C23046214 RIMP2851SP C23046333 RIMP2851SP C23046235 RIMPC6501 C23046207 RIMP3351SP C23046309 This statement is filed in connection with a lease transaction and is filed for precautionary purposes only.
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 3880 Meadowbrook Road Murrysville, PA 15668	Maruka USA, Inc. 1062 N. Garfield Street Lombard, IL 60148	#2013040103067 filed 3/29/13	One (1) new Toyo injection molding machine, model SI-500V, SN: 1697019 with PLCS-12 controls and options as listed on the Proforma Invoice and inclusive of all accessions, additions, improvements, tooling, attachments, manuals and insurance proceeds
Pennsylvania Department of State (2/4/14)	Mine Safety Appliances Company 3880 Meadowbrook Road Murrysville, PA 15668	Maruka USA, Inc. 1062 N. Garfield Street Lombard, IL 60148	#2013040103079 filed 3/29/13	One (1) new Toyo injection molding machine, model SI-500V, SN: 1697020 with PLCS-12 controls and options as listed on the Proforma Invoice and inclusive of all accessions, additions, improvements, tooling, attachments, manuals and insurance proceeds

Jurisdiction and Thru-Date	Debtor	Secured Party	Filing Information	Collateral Description
Pennsylvania Department of State (2/21/14)	Mine Safety Appliance Company 1000 Cranberry Woods Drive Cranberry Township, PA 16006	Arrow Electronics Inc. 50 Marcus Drive Melville, NY 11747	#2006101202624 filed 10/10/06 #2011100304733 filed 10/3/11 (Continuation Statement)	Collateral – Those products stored in the in-plant store facility and those products sold by secured party to debtor pursuant to that In-Plant Store Agreement dated July 9, 2006 between the parties
Pennsylvania Department of State (2/21/14)	Mine Safety Appliance 121 Gamma Dr. Pittsburgh, PA 15238-2919	Ikon Financial SVCS 1738 Bass Rd. Macon, GA 31210-1043	#2009072205365 filed 7/22/09	Lessee/Lessor filing All equipment now or hereafter leased in an equipment leasing transaction in connection with that certain Master Agreement/Lease No. 1008365, Product Schedule No./Agreement No. OS643B21, as amended from time to time, between IOS Capital, LLC as lessor, and the lessee/debtor, including, without limit, the equipment listed below, and all additions, improvements, attachments, accessories, accessions, upgrades and replacements related thereto, and any and all substitutions or exchanges, and any and all products, insurance and/or other proceeds (cash and non-cash) there from. CUSTOMER: 37737 RIMPC4000 C2302065 RIMPC4000 C23020595 RIMPC4000 C23020597 RIMPC4000 C23020599 RIMPC4000 C23020596 RIMP4000SP C23020598 <i>(Please note some of the above-listed numbers were cut-off on the UCC copy)</i> This statement is filed in connection with a lease transaction and is filed for precautionary purposes only.
Pennsylvania Department of State (2/21/14)	Mine Safety Appliance 121 Gamma Dr. Pittsburgh, PA 15238-2919	Ikon Financial SVCS 1738 Bass Rd. Macon, GA 31210-1043	#2011011900070 filed 1/19/11	CUSTOMER: 37737 RIMPC4501 C23037569 RIMPC4501 C23037570 RIMPC4501 C23037571 RIMPC4501 C23037572 RIMPC4501 C23037573 RIMPC4501 C23037574

Jurisdiction and Thru-Date	Debtor	Secured Party	Filing Information	Collateral Description
Pennsylvania Department of State (2/21/14)	Mine Safety Appliance of 1000 Cranberry Woods Drive Cranberry Township, PA 16006	Ikon Financial SVCS 1738 Bass Rd. Macon, GA 31210-1043	#2011051900953 filed 5/19/11	<p>Lessee/Lessor filing</p> <p>All equipment now or hereafter leased in an equipment leasing transaction in connection with that certain Master Agreement/Lease No. 1008365, Product Schedule No./Agreement No. OS643A26, as amended from time to time, between IOS Capital, LLC as lessor, and the lessee/debtor, including, without limit, the equipment listed below, and all additions, improvements, attachments, accessories, accessions, upgrades and replacements related thereto, and any and all substitutions or exchanges, and any and all products, insurance and/or other proceeds (cash and non-cash) there from.</p> <p>CUSTOMER: 37737 RIMP3351SP C23040893 RIMP201SPF C23040840 RIMPC3501 C23040925 RIMP2851SP C23040907 FUF- 6670A 003410 RIMP4001SP C23040862 RIMPC4501 C23040850 RIMPC4501 C23040851 RIMPC4501 C23040852 RIMP3351SP C23040895 RIMP3351SP C23040894 RIMP3351SP C23040892 RIMPC4501 C23040830 RIMPC4501 C23040829</p> <p>This statement is filed in connection with a lease transaction and is filed for precautionary purposes only.</p>
Nevada Department of State (2/11/14)	General Monitors, Inc. 26776 Simpatica Circle Lake Forest, CA 92630	Arrow Electronics, Inc. 50 Marcus Drive Melville, NY 11747	#2009009285-1 filed 4/10/09	Collateral – Those products stored in the segregated area of debtor’s facility designated as secured party’s consigned inventory storage area and those products sold by secured party to debtor pursuant to that Consigned Inventory Agreement dated July 1, 2003 by and between debtor and secured party

SCHEDULE 10.3

EXISTING GUARANTEES

Guarantees listed in the table below:

Guarantees

Guarantor	To	Purpose	On Behalf	Amount	Currency	Balance (USD)
Mine Safety Appliances Company	MSA Auer Berlin Works Council	Voluntary Retirement Payments	MSA Auer GmbH	3,000,000.00	EUR	4,123,500.00

* EUR conversion rate at 12/31/13 1.3745

SCHEDULE 10.4

PERMITTED INVESTMENTS

None.

Schedule 10.4 -- 1

SCHEDULE 10.8

EXCLUDED SUBSIDIARIES

Name	State or Other Jurisdiction of Incorporation
MSA Europe GmbH	Germany
Mine Safety Romania S.R.L.	Romania
MSA-Auer Sicherheitstechnik Vertriebs GmbH	Austria
MSA Safety Czech s.r.o.	Czechoslovakia
MSA AUER GmbH	Germany
MSA Nederland B.V.	Netherlands
MSA Italiana S.p.A.	Italy
MSA Belgium N.Y.	Belgium
MSA AUER Schweiz GmbH	Switzerland
MSA Nordic AB	Sweden
MSA Sordin AB	Sweden
Microsensor Systems Inc.	Kentucky
MSA de Mexico S.A. de C.V.	Mexico
Safety Supply Specialists Inc.	Delaware
MSA Española S.A.U.	Spain
MSA Far East LTD.	Delaware
Braddock Insurance Company	Bermuda
MSA de Chile Ltda.	Chile
Wuxi - MSA Safety Equipment Co. Ltd.	China
SAMSAC	South Africa
Select Personal Protective Equipment (PTY) Ltd.	South Africa
SAMSAC Africa (Proprietary) Ltd.	South Africa
MSA Select Ltd.	Zambia
MSA (India) Limited	India
MSA del Peru S.A.C.	Peru
MSA (Aust.) Pty. Ltd.	Australia
MSA Middle East	UAE branch office of Mine Safety Appliances Company, LLC
EYMSAL Safety Solutions Inc. LLC	Egypt
MSA Egypt LLC	Egypt
Mine Safety Funding Corp.	Delaware
MSA International Holdings B.V.	Netherlands
MSA Eurex B.V. (EU Trading Company)	Netherlands
Mine Safety Ireland	Ireland
MSA Safety Hungary Ltd.	Hungary
MSA Safety Sp: z.o.o.	Poland
MSA Gallet Holding	France

Name	State or Other Jurisdiction of Incorporation
MSA Gallet SAS	France
MSA Gallet Morocco	Morocco
MSA Safety Malaysia Sdn. Bhd.	Malaysia
MSA Middle East FZE	UAE
MSA Hong Kong Ltd.	Hong Kong
MSA (China) Safety Equipment Co., Ltd.	China
MSA (Suzhou) Safety Equipment R&D Co., Ltd.	China
Compañía MSA de Argentina S.A.	Argentina
MSA de Mexico Servicios S.A. de C. V.	Mexico
MSA Canada Inc.	Canada
MSA de Columbia S.A.S.	Columbia
MSA do Brasil Ltda.	Brazil
MSA (Britain) Ltd.	United Kingdom
MSA Japan Ltd.	Japan
MSA S.E. Asia Pte. Ltd.	Singapore
PT MSA Indonesia Ltd.	Indonesia
MSA (Thailand) Ltd.	Thailand
Mine Safety Fifty Ireland	Ireland
General Monitors Ireland Ltd	Ireland
General Monitors Systems, LLC	Nevada
Electrasem LLC	California
Gassonic A/S	Denmark
General Monitors Pacifica, Pte. Ltd.	Singapore
General Monitors Systems Asia Pte. Ltd.	Singapore
Safety Works, LLC	Pennsylvania
MSA AUER Service GmbH	Germany
MSA Safety, LLC	Russia

**FORM OF
AMENDED AND RESTATED GUARANTEE AGREEMENT**

Dated as of March 7, 2014

of

[NAME OF GUARANTOR]

FORM OF AMENDED AND RESTATED GUARANTEE AGREEMENT

THIS AMENDED AND RESTATED GUARANTEE AGREEMENT, dated as of March 7, 2014 (this “**Guarantee Agreement**”), is made by [*Insert Name of Guarantor*], a [] [corporation/limited liability company] (together with its successors and assigns, the “**Guarantor**”), in favor of the Purchasers (as defined below) and the other holders from time to time of the Notes (as defined below). The Purchasers and such other holders are herein collectively called the “**holders**” and individually a “**holder**.”

PRELIMINARY STATEMENTS:

I. Mine Safety Appliances Company, LLC, a Pennsylvania limited liability company (as successor to Mine Safety Appliances Company, a Pennsylvania corporation) (together with its successors and assigns, “**MSA**”), previously entered into a Note Purchase and Private Shelf Agreement, dated as of October 13, 2010 (as amended, modified, supplemented or restated from time to time prior to the date hereof, the “**Original Note Purchase Agreement**”), with Prudential Investment Management, Inc., the Series A Purchasers listed on the signature pages thereto and each Prudential Affiliate which becomes a party thereto from time to time (such Series A Purchasers and each such Prudential Affiliate, collectively, the “**Purchasers**”), pursuant to which the Company (i) issued and sold to the Series A Purchasers \$100,000,000 in aggregate principal amount of its 4.00% Series A Senior Notes due October 13, 2021 (the “**Original Series A Notes**”) and (ii) authorized the issuance and sale from time to time of its additional senior promissory notes in the aggregate principal amount of \$50,000,000 (the “**Original Shelf Notes**” and together with the Original Series A Notes, collectively, the “**Original Notes**”). No Original Shelf Notes were issued under the Original Note Purchase Agreement.

II. The Guarantor executed a Guarantee Agreement, dated as of October 13, 2010, pursuant to which, among other things, the Guarantor guaranteed the obligations of the Company under the Original Note Purchase Agreement and the Original Notes (the “**Original Note Purchase Agreement Guarantee**”).

III. On the date hereof, MSA, MSA Safety Incorporated, a Pennsylvania corporation (the “**Company**”), and certain of their affiliates are entering into a corporate reorganization.

IV. In connection with such corporate reorganization, MSA, the Company and the Purchasers have agreed to amend and restate the Original Note Purchase Agreement pursuant to the terms of that certain Amended and Restated Note Purchase and Private Shelf Agreement, dated as of the date hereof, among MSA, the Company, Prudential Investment Management, Inc. and the Purchasers (as may be amended, modified, supplemented or restated from time to time, the “**Note Purchase Agreement**”).

V. Pursuant to the Note Purchase Agreement, (a) MSA has agreed to assign to the Company, and the Company has agreed to assume all of MSA's obligations, *inter alia*, under the Original Note Purchase Agreement and the Original Series A Notes, (b) the Company has agreed to issue \$100,000,000 in aggregate principal amount of its 4.00% Series A Senior Notes due October 13, 2021 in exchange for, and in replacement of, the Original Series A Notes (the "**Series A Notes**"), and (c) the Company has authorized the issuance of additional senior promissory notes in the aggregate principal amount of up to \$175,000,000 (the "**Shelf Notes**") upon the terms and subject to the conditions set forth in the Note Purchase Agreement. The foregoing Series A Notes and the Shelf Notes that may from time to time be issued pursuant to the Note Purchase Agreement (including any notes issued in substitution therefor), as the same may be amended, modified, supplemented or restated from time to time, are herein collectively called the "**Notes**" and individually a "**Note**".

VI. It is a condition to the agreement of the holders of the Notes to enter into the Note Purchase Agreement and exchange the Original Series A Notes for the Series A Notes that the Guarantor agree to amend and restate the terms of the Original Note Purchase Agreement Guarantee upon the terms set forth in this Guarantee Agreement and that this Guarantee Agreement be in full force and effect.

VII. The Guarantor has received and will receive direct and indirect benefits as a result of the agreement of the holders of the Notes to enter into the Note Purchase Agreement, exchange the Original Series A Notes for the Series A Notes and agree to the amendments, waivers, consents and other transactions contemplated by the Note Purchase Agreement. The Board of [Directors/Managers] of the Guarantor has determined that the incurrence of such obligations is in the best interests of the Guarantor

VIII. Capitalized terms used herein have the meanings specified in the Note Purchase Agreement unless otherwise defined herein.

NOW THEREFORE, in compliance with the Note Purchase Agreement, and in consideration of, the execution and delivery of the Note Purchase Agreement and the purchase of the Notes by each of the Purchasers, the Guarantor hereby covenants and agrees with, and represents and warrants to, each of the holders as follows:

1. GUARANTEE; INDEMNITY.

1.1 GUARANTEE. The Guarantor hereby irrevocably and unconditionally guarantees to each holder, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under, the Notes when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise) and (b) any other sums which may become due under the terms and provisions of the Notes, the Note Purchase Agreement or any other instrument referred to therein (all such obligations described in clauses (a) and (b) above are herein called the **“Guaranteed Obligations”**). The guarantee in the preceding sentence is an absolute, present and continuing guarantee of payment and not of collectability and is in no way conditional or contingent upon any attempt to collect from the Company or any other guarantor of the Notes or upon any other action, occurrence or circumstance whatsoever. In the event that the Company shall fail so to pay any of such Guaranteed Obligations, the Guarantor agrees to pay the same when due to the holders entitled thereto, without demand, presentment, protest or notice of any kind, in lawful money of the United States of America, pursuant to the requirements for payment specified in the Notes and the Note Purchase Agreement. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. The Guarantor agrees that the Notes issued in connection with the Note Purchase Agreement may (but need not) make reference to this Guarantee Agreement.

The Guarantor agrees to pay and to indemnify and save each holder harmless from and against any damage, loss, cost or expense (including attorneys’ fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by the Guarantor or by the Company of any warranty, covenant, term or condition in, or the occurrence of any default under, this Guarantee Agreement, the Notes, the Note Purchase Agreement or any other instrument referred to therein, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Guarantee Agreement, the Notes, the Note Purchase Agreement or any other instrument referred to therein and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Guarantee Agreement.

The Guarantor hereby acknowledges and agrees that the Guarantor’s liability hereunder is joint and several with any other Person(s) who may guarantee the obligations and Indebtedness under and in respect of the Notes and the Note Purchase Agreement.

Notwithstanding the foregoing provisions or any other provision of this Guarantee Agreement, the holders (by their acceptance of any Note) and the Guarantor hereby agree that if at any time the Guaranteed Obligations exceed the Maximum Guaranteed Amount determined as of such time with regard to the Guarantor, then this Guarantee Agreement shall be automatically amended to reduce the Guaranteed Obligations to the Maximum Guaranteed Amount. Such amendment shall not require the written consent of the Guarantor or any holder and shall be deemed to have been automatically consented to by the Guarantor and each holder. The Guarantor agrees that the Guaranteed Obligations may at any time exceed the Maximum Guaranteed Amount without affecting or impairing the obligation of the Guarantor. “**Maximum Guaranteed Amount**” means as of the date of determination with respect to the Guarantor, the lesser of (a) the amount of the Guaranteed Obligations outstanding on such date and (b) the maximum amount that would not render the Guarantor’s liability under this Guarantee Agreement subject to avoidance under Section 548 of the United States Bankruptcy Code (or any successor provision) or any comparable provision of applicable state law.

1.2 INDEMNITY. The Guarantor hereby further agrees that if, for any reason, any amount claimed by a holder of the Notes under this Guarantee Agreement is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary obligor to indemnify that holder of the Notes against any cost, loss or liability it incurs as a result of the Company not paying any amount expressed to be payable by it under the Notes, the Note Purchase Agreement or otherwise on the date when it is expressed to be due. The amount payable by the Guarantor under this Section 1.2 will not exceed the amount it would have had to pay under Section 1.1 if the amount claimed had been recoverable on the basis of a guarantee.

2. OBLIGATIONS ABSOLUTE.

The obligations of the Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of the Notes, the Note Purchase Agreement or any other instrument referred to therein, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim the Guarantor may have against the Company or any holder or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Guarantor shall have any knowledge or notice thereof), including, without limitation: (a) any amendment to, modification of, supplement to or restatement of the Notes, the Note Purchase Agreement or any other instrument referred to therein (it being agreed that the obligations of the Guarantor hereunder shall apply to the Notes, the Note Purchase Agreement or any such other instrument as so amended, modified, supplemented or restated) or any assignment or transfer of any thereof or of any interest therein, or any furnishing, acceptance or release of any security for the Notes; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of the Notes, the Note Purchase Agreement or any other instrument referred to therein; (c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the Company or its property; (d) any merger, amalgamation or consolidation of the Guarantor or of the Company into or with any other Person or any sale, lease or transfer of any or all of the assets of the Guarantor or of the Company to any Person; (e) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with the Guarantor; (f) any failure on the part of any holder to obtain, maintain, register or otherwise perfect any security; or (g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to the Guarantor or to any subrogation, contribution or reimbursement rights the Guarantor may otherwise have. The Guarantor covenants that its obligations hereunder will not be discharged except by indefeasible payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder.

3. WAIVER.

The Guarantor unconditionally waives to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the Company in the payment of any amounts due under the Notes, the Note Purchase Agreement or any other instrument referred to therein, and of any of the matters referred to in Section 2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of any holder against the Guarantor, including, without limitation, presentment to or demand for payment from the Company or the Guarantor with respect to any Note, notice to the Company or to the Guarantor of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the Company, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in the Note Purchase Agreement or the Notes, (d) any requirement for diligence on the part of any holder and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of the Guarantor or otherwise operate as a discharge of the Guarantor or in any manner lessen the obligations of the Guarantor hereunder.

4. OBLIGATIONS UNIMPAIRED.

The Guarantor authorizes the holders, without notice or demand to the Guarantor and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of the Notes, the Note Purchase Agreement or any other instrument referred to therein; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to the Notes, the Note Purchase Agreement or any other instrument referred to therein, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount or any other obligation; (c) to take and hold security for the payment of the Notes, the Note Purchase Agreement or any other instrument referred to therein, for the performance of this Guarantee Agreement or otherwise for the Indebtedness guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders in their sole discretion may determine; (e) to obtain additional or substitute endorsers or guarantors; (f) to exercise or refrain from exercising any rights against the Company and others; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the Company, the Guarantor or any other Person or to pursue any other remedy available to the holders.

If an event permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any holder to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, the Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guarantee Agreement and its obligations hereunder, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of the Note Purchase Agreement, and the Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

5. SUBROGATION AND SUBORDINATION.

(a) The Guarantor will not exercise any rights which it may have acquired by way of subrogation under this Guarantee Agreement, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the Notes or this Guarantee Agreement unless and until all of the Guaranteed Obligations shall have been indefeasibly paid in full in cash.

(b) The Guarantor hereby subordinates the payment of all Indebtedness and other obligations of the Company or any other guarantor of the Guaranteed Obligations owing to the Guarantor, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 5, to the indefeasible payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Indebtedness or other obligations shall be enforced and performance received by the Guarantor as trustee for the holders and the proceeds thereof shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guarantee Agreement.

(c) If any amount or other payment is made to or accepted by the Guarantor in violation of any of the preceding clauses (a) and (b) of this Section 5, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the holders and shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guarantee Agreement.

(d) The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Note Purchase Agreement and that its agreements set forth in this Guarantee Agreement (including this Section 5) are knowingly made in contemplation of such benefits.

6. REINSTATEMENT OF GUARANTEE.

This Guarantee Agreement shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

7. RANK OF GUARANTEE.

The Guarantor will ensure that its payment obligations under this Guarantee Agreement will at all times rank at least *pari passu*, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Guarantor now or hereafter existing.

8. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR.

The Guarantor represents and warrants to each holder as follows:

8.1 ORGANIZATION; POWER AND AUTHORITY. The Guarantor is a [] [corporation/limited liability company] duly organized, validly existing and in good standing under the laws of its jurisdiction of [incorporation/organization], and is duly qualified as a foreign [corporation/limited liability company] and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. The Guarantor has the [corporate/limited liability company] power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it presently transacts and proposes to transact, to execute and deliver this Guarantee Agreement and to perform the provisions hereof.

8.2 AUTHORIZATION, ETC. This Guarantee Agreement has been duly authorized by all necessary [corporate/limited liability company] action on the part of the Guarantor, and this Guarantee Agreement constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.3 COMPLIANCE WITH LAWS, OTHER INSTRUMENTS, ETC. The execution, delivery and performance by the Guarantor of this Guarantee Agreement will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Guarantor or any of its Subsidiaries under, any material indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, organizational documents, or any other material agreement or instrument to which the Guarantor or any of its Subsidiaries is bound or by which the Guarantor or any of its Subsidiaries or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Guarantor or any of its Subsidiaries or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Guarantor or any of its Subsidiaries. **“Governmental Authority”** means (x) the government of (i) the United States of America or any State or other political subdivision thereof, or (ii) any other jurisdiction in which the Guarantor or any of its Subsidiaries conducts all or any part of its business, or which asserts jurisdiction over any properties of the Guarantor or any of its Subsidiaries, or (y) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

8.4 GOVERNMENTAL AUTHORIZATIONS, ETC. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Guarantor of this Guarantee Agreement.

8.5 INFORMATION REGARDING THE COMPANY. The Guarantor now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Company. No holder shall have any duty or responsibility to provide the Guarantor with any credit or other information concerning the affairs, financial condition or business of the Company which may come into possession of the holders. The Guarantor has executed and delivered this Guarantee Agreement without reliance upon any representation by the holders including, without limitation, with respect to (a) the due execution, validity, effectiveness or enforceability of any instrument, document or agreement evidencing or relating to any of the Guaranteed Obligations or any loan or other financial accommodation made or granted to the Company, (b) the validity, genuineness, enforceability, existence, value or sufficiency of any property securing any of the Guaranteed Obligations or the creation, perfection or priority of any lien or security interest in such property or (c) the existence, number, financial condition or creditworthiness of other guarantors or sureties, if any, with respect to any of the Guaranteed Obligations.

8.6 SOLVENCY. Upon the execution and delivery hereof, the Guarantor will be solvent, will be able to pay its debts as they mature, and will have capital sufficient to carry on its business.

9. TERM OF GUARANTEE AGREEMENT.

This Guarantee Agreement and all guarantees, covenants and agreements of the Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be indefeasibly paid in full in cash and shall be subject to reinstatement pursuant to Section 6.

10. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Guarantee Agreement and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Guarantor pursuant to this Guarantee Agreement shall be deemed representations and warranties of the Guarantor under this Guarantee Agreement. Subject to the preceding sentence, this Guarantee Agreement embodies the entire agreement and understanding between each holder and the Guarantor and supersedes all prior agreements and understandings relating to the subject matter hereof.

11. AMENDMENT AND WAIVER.

11.1 REQUIREMENTS. Except as otherwise provided in the fourth paragraph of Section 1.1 of this Guarantee Agreement, this Guarantee Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of the Guarantor and the Required Holders, except that no amendment or waiver (a) of any of the first three paragraphs of Section 1.1 or any of Section 1.2 or any of the provisions of Section 2, 3, 4, 5, 6, 7, 9 or 11 hereof, or any defined term (as it is used therein), or (b) which results in the limitation of the liability of the Guarantor hereunder (except to the extent provided in the fourth paragraph of Section 1 of this Guarantee Agreement) will be effective as to any holder unless consented to by such holder in writing.

11.2 SOLICITATION OF HOLDERS OF NOTES.

(a) *Solicitation.* The Guarantor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof. The Guarantor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 11.2 to each holder promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Guarantor will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder as consideration for or as an inducement to the entering into by any holder of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder even if such holder did not consent to such waiver or amendment.

11.3 BINDING EFFECT. Any amendment or waiver consented to as provided in this Section 11 applies equally to all holders and is binding upon them and upon each future holder and upon the Guarantor without regard to whether any Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant or agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Guarantor and the holder nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder. As used herein, the term “**this Guarantee Agreement**” and references thereto shall mean this Guarantee Agreement as it may be amended, modified, supplemented or restated from time to time.

11.4 NOTES HELD BY COMPANY, ETC. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Guarantee Agreement, or have directed the taking of any action provided herein to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Guarantor, the Company or any of their respective Affiliates shall be deemed not to be outstanding.

12. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (i) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (ii) by registered or certified mail with return receipt requested (postage prepaid), or (iii) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to the Guarantor, to c/o MSA Safety Incorporated, 1000 Cranberry Woods Drive, Cranberry Township, Pennsylvania 16066, Attention: Senior Vice President and Chief Financial Officer, or such other address as the Guarantor shall have specified to the holders in writing, or

(b) if to any holder, to such holder at the addresses specified for such communications set forth in Schedule A to the Note Purchase Agreement (or, if such holder’s address is not set forth therein, in such holder’s Confirmation of Acceptance), or such other address as such holder shall have specified to the Guarantor in writing.

13. MISCELLANEOUS.

13.1 SUCCESSORS AND ASSIGNS. All covenants and other agreements contained in this Guarantee Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns whether so expressed or not.

13.2 SEVERABILITY. Any provision of this Guarantee Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law), not invalidate or render unenforceable such provision in any other jurisdiction.

13.3 CONSTRUCTION. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such express contrary provision) be deemed to excuse compliance with any other covenant. Whether any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

The section and subsection headings in this Guarantee Agreement are for convenience of reference only and shall neither be deemed to be a part of this Guarantee Agreement nor modify, define, expand or limit any of the terms or provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Guarantee Agreement. Words and definitions in the singular shall be read and construed as though in the plural and *vice versa*, and words in the masculine, neuter or feminine gender shall be read and construed as though in either of the other genders where the context so requires.

13.4 FURTHER ASSURANCES. The Guarantor agrees to execute and deliver all such instruments and take all such action as the Required Holders may from time to time reasonably request in order to effectuate fully the purposes of this Guarantee Agreement.

13.5 GOVERNING LAW. This Guarantee Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

13.6 JURISDICTION AND PROCESS; WAIVER OF JURY TRIAL.

(a) The Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Guarantee Agreement. To the fullest extent permitted by applicable law, the Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Guarantor consents to process being served by or on behalf of any holder in any suit, action or proceeding of the nature referred to in Section 13.6(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 12 or at such other address of which such holder shall then have been notified pursuant to Section 12. The Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 13.6 shall affect the right of any holder to serve process in any manner permitted by law, or limit any right that the holders may have to bring proceedings against the Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE GUARANTOR AND THE HOLDERS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS GUARANTEE AGREEMENT OR OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH.

13.7 REPRODUCTION OF DOCUMENTS; EXECUTION. This Guarantee Agreement may be reproduced by any holder by any photographic, photostatic, electronic, digital, or other similar process and such holder may destroy any original document so reproduced. The Guarantor agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such holder in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 13.7 shall not prohibit the Guarantor or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction. A facsimile or electronic transmission of the signature page of the Guarantor shall be as effective as delivery of a manually executed counterpart hereof and shall be admissible into evidence for all purposes.

13.8 CONTINUED EFFECTIVENESS; NO NOVATION. This Guarantee Agreement shall, and hereby does, amend, restate and replace in its entirety the Original Note Purchase Agreement Guarantee which, as so amended and restated by this Guarantee Agreement, continues in full force and effect without rescission or novation thereof. The parties hereto hereby acknowledge and agree that the amendments to the Original Note Purchase Agreement Guarantee set forth herein could have been effected through an agreement or instrument amending the Original Note Purchase Agreement Guarantee, and for convenience, the parties hereto have agreed to amend and restate the terms and provisions of the Original Note Purchase Agreement Guarantee pursuant to this Guarantee Agreement. Anything contained herein to the contrary notwithstanding, this Guarantee Agreement is not intended to and shall not serve to effect a novation of the obligations under the Original Note Purchase Agreement Guarantee. Instead, it is the express intention of the Guarantor to reaffirm the liabilities and obligations created under the Original Note Purchase Agreement Guarantee, as amended and restated by this Guarantee Agreement. The Guarantor acknowledges and confirms that it has no defense, set off, claim or counterclaim arising prior to the date hereof against any of the holders of the Notes with regard to the liabilities and obligations created under the Original Note Purchase Agreement Guarantee.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee Agreement to be duly executed and delivered as of the date and year first above written.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

**FORM OF
GUARANTEE AGREEMENT**

Dated as of March 7, 2014

of

[NAME OF GUARANTOR]

FORM OF GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT, dated as of March 7, 2014 (this “**Guarantee Agreement**”), is made by [*Insert Name of Guarantor*], a [] [corporation/limited liability company] (together with its successors and assigns, the “**Guarantor**”), in favor of the Purchasers (as defined below) and the other holders from time to time of the Notes (as defined below). The Purchasers and such other holders are herein collectively called the “**holders**” and individually a “**holder**.”

PRELIMINARY STATEMENTS:

I. Mine Safety Appliances Company, LLC, a Pennsylvania limited liability company (as successor to Mine Safety Appliances Company, a Pennsylvania corporation) (together with its successors and assigns, “**MSA**”), previously entered into a Note Purchase and Private Shelf Agreement, dated as of October 13, 2010 (as amended, modified, supplemented or restated from time to time prior to the date hereof, the “**Original Note Purchase Agreement**”), with Prudential Investment Management, Inc., the Series A Purchasers listed on the signature pages thereto and each Prudential Affiliate which becomes a party thereto from time to time (such Series A Purchasers and each such Prudential Affiliate, collectively, the “**Purchasers**”), pursuant to which the Company (i) issued and sold to the Series A Purchasers \$100,000,000 in aggregate principal amount of its 4.00% Series A Senior Notes due October 13, 2021 (the “**Original Series A Notes**”) and (ii) authorized the issuance and sale from time to time of its additional senior promissory notes in the aggregate principal amount of \$50,000,000 (the “**Original Shelf Notes**” and together with the Original Series A Notes, collectively, the “**Original Notes**”). No Original Shelf Notes were issued under the Original Note Purchase Agreement.

II. On the date hereof, MSA, MSA Safety Incorporated, a Pennsylvania corporation (the “**Company**”) and certain of their affiliates are entering into a corporate reorganization.

III. In connection with such corporate reorganization, MSA, the Company and the Purchasers have agreed to amend and restate the Original Note Purchase Agreement pursuant to the terms of that certain Amended and Restated Note Purchase and Private Shelf Agreement, dated as of the date hereof, among MSA, the Company, Prudential Investment Management, Inc. and the Purchasers (as may be amended, modified, supplemented or restated from time to time, the “**Note Purchase Agreement**”).

IV. Pursuant to the Note Purchase Agreement, (a) MSA has agreed to assign to the Company, and the Company has agreed to assume all of MSA's obligations, *inter alia*, under the Original Note Purchase Agreement and the Original Series A Notes, (b) the Company has agreed to issue \$100,000,000 in aggregate principal amount of its 4.00% Amended and Restated Series A Senior Notes due October 13, 2021 in exchange for, and in replacement of, the Original Series A Notes (the "**Series A Notes**"), and (c) the Company has authorized the issuance of additional senior promissory notes in the aggregate principal amount of up to \$175,000,000 (the "**Shelf Notes**") upon the terms and subject to the conditions set forth in the Note Purchase Agreement. The foregoing Series A Notes and the Shelf Notes that may from time to time be issued pursuant to the Note Purchase Agreement (including any notes issued in substitution therefor), as the same may be amended, modified, supplemented or restated from time to time, are herein collectively called the "**Notes**" and individually a "**Note**".

V. It is a condition to the agreement of the holders of the Notes to enter into the Note Purchase Agreement and exchange the Original Notes for the Notes that the Guarantor execute and deliver this Guarantee Agreement to the holders of the Notes and that this Guarantee Agreement be in full force and effect.

VI. The Guarantor has received and will receive direct and indirect benefits as a result of the agreement of the holders of the Notes to enter into the Note Purchase Agreement, exchange the Original Notes for the Notes and agree to the amendments, waivers, consents and other transactions contemplated by the Note Purchase Agreement. The Board of [Directors/Managers] of the Guarantor has determined that the incurrence of such obligations is in the best interests of the Guarantor.

VII. Capitalized terms used herein have the meanings specified in the Note Purchase Agreement unless otherwise defined herein.

NOW THEREFORE, in compliance with the Note Purchase Agreement, and in consideration of, the execution and delivery of the Note Purchase Agreement and the purchase of the Notes by each of the Purchasers, the Guarantor hereby covenants and agrees with, and represents and warrants to, each of the holders as follows:

1. GUARANTEE; INDEMNITY.

1.1 GUARANTEE. The Guarantor hereby irrevocably and unconditionally guarantees to each holder, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under, the Notes when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise) and (b) any other sums which may become due under the terms and provisions of the Notes, the Note Purchase Agreement or any other instrument referred to therein (all such obligations described in clauses (a) and (b) above are herein called the **“Guaranteed Obligations”**). The guarantee in the preceding sentence is an absolute, present and continuing guarantee of payment and not of collectability and is in no way conditional or contingent upon any attempt to collect from the Company or any other guarantor of the Notes or upon any other action, occurrence or circumstance whatsoever. In the event that the Company shall fail so to pay any of such Guaranteed Obligations, the Guarantor agrees to pay the same when due to the holders entitled thereto, without demand, presentment, protest or notice of any kind, in lawful money of the United States of America, pursuant to the requirements for payment specified in the Notes and the Note Purchase Agreement. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. The Guarantor agrees that the Notes issued in connection with the Note Purchase Agreement may (but need not) make reference to this Guarantee Agreement.

The Guarantor agrees to pay and to indemnify and save each holder harmless from and against any damage, loss, cost or expense (including attorneys' fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by the Guarantor or by the Company of any warranty, covenant, term or condition in, or the occurrence of any default under, this Guarantee Agreement, the Notes, the Note Purchase Agreement or any other instrument referred to therein, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Guarantee Agreement, the Notes, the Note Purchase Agreement or any other instrument referred to therein and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Guarantee Agreement.

The Guarantor hereby acknowledges and agrees that the Guarantor's liability hereunder is joint and several with any other Person(s) who may guarantee the obligations and Indebtedness under and in respect of the Notes and the Note Purchase Agreement.

Notwithstanding the foregoing provisions or any other provision of this Guarantee Agreement, the holders (by their acceptance of any Note) and the Guarantor hereby agree that if at any time the Guaranteed Obligations exceed the Maximum Guaranteed Amount determined as of such time with regard to the Guarantor, then this Guarantee Agreement shall be automatically amended to reduce the Guaranteed Obligations to the Maximum Guaranteed Amount. Such amendment shall not require the written consent of the Guarantor or any holder and shall be deemed to have been automatically consented to by the Guarantor and each holder. The Guarantor agrees that the Guaranteed Obligations may at any time exceed the Maximum Guaranteed Amount without affecting or impairing the obligation of the Guarantor. **“Maximum Guaranteed Amount”** means as of the date of determination with respect to the Guarantor, the lesser of (a) the amount of the Guaranteed Obligations outstanding on such date and (b) the maximum amount that would not render the Guarantor’s liability under this Guarantee Agreement subject to avoidance under Section 548 of the United States Bankruptcy Code (or any successor provision) or any comparable provision of applicable state law.

1.2 INDEMNITY. The Guarantor hereby further agrees that if, for any reason, any amount claimed by a holder of the Notes under this Guarantee Agreement is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary obligor to indemnify that holder of the Notes against any cost, loss or liability it incurs as a result of the Company not paying any amount expressed to be payable by it under the Notes, the Note Purchase Agreement or otherwise on the date when it is expressed to be due. The amount payable by the Guarantor under this Section 1.2 will not exceed the amount it would have had to pay under Section 1.1 if the amount claimed had been recoverable on the basis of a guarantee.

2. OBLIGATIONS ABSOLUTE.

The obligations of the Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of the Notes, the Note Purchase Agreement or any other instrument referred to therein, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim the Guarantor may have against the Company or any holder or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Guarantor shall have any knowledge or notice thereof), including, without limitation: (a) any amendment to, modification of, supplement to or restatement of the Notes, the Note Purchase Agreement or any other instrument referred to therein (it being agreed that the obligations of the Guarantor hereunder shall apply to the Notes, the Note Purchase Agreement or any such other instrument as so amended, modified, supplemented or restated) or any assignment or transfer of any thereof or of any interest therein, or any furnishing, acceptance or release of any security for the Notes; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of the Notes, the Note Purchase Agreement or any other instrument referred to therein; (c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the Company or its property; (d) any merger, amalgamation or consolidation of the Guarantor or of the Company into or with any other Person or any sale, lease or transfer of any or all of the assets of the Guarantor or of the Company to any Person; (e) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with the Guarantor; (f) any failure on the part of any holder to obtain, maintain, register or otherwise perfect any security; or (g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to the Guarantor or to any subrogation, contribution or reimbursement rights the Guarantor may otherwise have. The Guarantor covenants that its obligations hereunder will not be discharged except by indefeasible payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder.

3. WAIVER.

The Guarantor unconditionally waives to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the Company in the payment of any amounts due under the Notes, the Note Purchase Agreement or any other instrument referred to therein, and of any of the matters referred to in Section 2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of any holder against the Guarantor, including, without limitation, presentment to or demand for payment from the Company or the Guarantor with respect to any Note, notice to the Company or to the Guarantor of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the Company, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in the Note Purchase Agreement or the Notes, (d) any requirement for diligence on the part of any holder and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of the Guarantor or otherwise operate as a discharge of the Guarantor or in any manner lessen the obligations of the Guarantor hereunder.

4. OBLIGATIONS UNIMPAIRED.

The Guarantor authorizes the holders, without notice or demand to the Guarantor and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of the Notes, the Note Purchase Agreement or any other instrument referred to therein; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to the Notes, the Note Purchase Agreement or any other instrument referred to therein, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount or any other obligation; (c) to take and hold security for the payment of the Notes, the Note Purchase Agreement or any other instrument referred to therein, for the performance of this Guarantee Agreement or otherwise for the Indebtedness guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders in their sole discretion may determine; (e) to obtain additional or substitute endorsers or guarantors; (f) to exercise or refrain from exercising any rights against the Company and others; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the Company, the Guarantor or any other Person or to pursue any other remedy available to the holders.

If an event permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any holder to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, the Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guarantee Agreement and its obligations hereunder, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of the Note Purchase Agreement, and the Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

5. SUBROGATION AND SUBORDINATION.

(a) The Guarantor will not exercise any rights which it may have acquired by way of subrogation under this Guarantee Agreement, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the Notes or this Guarantee Agreement unless and until all of the Guaranteed Obligations shall have been indefeasibly paid in full in cash.

(b) The Guarantor hereby subordinates the payment of all Indebtedness and other obligations of the Company or any other guarantor of the Guaranteed Obligations owing to the Guarantor, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 5, to the indefeasible payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Indebtedness or other obligations shall be enforced and performance received by the Guarantor as trustee for the holders and the proceeds thereof shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guarantee Agreement.

(c) If any amount or other payment is made to or accepted by the Guarantor in violation of any of the preceding clauses (a) and (b) of this Section 5, such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for the benefit of, the holders and shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Guarantor under this Guarantee Agreement.

(d) The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Note Purchase Agreement and that its agreements set forth in this Guarantee Agreement (including this Section 5) are knowingly made in contemplation of such benefits.

6. REINSTATEMENT OF GUARANTEE.

This Guarantee Agreement shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

7. RANK OF GUARANTEE.

The Guarantor will ensure that its payment obligations under this Guarantee Agreement will at all times rank at least *pari passu*, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Guarantor now or hereafter existing.

8. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR.

The Guarantor represents and warrants to each holder as follows:

8.1 ORGANIZATION; POWER AND AUTHORITY. The Guarantor is a [] [corporation/limited liability company] duly organized, validly existing and in good standing under the laws of its jurisdiction of [incorporation/organization], and is duly qualified as a foreign [corporation/limited liability company] and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. The Guarantor has the [corporate/limited liability company] power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it presently transacts and proposes to transact, to execute and deliver this Guarantee Agreement and to perform the provisions hereof.

8.2 AUTHORIZATION, ETC. This Guarantee Agreement has been duly authorized by all necessary [corporate/limited liability company] action on the part of the Guarantor, and this Guarantee Agreement constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.3 COMPLIANCE WITH LAWS, OTHER INSTRUMENTS, ETC. The execution, delivery and performance by the Guarantor of this Guarantee Agreement will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Guarantor or any of its Subsidiaries under, any material indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, organizational documents, or any other material agreement or instrument to which the Guarantor or any of its Subsidiaries is bound or by which the Guarantor or any of its Subsidiaries or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Guarantor or any of its Subsidiaries or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Guarantor or any of its Subsidiaries. **“Governmental Authority”** means (x) the government of (i) the United States of America or any State or other political subdivision thereof, or (ii) any other jurisdiction in which the Guarantor or any of its Subsidiaries conducts all or any part of its business, or which asserts jurisdiction over any properties of the Guarantor or any of its Subsidiaries, or (y) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

8.4 GOVERNMENTAL AUTHORIZATIONS, ETC. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Guarantor of this Guarantee Agreement.

8.5 INFORMATION REGARDING THE COMPANY. The Guarantor now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Company. No holder shall have any duty or responsibility to provide the Guarantor with any credit or other information concerning the affairs, financial condition or business of the Company which may come into possession of the holders. The Guarantor has executed and delivered this Guarantee Agreement without reliance upon any representation by the holders including, without limitation, with respect to (a) the due execution, validity, effectiveness or enforceability of any instrument, document or agreement evidencing or relating to any of the Guaranteed Obligations or any loan or other financial accommodation made or granted to the Company, (b) the validity, genuineness, enforceability, existence, value or sufficiency of any property securing any of the Guaranteed Obligations or the creation, perfection or priority of any lien or security interest in such property or (c) the existence, number, financial condition or creditworthiness of other guarantors or sureties, if any, with respect to any of the Guaranteed Obligations.

8.6 SOLVENCY. Upon the execution and delivery hereof, the Guarantor will be solvent, will be able to pay its debts as they mature, and will have capital sufficient to carry on its business.

9. TERM OF GUARANTEE AGREEMENT.

This Guarantee Agreement and all guarantees, covenants and agreements of the Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be indefeasibly paid in full in cash and shall be subject to reinstatement pursuant to Section 6.

10. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Guarantee Agreement and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Guarantor pursuant to this Guarantee Agreement shall be deemed representations and warranties of the Guarantor under this Guarantee Agreement. Subject to the preceding sentence, this Guarantee Agreement embodies the entire agreement and understanding between each holder and the Guarantor and supersedes all prior agreements and understandings relating to the subject matter hereof.

11. AMENDMENT AND WAIVER.

11.1 REQUIREMENTS. Except as otherwise provided in the fourth paragraph of Section 1.1 of this Guarantee Agreement, this Guarantee Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of the Guarantor and the Required Holders, except that no amendment or waiver (a) of any of the first three paragraphs of Section 1.1 or any of Section 1.2 or any of the provisions of Section 2, 3, 4, 5, 6, 7, 9 or 11 hereof, or any defined term (as it is used therein), or (b) which results in the limitation of the liability of the Guarantor hereunder (except to the extent provided in the fourth paragraph of Section 1 of this Guarantee Agreement) will be effective as to any holder unless consented to by such holder in writing.

11.2 SOLICITATION OF HOLDERS OF NOTES.

(a) *Solicitation.* The Guarantor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof. The Guarantor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 11.2 to each holder promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Guarantor will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder as consideration for or as an inducement to the entering into by any holder of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder even if such holder did not consent to such waiver or amendment.

11.3 BINDING EFFECT. Any amendment or waiver consented to as provided in this Section 11 applies equally to all holders and is binding upon them and upon each future holder and upon the Guarantor without regard to whether any Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant or agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Guarantor and the holder nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder. As used herein, the term “**this Guarantee Agreement**” and references thereto shall mean this Guarantee Agreement as it may be amended, modified, supplemented or restated from time to time.

11.4 NOTES HELD BY COMPANY, ETC. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Guarantee Agreement, or have directed the taking of any action provided herein to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Guarantor, the Company or any of their respective Affiliates shall be deemed not to be outstanding.

12. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (i) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (ii) by registered or certified mail with return receipt requested (postage prepaid), or (iii) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to the Guarantor, to c/o MSA Safety Incorporated, 1000 Cranberry Woods Drive, Cranberry Township, Pennsylvania 16066, Attention: Senior Vice President and Chief Financial Officer, or such other address as the Guarantor shall have specified to the holders in writing, or

(b) if to any holder, to such holder at the addresses specified for such communications set forth in Schedule A to the Note Purchase Agreement (or, if such holder’s address is not set forth therein, in such holder’s Confirmation of Acceptance), or such other address as such holder shall have specified to the Guarantor in writing.

13. MISCELLANEOUS.

13.1 SUCCESSORS AND ASSIGNS. All covenants and other agreements contained in this Guarantee Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns whether so expressed or not.

13.2 SEVERABILITY. Any provision of this Guarantee Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law), not invalidate or render unenforceable such provision in any other jurisdiction.

13.3 CONSTRUCTION. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such express contrary provision) be deemed to excuse compliance with any other covenant. Whether any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

The section and subsection headings in this Guarantee Agreement are for convenience of reference only and shall neither be deemed to be a part of this Guarantee Agreement nor modify, define, expand or limit any of the terms or provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Guarantee Agreement. Words and definitions in the singular shall be read and construed as though in the plural and *vice versa*, and words in the masculine, neuter or feminine gender shall be read and construed as though in either of the other genders where the context so requires.

13.4 FURTHER ASSURANCES. The Guarantor agrees to execute and deliver all such instruments and take all such action as the Required Holders may from time to time reasonably request in order to effectuate fully the purposes of this Guarantee Agreement.

13.5 GOVERNING LAW. This Guarantee Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

13.6 JURISDICTION AND PROCESS; WAIVER OF JURY TRIAL.

(a) The Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Guarantee Agreement. To the fullest extent permitted by applicable law, the Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Guarantor consents to process being served by or on behalf of any holder in any suit, action or proceeding of the nature referred to in Section 13.6(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 12 or at such other address of which such holder shall then have been notified pursuant to Section 12. The Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 13.6 shall affect the right of any holder to serve process in any manner permitted by law, or limit any right that the holders may have to bring proceedings against the Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE GUARANTOR AND THE HOLDERS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS GUARANTEE AGREEMENT OR OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH.

13.7 REPRODUCTION OF DOCUMENTS; EXECUTION. This Guarantee Agreement may be reproduced by any holder by any photographic, photostatic, electronic, digital, or other similar process and such holder may destroy any original document so reproduced. The Guarantor agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such holder in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 13.7 shall not prohibit the Guarantor or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction. A facsimile or electronic transmission of the signature page of the Guarantor shall be as effective as delivery of a manually executed counterpart hereof and shall be admissible into evidence for all purposes.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee Agreement to be duly executed and delivered as of the date and year first above written.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

MSA SAFETY INCORPORATED
SUBSIDIARIES OF THE REGISTRANT
DECEMBER 31, 2014

Name	State or Other Jurisdiction of Incorporation
General Monitors, Inc.	California
Compañía MSA de Argentina S.A.	Argentina
MSA (Aust.) Pty. Limited	Australia
MSA-Auer Vertriebs GmbH	Austria
MSA Belgium B.V.B.A	Belgium
MSA do Brasil Equipamentos e instrumentos de Segurança Ltda.	Brazil
MSA Canada Inc.	Canada
MSA de Chile, Equipos de Seguridad Ltda.	Chile
MSA Suzhou Safety Equipment R&D Co., Ltd	China
MSA (Suzhou) Safety Equipment Research and Development Co., Ltd.	China
MSA International, Inc.	Delaware
MSA Gallet SAS	France
MSA Technologies and Enterprise Services GmbH	France
MSA Production France SAS	France
MSA Prouktion Deutschland GmbH	Germany
MSA Europe Holdings GmbH	Germany
MSA Auer GmbH	Germany
MSA Technologies and Enterprise Services GmbH	Germany
MSA Safety Services GmbH	Germany
MSA Safety Hungary Ltd.	Hungary
General Monitors Ireland Limited	Ireland
MSA Italia S.R.L.	Italy
MSA Japan Ltd.	Japan
MSA Safety Malaysia Snd Bhd	Malaysia
MSA de Mexico, S.A. de C.V.	Mexico
MSA Nederland, B.V.	Netherlands
MSA-Auer Polska Sp. z o.o.	Poland
MSA S.E. Asia Pte. Ltd.	Singapore
Samsac Holdings (Pty.) Limited	South Africa
MSA Spain, S.L.	Spain
Mine Safety Appliances, LLC	Pennsylvania
MSA Worldwide, LLC	Pennsylvania
MSA Advanced Detection, LLC	Pennsylvania
MSA Technology, LLC	Pennsylvania
MSA Innovation, LLC	Pennsylvania
MSA Safety Development, LLC	Pennsylvania

The above-mentioned subsidiary companies are included in the consolidated financial statements of the registrant filed as part of this annual report. The names of certain other subsidiaries, which considered in the aggregate as a single affiliate would not constitute a significant subsidiary, have been omitted.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-43696, 333-51983, 333-121196, 333-157681, 333-157682, 333-174601 and 333-199880) of MSA Safety Incorporated of our report dated February 25, 2015 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania

February 25, 2015

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)

I, William M. Lambert, certify that:

1. I have reviewed this annual report on Form 10-K of MSA Safety Incorporated;

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.

February 25, 2015

/s/ WILLIAM M. LAMBERT
William M. Lambert
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a)

I, Stacy P. McMahan, certify that:

1. I have reviewed this annual report on Form 10-K of MSA Safety Incorporated;

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.

February 25, 2015

/s/ Stacy P. McMahan
Stacy P. McMahan
Chief Financial Officer

CERTIFICATION

Pursuant to 18 U.S.C. (S) 1350, the undersigned officers of MSA Safety Incorporated (the “Company”), hereby certify, to the best of their knowledge, that the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 (the “Report”) fully complies with the requirements of Section 13 (a) or 15 (d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 25, 2015

/s/ WILLIAM M. LAMBERT
William M. Lambert
Chief Executive Officer

/s/ STACY P. McMAHAN
Stacy P. McMahan
Chief Financial Officer

