

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

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**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended July 1, 2016  
OR

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

For the transition period from        to        .  
Commission file number: 1-12983

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**GENERAL CABLE CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**06-1398235**  
(I.R.S. Employer  
Identification No.)

**4 Tesseneer Drive**  
**Highland Heights, KY**  
(Address of principal executive offices)

**41076-9753**  
(Zip Code)

**Registrant's telephone number, including area code: (859) 572-8000**

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

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

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

(Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<u>Class</u>	<u>Outstanding at July 29, 2016</u>
Common Stock, \$0.01 par value	49,288,566

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**GENERAL CABLE CORPORATION AND SUBSIDIARIES**  
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**PART I. FINANCIAL INFORMATION**

**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**GENERAL CABLE CORPORATION AND SUBSIDIARIES**

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (in millions, except per share data) (unaudited)

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net sales	\$ 990.0	\$ 1,113.4	\$ 1,964.0	\$ 2,284.5
Cost of sales	873.8	990.2	1,741.7	2,047.6
Gross profit	116.2	123.2	222.3	236.9
Selling, general and administrative expenses	55.6	97.8	144.5	195.3
Goodwill impairment charge	—	—	1.6	—
Intangible asset impairment charges	2.5	1.7	2.8	1.7
Operating income (loss)	58.1	23.7	73.4	39.9
Other income (expense)	9.1	(6.0)	7.7	(31.8)
Interest income (expense):				
Interest expense	(22.7)	(25.3)	(44.2)	(49.7)
Interest income	0.3	0.5	0.6	1.0
	(22.4)	(24.8)	(43.6)	(48.7)
Income (loss) before income taxes	44.8	(7.1)	37.5	(40.6)
Income tax (provision) benefit	(11.4)	5.5	(12.2)	4.1
Equity in net earnings of affiliated companies	0.3	—	0.4	0.2
Net income (loss) from continuing operations	33.7	(1.6)	25.7	(36.3)
Net income (loss) from discontinued operations, net of tax	(5.4)	(6.8)	(1.8)	(13.0)
Net income (loss) including noncontrolling interest	28.3	(8.4)	23.9	(49.3)
Less: net income (loss) attributable to noncontrolling interest	(1.5)	(1.5)	(1.2)	(4.3)
Net income (loss) attributable to Company common shareholders	\$ 29.8	\$ (6.9)	\$ 25.1	\$ (45.0)
<u>Earnings (loss) per share - Net income (loss) from continuing operations attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ 0.71	\$ (0.03)	\$ 0.54	\$ (0.72)
Earnings (loss) per common share-assuming dilution	\$ 0.68	\$ (0.03)	\$ 0.52	\$ (0.72)
<u>Earnings (loss) per share - Net income (loss) from discontinued operations attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ (0.11)	\$ (0.11)	\$ (0.03)	\$ (0.20)
Earnings (loss) per common share-assuming dilution	\$ (0.11)	\$ (0.11)	\$ (0.03)	\$ (0.20)
<u>Earnings (loss) per share - Net income (loss) attributable to Company common shareholders per common share</u>				
Earnings (loss) per common share-basic	\$ 0.60	\$ (0.14)	\$ 0.51	\$ (0.92)
Earnings (loss) per common share-assuming dilution	\$ 0.57	\$ (0.14)	\$ 0.48	\$ (0.92)
Dividends per common share	\$ 0.18	\$ 0.18	\$ 0.36	\$ 0.36
Comprehensive income (loss):				
Net income (loss)	\$ 28.3	\$ (8.4)	\$ 23.9	\$ (49.3)
Currency translation gain (loss)	(0.3)	(13.6)	31.2	(58.2)
Defined benefit plan adjustments, net of tax of \$0.9 million and \$1.8 million in the three and six months ended July 1, 2016 and \$1.0 million and \$2.5 million in the three and six months ended July 3, 2015	1.3	1.8	2.6	4.8
Comprehensive income (loss), net of tax	29.3	(20.2)	57.7	(102.7)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	(1.8)	(2.3)	(1.3)	(8.7)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ 31.1	\$ (17.9)	\$ 59.0	\$ (94.0)

See accompanying Notes to Condensed Consolidated Financial Statements.

**GENERAL CABLE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(in millions, except share data)  
**(unaudited)**

	July 1, 2016	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 62.8	\$ 79.7
Receivables, net of allowances of \$16.0 million at July 1, 2016 and \$17.6 million at December 31, 2015	753.2	686.9
Inventories	771.5	807.8
Prepaid expenses and other	102.0	62.1
Current assets of discontinued operations	90.0	103.9
Total current assets	1,779.5	1,740.4
Property, plant and equipment, net	506.3	523.5
Deferred income taxes	18.2	20.6
Goodwill	19.7	22.2
Intangible assets, net	36.5	36.6
Unconsolidated affiliated companies	8.8	8.4
Other non-current assets	41.5	46.0
Non-current assets of discontinued operations	56.1	56.9
Total assets	\$ 2,466.6	\$ 2,454.6
<b>Liabilities and Total Equity</b>		
Current liabilities:		
Accounts payable	\$ 427.7	\$ 411.4
Accrued liabilities	360.1	331.4
Current portion of long-term debt	133.8	154.9
Current liabilities of discontinued operations	25.9	51.6
Total current liabilities	947.5	949.3
Long-term debt	890.3	911.6
Deferred income taxes	145.5	145.3
Other liabilities	178.9	185.6
Non-current liabilities of discontinued operations	1.8	1.7
Total liabilities	2,164.0	2,193.5
Commitments and contingencies (see Note 18)		
Redeemable noncontrolling interest	18.2	18.2
Total equity:		
Common stock, \$0.01 par value, issued and outstanding shares:		
July 1, 2016 – 49,286,436 (net of 9,523,530 treasury shares)		
December 31, 2015 – 48,908,227 (net of 9,901,739 treasury shares)	0.6	0.6
Additional paid-in capital	713.7	720.5
Treasury stock	(171.7)	(180.1)
Retained earnings	34.5	27.2
Accumulated other comprehensive income (loss)	(306.3)	(340.2)
Total Company shareholders' equity	270.8	228.0
Noncontrolling interest	13.6	14.9
Total equity	284.4	242.9
Total liabilities, redeemable noncontrolling interest and equity	\$ 2,466.6	\$ 2,454.6

See accompanying Notes to Condensed Consolidated Financial Statements.

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**GENERAL CABLE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows (in millions) (unaudited)**

	Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015
Cash flows of operating activities:		
Net income (loss) attributable to Company common shareholders	\$ 25.1	\$ (45.0)
Net income (loss) attributable to noncontrolling interest	(1.2)	(4.3)
Net income (loss) including noncontrolling interest	23.9	(49.3)
Net (income) loss from discontinued operations, net of taxes	1.8	13.0
Adjustments to reconcile net income (loss) to net cash flows of operating activities:		
Depreciation and amortization	42.8	47.4
Foreign currency exchange (gain) loss	(4.5)	29.4
Deferred income taxes	1.1	(11.3)
Non-cash asset impairment charges	11.8	12.2
Non-cash interest charges	1.8	1.7
(Gain) loss on disposal of subsidiaries	(46.5)	10.8
Loss on disposal of subsidiaries held for sale	13.3	—
(Gain) loss on disposal of property	1.4	1.3
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(82.6)	(13.1)
(Increase) decrease in inventories	30.8	(24.4)
(Increase) decrease in other assets	4.1	25.3
Increase (decrease) in accounts payable	28.0	117.5
Increase (decrease) in accrued and other liabilities	(20.9)	(31.7)
Net cash flows of operating activities from continuing operations	6.3	128.8
Net cash flows of operating activities from discontinued operations	9.7	0.7
Net cash flows of operating activities	16.0	129.5
Cash flows of investing activities:		
Capital expenditures	(32.1)	(30.3)
Proceeds from properties sold	0.6	0.3
Disposal of subsidiaries, net of cash disposed of	64.6	22.7
Other	(0.2)	0.3
Net cash flows of investing activities from continuing operations	32.9	(7.0)
Net cash flows of investing activities from discontinued operations	(0.1)	(4.4)
Net cash flows of investing activities	32.8	(11.4)
Cash flows of financing activities:		
Dividends paid to shareholders	(17.8)	(17.7)
Proceeds from debt	753.0	1,839.8
Repayments of debt	(787.8)	(1,949.7)
Dividends paid to noncontrolling interest	(0.1)	(0.1)
Proceeds from exercise of stock options	—	0.2
Net cash flows of financing activities from continuing operations	(52.7)	(127.5)
Net cash flows of financing activities from discontinued operations	(1.8)	(3.4)
Net cash flows of financing activities	(54.5)	(130.9)
Effect of exchange rate changes on cash and cash equivalents	3.9	(38.2)
Cash held for sale	(4.7)	—
Increase (decrease) in cash and cash equivalents	(6.5)	(51.0)
Cash and cash equivalents – beginning of period	112.4	205.8
Cash and cash equivalents – end of period	105.9	154.8
Less cash and cash equivalents of discontinued operations	43.1	52.5
Cash and cash equivalents of continuing operations – end of period	\$ 62.8	\$ 102.3
<b>Supplemental Information</b>		
Cash paid during the period for:		
Income tax payments from continuing operations, net of refunds	\$ 8.8	\$ 7.0
Interest paid from continuing operations	\$ 40.9	\$ 44.5
Non-cash investing and financing activities from continuing operations:		
Capital expenditures included in accounts payable	\$ 15.4	\$ 11.7

See accompanying Notes to Condensed Consolidated Financial Statements.

**GENERAL CABLE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Changes in Total Equity**  
**(in millions) (unaudited)**

	General Cable Total Equity						
	Total Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest
Balance, December 31, 2015	\$ 242.9	\$ 0.6	\$ 720.5	\$ (180.1)	\$ 27.2	\$ (340.2)	\$ 14.9
Comprehensive income (loss)	57.7				25.1	33.9	(1.3)
Common stock dividend	(17.8)				(17.8)		
Excess tax benefit (deficiency) from stock based compensation	(3.1)		(3.1)				
Stock options and RSU expense	6.2		6.2				
Other – issuance pursuant to restricted stock, stock options and other	(1.5)		(9.9)	8.4			
Balance, July 1, 2016	<u>\$ 284.4</u>	<u>\$ 0.6</u>	<u>\$ 713.7</u>	<u>\$ (171.7)</u>	<u>\$ 34.5</u>	<u>\$ (306.3)</u>	<u>\$ 13.6</u>

	General Cable Total Equity						
	Total Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest
Balance, December 31, 2014	\$ 513.2	\$ 0.6	\$ 714.8	\$ (184.3)	\$ 184.4	\$ (263.4)	\$ 61.1
Comprehensive income (loss)	(102.7)				(45.0)	(49.0)	(8.7)
Common stock dividend	(17.7)				(17.7)		
Excess tax benefit (deficiency) from stock based compensation	(1.5)		(1.5)				
Dividends paid to noncontrolling interest	(2.3)						(2.3)
Sale of noncontrolling interests	(5.4)						(5.4)
Other – issuance pursuant to restricted stock, stock options and other	4.2		0.2	4.0			
Balance, July 3, 2015	<u>\$ 387.8</u>	<u>\$ 0.6</u>	<u>\$ 713.5</u>	<u>\$ (180.3)</u>	<u>\$ 121.7</u>	<u>\$ (312.4)</u>	<u>\$ 44.7</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**GENERAL CABLE CORPORATION AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (unaudited)**

**1. Basis of Presentation and Principles of Consolidation**

The accompanying unaudited Condensed Consolidated Financial Statements of General Cable Corporation and Subsidiaries ("General Cable" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the six fiscal months ended July 1, 2016 are not necessarily indicative of results that may be expected for the full year. The December 31, 2015 Condensed Consolidated Balance Sheet amounts are derived from the audited financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto in General Cable's 2015 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2016. The Company's results from continuing operations do not include the results of the Asia Pacific businesses ("Asia Pacific"). The results of these businesses, which comprised a portion of the Africa/Asia Pacific segment, are classified as discontinued operations for all periods disclosed in this report. Previously, the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations on a retrospective basis, and are included in the Africa/Asia Pacific segment.

The Company's first three fiscal quarters consist of 13-week periods ending on the Friday nearest to the end of the calendar months of March, June and September. The Company's fourth fiscal quarter consists of the first day following the third quarter through December 31.

The Condensed Consolidated Financial Statements include the accounts of wholly-owned subsidiaries and majority-owned controlled subsidiaries. The Company records its investment in each unconsolidated affiliated Company (generally 20-50 percent ownership in which it has the ability to exercise significant influence) at its respective equity in net assets. Other investments (generally less than 20 percent ownership) are recorded at cost. All intercompany transactions and balances among the consolidated companies have been eliminated.

Prior to October 2, 2015, the Company included the results of the Venezuelan operations in the Condensed Consolidated Financial Statements using the consolidation method of accounting. The Company's Venezuelan earnings and cash flows are reflected in the historical Condensed Consolidated Financial Statements using a combination of official exchange rates, including the SICAD 1, SICAD 2 and SIMADI rates. Evolving conditions in Venezuela, including currency exchange regulations which reduced access to dollars through currency exchange markets and local market dynamics, have resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and U.S. dollar, and have restricted the Company's Venezuelan operations' ability to pay dividends and satisfy certain other obligations denominated in U.S. dollars. Additionally, the existence of other governmental limitations restricted the Company's ability to control its Venezuelan operations. The Company expects this condition will continue for the foreseeable future. For accounting purposes, this lack of exchangeability and governmental restrictions on operations have resulted in a lack of control over the Company's Venezuelan subsidiary. Therefore, in accordance with ASC 810, the Company deconsolidated its Venezuelan subsidiary as of October 2, 2015 and began accounting for the investment in the Venezuelan subsidiary using the cost method of accounting.

The Company's Venezuelan operations' cash balance of \$8.2 million at the date of deconsolidation (previously measured using the SIMADI exchange rate), is no longer reported in Cash and cash equivalents in the Company's Condensed Consolidated Balance Sheets. There were no receivables due from the Venezuelan subsidiary at July 1, 2016 and December 31, 2015. At December 31, 2015, there was a payable of \$2.9 million from the Company's Peru subsidiary that was classified to a third party trade payable upon deconsolidation in the Company's Condensed Consolidated Balance Sheet. This payable was settled during the second quarter of 2016 and there were no payables due to the Venezuelan subsidiary at July 1, 2016.

Since October 2, 2015, the Company's financial results have not included the operating results of its Venezuelan subsidiary. The Company's financial results will only include U.S. dollar payments received from its Venezuelan subsidiary. Dividends, if any, from the Venezuelan subsidiary are recorded as operating income upon receipt of the cash. As of July 1, 2016, there have been no material developments in the conditions in Venezuela, including currency controls and governmental restrictions on operations, and this cost method investment has zero carrying value.

Subsequent to the deconsolidation of the Company's Venezuelan subsidiary under the majority voting interest framework on October 2, 2015, the subsidiary is considered a variable interest entity ("VIE"). The Company concluded that it was not deemed to be the primary beneficiary, and accordingly did not consolidate this subsidiary. To assess whether the Company had the power to direct the activities of the subsidiary that most significantly impact the subsidiary's economic performance, the Company

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considered all facts and circumstances, including identifying the activities that most significantly impact the subsidiary's economic performance, and determining if the Company had power over those activities.

The Company was not obligated to provide, nor has it provided, any financial support to its Venezuelan subsidiary subsequent to deconsolidation. As such, the risk associated with the Company's involvement in this VIE was limited to the carrying value of the Company's investment in the entity, and any receivables due from the entity. As of July 1, 2016, the Company's maximum risk of loss related to VIEs in which the Company was not the primary beneficiary was zero. In the third quarter of 2016, the Company completed the sale of its Venezuelan subsidiary for cash consideration of approximately \$6 million. Upon completing the sale of the subsidiary in the third quarter of 2016, the subsidiary is no longer considered a VIE.

## **2. Accounting Standards**

The Company's significant accounting policies are described in Note 2 to the audited annual consolidated financial statements in the 2015 Annual Report on Form 10-K. In the six months ended July 1, 2016, the Company did not change any of its existing accounting policies that are expected to have a significant effect on the condensed consolidated financial statements.

The following accounting pronouncements were adopted and became effective with respect to the Company in 2016:

In April 2015, the FASB issued ASU 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The update requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being presented as an asset. Debt disclosures include the face amount of the debt liability and the effective interest rate. In August 2015, the FASB also issued ASU 2015-15, "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements", which clarified the presentation and subsequent measurement of debt issuance costs associated with lines of credit. These costs may be presented as an asset and amortized ratably over the term of the line of credit arrangement, regardless of whether there are outstanding borrowings on the arrangement. The update requires retrospective application and represents a change in accounting principle. Debt issuance costs of \$1.5 million, previously recorded to Prepaid expenses and other, and \$10.6 million, previously recorded to Other non-current assets, are now presented as a direct deduction from the carrying amount of Long-term debt on the Company's Condensed Consolidated Balance Sheets as of December 31, 2015.

In June 2014, the FASB issued ASU 2014-12, "Compensation - Stock Compensation (Topic 718): 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 standard provides more explicit guidance for treating share-based payment awards that require a specific performance target that affects vesting and that could be achieved after the requisite service period as a performance condition. The adoption of this standard did not have a material effect on the Company's Condensed Consolidated Financial Statements.

The following accounting pronouncements will become effective in future periods with respect to the Company:

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." The update is intended to simplify several areas of accounting for share-based compensation arrangements such as accounting for income taxes, forfeitures and statutory tax withholding requirements and the classification of related amounts on the statement of cash flows. This update is effective for annual and interim reporting periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period for financial statements that have not been previously issued. ASU 2016-09 is not expected to have a material impact on the Company's Condensed Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The standard requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2018. The amendments should be applied at the beginning of the earliest period presented using a modified retrospective approach with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is in the process of evaluating the impact of the new guidance on its Condensed Consolidated Financial Statements.

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory." This update provides guidance on simplifying the measurement of inventory. The current standard is to measure inventory at lower of cost or market; where market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. ASU 2015-11 updates this guidance to measure inventory at the lower of cost and net realizable value; where net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. This update is effective for annual reporting periods beginning after December 15, 2016. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. ASU 2015-11 is not expected to have a material impact on the Company's Condensed Consolidated Financial Statements.

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In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." This ASU outlines a single, comprehensive model for accounting for revenue from contracts with customers which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. The Company has not selected a transition method and is evaluating the impact that the standard will have on its Condensed Consolidated Financial Statements and related disclosures. In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers (Topic 606)", which defers the effective date of ASU 2014-09 to annual and interim reporting periods beginning after December 15, 2017 with early application permitted for annual and interim reporting periods beginning after December 15, 2016. The Company will adopt this standard on January 1, 2018.

### **3. Assets and Liabilities Held for Sale and Discontinued Operations**

In October 2014, the Company announced the intent to divest all of the Company's operations in Asia Pacific and Africa. The Company expects to incur approximately \$14 million in pre-tax charges consisting primarily of legal and transaction fees for the dispositions. Charges incurred in the three and six months ended July 1, 2016 were \$1.4 million and \$1.6 million, respectively. Charges incurred in the three and six months ended July 3, 2015 were \$1.1 million and \$1.3 million, respectively.

#### ***Asia Pacific***

The disposal of the Company's Asia Pacific operations is considered a strategic shift that has or will have a major effect on the Company's operations and financial results. As part of the October 2014 announcement, the Company completed the following as of July 1, 2016:

- In the first quarter of 2016, the Company completed the sale of General Cable Energy India Private Ltd. ("India") for gross proceeds of \$10.8 million. The pre-tax gain recognized in the six months ended July 1, 2016 from the disposition of India was \$1.6 million.
- In the third quarter of 2015, the Company completed the sale of Phelps Dodge International Thailand ("Thailand") for cash consideration of approximately \$88 million.
- In the first quarter of 2015, the Company completed the sale of its 51% interest in Dominion Wire and Cables ("Fiji") and its 20% interest in Keystone Electric Wire and Cable ("Keystone") for cash consideration of \$9.3 million and \$11.0 million, respectively.
- In the fourth quarter of 2014, the Company completed the sale of its interest in Phelps Dodge International Philippines, Inc. ("PDP") and Phelps Dodge Philippines Energy Products Corporation ("PDEP") for cash consideration of \$67.1 million.

As of July 1, 2016, the Company determined that the remaining Asia Pacific operations continued to meet the held for sale criteria set forth in ASC 360 - Property, Plant and Equipment ("ASC 360") to be classified as held for sale. Assets held for sale are measured at the lower of their carrying amount or fair value less cost to sell and depreciation is ceased. Development of estimates of fair value in this circumstance is complex and is dependent upon, among other factors, the nature of potential sales transactions, composition of assets and/or businesses in the disposal group, the comparability of the disposal group to market transactions, negotiations with third party purchasers, etc. Such factors bear directly on the range of potential fair values and the selection of the best estimates. Key assumptions were developed based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction.

Consistent with the conclusion reached in 2015, as of July 1, 2016, the Company determined the disposals of the PDP and PDEP, Fiji, Keystone, Thailand and India businesses combined with the businesses held for sale result in the Company's disposal of a major geographical area, Asia Pacific. This disposal is considered a strategic shift; therefore, the results of Asia Pacific are classified as discontinued operations for all periods presented. Previously the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations within the Africa/Asia Pacific segment on a retrospective basis. As a result, the Africa/Asia Pacific segment is now comprised primarily of the Company's Africa businesses.

#### ***Africa***

The Company's Africa businesses, and disposals of related operations to date, is not considered a strategic shift that has or will have a major effect on the Company's operations and financial results. The Company has completed the following as of July 1, 2016:

- In the second quarter of 2016, the Company completed the sale of General Cable S.A.E. ("Egypt") for gross proceeds of \$5.8 million. The pre-tax loss recognized in the three and six months ended July 1, 2016 from the disposition of Egypt was \$8.4 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations

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and Comprehensive Income (Loss) in the Europe segment (based on the legal entity hierarchy). The disposal loss was calculated using the Company's cumulative translation adjustment as part of the carrying amount of the investment.

- In 2016, the Company signed a definitive agreement to sell Metal Fabricators of Zambia PLC ("Zambia") for cash consideration of approximately \$9 million, subject to customary working capital adjustments at the closing date. The Company expects to close the sale of the operations in 2016. As of July 1, 2016, the Company determined that Zambia met the held for sale criteria set forth in ASC 360. Current assets of \$35.5 million are included in the Prepaid expenses and other caption and non-current assets of \$2.6 million are included in the Other non-current assets caption in the Condensed Consolidated Balance Sheets. Current liabilities of \$40.8 million are included in the Accrued liabilities caption and non-current liabilities of \$0.5 million are included in the Other liabilities caption of the Condensed Consolidated Balance Sheets. The estimated pre-tax loss from the disposition of Zambia recognized in the three and six months ended July 1, 2016 was \$13.3 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) in the Africa/Asia Pacific segment. The estimated disposal loss was calculated using the Company's cumulative translation adjustment as part of the carrying amount of the investment.

As of July 1, 2016, the Company determined that the remaining Africa businesses did not meet the held for sale criteria set forth in ASC 360 primarily driven by management's belief that the probability of a sale within one year is uncertain. The disposal of the Company's Africa businesses is not considered a strategic shift that has or will have a major effect on the Company's operations and financial results; therefore, the results are presented as continued operations.

**Discontinued Operations Financial Results - Asia Pacific**

The results of operations, financial position and cash flows for Asia Pacific are separately reported as discontinued operations for all periods presented. Included in Net income (loss) from discontinued operations, net of tax in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) were the following (in millions):

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net sales	\$ 31.2	\$ 89.5	\$ 59.9	\$ 180.6
Cost of sales	28.2	81.2	52.1	165.3
Gross profit	3.0	8.3	7.8	15.3
Selling, general and administrative expenses	7.8	13.1	9.0	25.1
Goodwill and intangible asset impairment charges	—	—	—	3.2
Operating income (loss)	(4.8)	(4.8)	(1.2)	(13.0)
Other income (expense)	(1.1)	(2.1)	(0.9)	(1.2)
Interest expense, net	0.1	(0.4)	(0.1)	(1.0)
Pre-tax gain on the disposal of discontinued operation	—	—	1.6	—
Income (loss) before income taxes	(5.8)	(7.3)	(0.6)	(15.2)
Income tax (provision) benefit	0.4	0.5	(1.2)	2.1
Equity in net earnings of affiliated companies	—	—	—	0.1
Net income (loss) including noncontrolling interest	\$ (5.4)	\$ (6.8)	\$ (1.8)	\$ (13.0)

The pre-tax loss attributable to the parent for Asia Pacific for the three and six months ended July 1, 2016 was \$5.8 million and \$0.6 million. The pre-tax loss attributable to the parent for Asia Pacific for the three and six months ended July 3, 2015 was \$5.5 million and \$9.7 million.

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Financial information for assets and liabilities held for sale were the following (in millions):

	<u>July 1, 2016</u>	<u>December 31, 2015</u>
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 43.1	\$ 32.7
Receivables, net of allowances	18.3	28.5
Inventories	26.8	38.6
Prepaid expenses and other	1.8	4.1
Total current assets	<u>90.0</u>	<u>103.9</u>
Property, plant and equipment, net	39.4	39.7
Deferred income taxes	10.4	10.3
Other non-current assets	6.3	6.9
Total assets	<u>\$ 146.1</u>	<u>\$ 160.8</u>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	\$ 9.6	\$ 17.3
Accrued liabilities	16.3	21.1
Current portion of long-term debt	—	13.2
Total current liabilities	<u>25.9</u>	<u>51.6</u>
Deferred income taxes	(0.1)	0.2
Other liabilities	1.9	1.5
Total liabilities	<u>\$ 27.7</u>	<u>\$ 53.3</u>

**4. Restructuring**

*November 2015 restructuring program*

In the fourth quarter of 2015, the Company committed to a new strategic roadmap targeting growth and improvement in market positions, improvement to its overall cost position, growth through innovation, enhancement of organizational capabilities, alignment of its organization structure and cultivation of a high-performance culture. This effort has been launched in a phased approach and is expected to continue over the next several years.

The Company expects to incur approximately \$30 million in before-tax restructuring charges; \$15 million in the North America segment ("North America"), \$11 million in the Europe segment ("Europe") and \$4 million in the Latin America segment ("Latin America"). For the three and six months ended July 1, 2016, the Company incurred charges of \$9.6 million and \$16.4 million, respectively. For the three and six months ended July 1, 2016, costs incurred were \$8.3 million and \$12.3 million in North America, \$0.9 million and \$3.6 million in Europe and \$0.4 million and \$0.5 million in Latin America, respectively. For the three and six months ended July 1, 2016, \$3.9 million and \$6.3 million of these charges were recorded in the Cost of sales caption and \$5.7 million and \$10.1 million were recorded in the Selling, general and administrative ("SG&A") expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. As of July 1, 2016, aggregate costs incurred were \$12.4 million in North America, \$10.3 million in Europe and \$2.3 million in Latin America.

As part of the strategic roadmap, in the second quarter of 2016, the Company completed the disposal of its North American Automotive Ignition Wire business for total consideration of \$70.7 million. The pre-tax gain recognized in the three and six months ended July 1, 2016 was \$53.2 million. The gain is recognized in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). This disposal did not represent a strategic shift that has or will have a major effect on the Company's operations and financial results; therefore, the results are presented as continued operations.

Changes in the restructuring reserve and activity for the six months ended July 1, 2016 are below (in millions):

	Employee Separation Costs	Asset-Related Costs	Other Costs	Total
Total expected restructuring charges	\$ 5.0	\$ 6.0	\$ 19.0	\$ 30.0
Balance, December 31, 2015	\$ 1.3	\$ —	\$ 3.2	\$ 4.5
Net provisions	2.4	1.4	12.6	16.4
Net benefits charged against the assets	—	(1.4)	(0.3)	(1.7)
Payments	(1.5)	—	(11.9)	(13.4)
Foreign currency translation	—	—	0.1	0.1
Balance, July 1, 2016	\$ 2.2	\$ —	\$ 3.7	\$ 5.9
Total aggregate costs to date	\$ 4.6	\$ 3.3	\$ 17.1	\$ 25.0

*Employee Separation Costs*

The Company recorded employee separation costs of \$1.1 million and \$2.4 million for the three and six months ended July 1, 2016, respectively. The employee separation charges were \$0.5 million and \$1.0 million in North America and \$0.6 million and \$1.4 million in Europe for the three and six months ended July 1, 2016, respectively.

Employee separation costs include severance and retention bonuses. As of July 1, 2016, employee separation costs included severance charges for approximately 250 employees; approximately 190 of these employees were classified as manufacturing employees and approximately 60 of these employees were classified as non-manufacturing employees. The charges relate to involuntary separations based on current salary levels and past service periods and are either considered one-time employee termination benefits in accordance with ASC 420 - Exit or Disposal Cost Obligations ("ASC 420") or charges for contractual termination benefits under ASC 712 - Compensation - Nonretirement Postemployment Benefits ("ASC 712").

*Asset-Related Costs*

The Company recorded asset-related costs of \$1.3 million and \$1.4 million for the three and six months ended July 1, 2016, respectively. The asset-related charges were \$1.0 million in North America and \$0.3 million and \$0.4 million in Latin America for the three and six months ended July 1, 2016, respectively.

Asset-related costs consist of asset write-downs and accelerated depreciation. Asset write-downs relate to the establishment of a new fair value basis for assets to be classified as held-for-sale or to be disposed of, as well as asset impairment charges for asset

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groups to be held-and-used in locations which are being restructured and it has been determined the undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than their carrying value.

The Company notes the plan to abandon a long-lived asset before the end of its previously estimated useful life is a change in accounting estimate per ASC 250 - Accounting Changes and Error Corrections. The annual depreciation impact from the asset write-downs and changes in estimated useful lives is immaterial.

### *Other Costs*

The Company recorded other restructuring-type charges of \$7.2 million and \$12.6 million for the three and six months ended July 1, 2016, respectively. The other restructuring-type charges were \$6.8 million and \$10.3 million in North America, \$0.3 million and \$2.2 million in Europe and \$0.1 million in Latin America for the three and six months ended July 1, 2016, respectively.

Other restructuring-type charges are incurred as a direct result of the restructuring program. Such charges primarily include working capital write-downs not associated with normal operations, project management, termination of contracts and other immaterial costs.

### ***July 2014 restructuring program***

In July 2014, the Company announced a comprehensive restructuring program. As of July 1, 2016, this program is substantially complete and future estimated costs are expected to be immaterial. The restructuring program was focused on the closure of certain underperforming assets as well as the consolidation and realignment of other facilities. The Company also implemented initiatives to reduce SG&A expenses globally. Costs incurred as part of the restructuring program related to the Company's Asia Pacific operations are not included below as the costs associated with these exit or disposal activities are included within the results of discontinued operations.

As part of the restructuring program, in the second quarter of 2015, the Company completed the disposal of a subsidiary in Spain for cash consideration of \$1.8 million. The pre-tax loss on the sale from the disposition in the quarter ended July 3, 2015 was \$11.6 million. This sale did represent a strategic shift that had or will have a major effect on the Company's operations and financial results; therefore, the results are not presented as discontinued operations. This loss is included as asset-related restructuring costs in the Europe segment in the three and six months ended July 3, 2015 and is recognized in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

For the three and six months ended July 1, 2016, the Company incurred charges of \$4.9 million and \$9.8 million, respectively. For the three and six months ended July 3, 2015, the Company incurred charges of \$19.2 million and \$35.1 million, respectively. For the three and six months ended July 1, 2016, costs incurred were \$3.7 million and \$6.1 million in North America, \$0.8 million and \$1.8 million in Europe and \$0.4 million and \$1.9 million in Latin America, respectively. For the three and six months ended July 3, 2015, costs incurred were \$3.7 million and \$7.6 million in North America, \$12.4 million and \$21.5 million in Europe and \$3.1 million and \$6.0 million in Latin America, respectively.

For the three and six months ended July 1, 2016, approximately \$2.8 million and \$7.0 million of these charges were recorded in the Cost of sales caption and \$2.1 million and \$2.8 million were recorded in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. For the three and six months ended July 3, 2015, \$2.4 million and \$11.5 million of these charges were recorded in the Cost of sales caption and \$16.8 million and \$23.6 million were recorded in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. The Company also incurred other costs as outlined below. As of July 1, 2016, aggregate costs incurred were \$24.8 million in North America, \$139.5 million in Europe and \$38.5 million in Latin America.

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Changes in the restructuring reserve and activity for the six months ended July 1, 2016 are below (in millions):

	Employee Separation Costs	Asset-Related Costs	Other Costs	Total
Balance, December 31, 2015	\$ 7.6	\$ —	\$ 3.0	\$ 10.6
Net provisions	1.4	1.7	6.7	9.8
Net benefits charged against the assets	—	(1.7)	0.6	(1.1)
Payments	(8.3)	—	(4.8)	(13.1)
Foreign currency translation	0.2	—	—	0.2
Balance, July 1, 2016	\$ 0.9	\$ —	\$ 5.5	\$ 6.4
Total aggregate costs to date	\$ 51.6	\$ 121.7	\$ 29.5	\$ 202.8

#### *Employee Separation Costs*

The Company recorded employee separation costs of \$0.6 million and \$1.4 million for the three and six months ended July 1, 2016, respectively. The employee separation charges were \$0.6 million and \$1.3 million in North America for the three and six months ended July 1, 2016, respectively, and \$0.1 million in Latin America for the six months ended July 1, 2016. The Company recorded employee separation costs of \$2.7 million and \$12.2 million for the three and six months ended July 3, 2015, respectively. The employee separation charges were \$2.7 million and \$6.4 million in North America, \$(0.2) million and \$4.8 million in Europe and \$0.2 million and \$1.0 million in Latin America for the three and six months ended July 3, 2015, respectively.

Employee separation costs include severance, retention bonuses and pension costs. As of July 1, 2016, employee separation costs included severance charges for approximately 1,310 employees; approximately 1,060 of these employees were classified as manufacturing employees and approximately 250 of these employees were classified as non-manufacturing employees. The charges relate to involuntary separations based on current salary levels and past service periods and are either considered one-time employee termination benefits in accordance with ASC 420 or charges for contractual termination benefits under ASC 712.

#### *Asset-Related Costs*

The Company recorded asset-related costs of \$0.2 million and \$1.7 million for the three and six months ended July 1, 2016, respectively. The long-lived asset impairment charges were \$0.2 million and \$1.0 million in North America for the three and six months ended July 1, 2016, respectively, and \$0.7 million in Latin America for the six months ended July 1, 2016. The Company recorded asset-related costs of \$12.8 million and \$14.0 million for the three and six months ended July 3, 2015, respectively. The long-lived asset impairment charges were \$11.4 million and \$10.8 million in Europe and \$1.4 million and \$3.2 million in Latin America for the three and six months ended July 3, 2015, respectively.

Asset-related costs consist of asset write-downs and accelerated depreciation. Asset write-downs relate to the establishment of a new fair value basis for assets to be classified as held-for-sale or to be disposed of, as well as asset impairment charges for asset groups to be held-and-used in locations which are being restructured and it has been determined the undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than their carrying value.

The Company notes the plan to abandon a long-lived asset before the end of its previously estimated useful life is a change in accounting estimate per ASC 250 - Accounting Changes and Error Corrections. The annual depreciation impact from the asset write-downs and changes in estimated useful lives is immaterial.

#### *Other Costs*

The Company recorded other restructuring-type charges of \$4.1 million and \$6.7 million for the three and six months ended July 1, 2016, respectively. The other restructuring-type charges were \$2.9 million and \$3.8 million in North America, \$0.8 million and \$1.8 million in Europe and \$0.4 million and \$1.1 million in Latin America for the three and six months ended July 1, 2016, respectively. The Company recorded other restructuring-type charges of \$3.7 million and \$8.9 million for the three and six months ended July 3, 2015, respectively. The other restructuring-type charges were \$1.0 million and \$1.2 million in North America, \$1.2 million and \$5.9 million in Europe and \$1.5 million and \$1.8 million in Latin America for the three and six months ended July 3, 2015, respectively.

Other restructuring-type charges are incurred as a direct result of the restructuring program. Such charges primarily include working capital write-downs not associated with normal operations, equipment relocation, termination of contracts and other immaterial costs.

**5. Other Income (Expense)**

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated, as well as gains and losses on derivative instruments that are not designated as cash flow hedges. During the three months ended July 1, 2016 and July 3, 2015, the Company recorded other income of \$9.1 million and other expense of \$6.0 million, respectively. For the three months ended July 1, 2016, other income was primarily attributable to \$5.7 million related to foreign currency transaction gains and \$3.4 million related to gains on derivative instruments that were not designated as cash flow hedges. For the three months ended July 3, 2015, other expense was primarily attributable to \$3.6 million related to foreign currency transaction losses and \$2.4 million related to losses on derivative instruments that were not designated as cash flow hedges.

During the six months ended July 1, 2016 and July 3, 2015, the Company recorded other income of \$7.7 million and other expense of \$31.8 million, respectively. For the six months ended July 1, 2016, other income was primarily attributable to \$4.2 million related to foreign currency transaction gains and \$3.5 million related to gains on derivative instruments that were not designated as cash flow hedges. For the six months ended July 3, 2015, other expense was primarily attributable to the adoption of the SIMADI currency exchange system in Venezuela and ongoing remeasurement of the local balance sheet which resulted in an expense of \$22.8 million, \$7.0 million related to other foreign currency transaction losses and \$2.0 million related to losses on derivative instruments that were not designated as cash flow hedges.

Refer to Note 1 - Basis of Presentation and Principles of Consolidation for more information regarding the Company's Venezuelan operations.

**6. Inventories**

Approximately 84% of the Company's inventories are valued using the average cost method and all remaining inventories are valued using the first-in, first-out (FIFO) method. All inventories are stated at the lower of cost or market.

(in millions)	July 1, 2016	December 31, 2015
Raw materials	\$ 165.2	\$ 175.3
Work in process	128.9	122.5
Finished goods	477.4	510.0
Total	<u>\$ 771.5</u>	<u>\$ 807.8</u>

**7. Property, Plant and Equipment**

Property, plant and equipment consisted of the following (in millions):

	July 1, 2016	December 31, 2015
Land	\$ 45.1	\$ 47.1
Buildings and leasehold improvements	198.7	189.7
Machinery, equipment and office furnishings	693.5	734.3
Construction in progress	31.1	25.7
Total gross book value	968.4	996.8
Less accumulated depreciation	(462.1)	(473.3)
Total net book value	<u>\$ 506.3</u>	<u>\$ 523.5</u>

Depreciation expense for the three and six fiscal months ended July 1, 2016 was \$19.1 million and \$37.8 million, respectively. Depreciation expense for the three and six fiscal months ended July 3, 2015 was \$19.9 million and \$42.0 million, respectively.

**8. Goodwill and Other Intangible Assets**

Goodwill and intangible assets with indefinite useful lives are not amortized, but are reviewed at least annually for impairment. If the carrying amount of goodwill or an intangible asset with an indefinite life exceeds its fair value, an impairment loss would be recognized in the amount equal to the excess.

The amounts of goodwill and indefinite-lived intangible assets were as follows (in millions):

	Goodwill				Indefinite-Lived Assets – Trade Names		
	North America	Latin America	Africa/Asia Pacific	Total	North America	Europe	Total
Balance, December 31, 2015	\$ 16.5	\$ 3.9	\$ 1.8	\$ 22.2	\$ 0.3	\$ 0.4	\$ 0.7
Currency translation and other adjustments	(0.7)	—	(0.2)	(0.9)	0.4	—	0.4
Goodwill and indefinite-lived asset impairment	—	—	(1.6)	(1.6)	(0.3)	—	(0.3)
Balance, July 1, 2016	\$ 15.8	\$ 3.9	\$ —	\$ 19.7	\$ 0.4	\$ 0.4	\$ 0.8

The amounts of other intangible assets, excluding capitalized software, were as follows (in millions):

	July 1, 2016	December 31, 2015
Amortized intangible assets:		
Amortized intangible assets	\$ 122.6	\$ 129.4
Accumulated amortization	(88.4)	(87.9)
Foreign currency translation adjustment	(5.5)	(5.6)
Amortized intangible assets, net	\$ 28.7	\$ 35.9

Amortized intangible assets are stated at cost less accumulated amortization as of July 1, 2016 and December 31, 2015. Other intangible assets have been determined to have a useful life in the range of 7 to 12 years. The approximate weighted average useful life of the amortized intangible assets is 10 years. For customer relationships, the Company has accelerated the amortization expense to align with the historical customer attrition rates. All other amortized intangible assets are amortized on a straight-line basis. The amortization of intangible assets for the six months ended July 1, 2016 and July 3, 2015 was \$4.2 million and \$5.0 million, respectively. The estimated amortization expense during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter, based on exchange rates as of July 1, 2016, is \$8.1 million, \$5.9 million, \$4.6 million, \$3.3 million, \$2.7 million and \$4.1 million thereafter.

The Company capitalizes costs for internal use software incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Capitalized software will be amortized once the product is ready for its intended use, using the straight-line method over the estimated useful lives of the assets, which is three years.

**9. Long-Term Debt**

(in millions)	July 1, 2016	December 31, 2015
<i>North America</i>		
5.75% Senior Notes due 2022 ("5.75% Senior Notes")	\$ 600.0	\$ 600.0
Subordinated Convertible Notes due 2029 ("Subordinated Convertible Notes")	429.5	429.5
Debt discount	(256.7)	(257.8)
Debt issuance costs	(11.4)	(12.1)
Asset-Based Revolving Credit Facility ("Revolving Credit Facility")	71.0	127.6
Other	9.2	9.2
<i>Europe</i>		
Revolving Credit Facility	42.3	8.7
Other	8.4	23.4
<i>Latin America credit facilities</i>		
	123.9	113.8
<i>Africa/Asia Pacific credit facilities</i>		
	7.9	24.2
<b>Total debt</b>	<b>1,024.1</b>	<b>1,066.5</b>
Less current maturities	133.8	154.9
<b>Long-term debt</b>	<b>\$ 890.3</b>	<b>\$ 911.6</b>

At July 1, 2016, maturities of long-term debt during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are \$133.8 million, \$0.9 million, \$116.5 million, \$0.8 million and \$1.6 million, respectively, and \$770.5 million thereafter.

The fair value of the Company's long-term debt, as noted below, was estimated using inputs other than quoted prices that are observable, either directly or indirectly.

*5.75% Senior Notes*

The Company's 5.75% Senior Notes are summarized in the table below:

(in millions)	5.75% Senior Notes	
	July 1, 2016	December 31, 2015
Face Value	\$ 600.0	\$ 600.0
Debt issuance costs	(7.6)	(8.2)
Book value	592.4	591.8
Fair Value (Level 1)	555.5	450.0
Interest Rate	5.75%	5.75%
Interest Payment	Semi-Annual: Apr 1 & Oct 1	
Maturity Date	October 2022	
Guarantee	Jointly and severally guaranteed by the Company's wholly owned U.S. subsidiaries	

	5.75% Senior Notes	
	Beginning Date	Percentage
Call Option <sup>(1)</sup>	October 1, 2017	102.875%
	October 1, 2018	101.917%
	October 1, 2019	100.958%
	October 1, 2020 and thereafter	100.000%

(1) The Company may, at its option, redeem the 5.75% Senior Notes on or after the stated beginning dates at percentages noted above (plus accrued and unpaid interest). Additionally, on or prior to October 1, 2015, the Company had the right to redeem in the aggregate up to 35% of the aggregate principal amount of 5.75% Senior Notes issued with the cash proceeds from one or more equity offerings, at a redemption price in cash equal to 105.75% of the principal plus accrued and unpaid interest so long as (i) at least 65% of the aggregate principal amount of the 5.75% Senior Notes issued remained outstanding immediately after giving effect to any such redemption; and (ii) notice of any such redemption was given within 60 days after the date of the closing of any such equity

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offering. In addition, at any time prior to October 1, 2017, the Company may redeem some or all of the 5.75% Senior Notes at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, plus a make whole premium.

The 5.75% Senior Notes' indenture contains covenants that limit the ability of the Company and certain of its subsidiaries to (i) incur additional indebtedness and guarantee indebtedness; (ii) pay dividends or make other distributions or repurchase or redeem the Company's capital stock; (iii) purchase, redeem or retire debt; (iv) issue certain preferred stock or similar equity securities; (v) make loans and investments; (vi) sell assets; (vii) incur liens; (viii) enter into transactions with affiliates; (ix) enter into agreements restricting the Company's subsidiaries' ability to pay dividends; and (x) consolidate, merge or sell all or substantially all assets. However, these covenants are subject to exceptions and qualifications.

The 5.75% Senior Notes may also be repurchased at the option of the holders in connection with a change of control (as defined in the indenture governing the 5.75% Senior Notes) or in connection with certain asset sales.

### *Subordinated Convertible Notes*

The Company's Subordinated Convertible Notes are summarized as of July 1, 2016 and December 31, 2015 as follows:

(in millions)	Subordinated Convertible Notes	
	July 1, 2016	December 31, 2015
Face value	\$ 429.5	\$ 429.5
Debt discount	(256.7)	(257.8)
Debt issuance costs	(3.8)	(3.9)
Book value	169.0	167.8
Fair value (Level 1)	250.2	265.8
Maturity date	Nov 2029	
Stated annual interest rate	4.50% until Nov 2019 2.25% until Nov 2029	
Interest payments	Semi-annually: May 15 & Nov 15	

### *Revolving Credit Facility*

On July 21, 2011, the Company entered into a \$400 million Revolving Credit Facility, which was first amended in 2012 to increase the facility size to \$700 million and then subsequently amended and restated on September 6, 2013 and further amended on October 22, 2013, May 20, 2014, September 23, 2014, October 28, 2014 and February 9, 2016, to, among other things, increase the Revolving Credit Facility to \$1.0 billion, \$630 million of which may be borrowed by the U.S. borrower, \$300 million of which may be borrowed by the European borrowers and \$70 million of which may be borrowed by the Canadian borrower. The Revolving Credit Facility contains restrictions including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. The Revolving Credit Facility provides the Company with flexibility and the restrictions in the Revolving Credit Facility generally only apply in the event that the Company's availability under the Revolving Credit Facility falls below certain specific thresholds.

The Revolving Credit Facility has a maturity date of September 6, 2018. The commitment amount under the Revolving Credit Facility may be increased by an additional \$250 million, subject to certain conditions and approvals as set forth in the Revolving Credit Facility. The Company capitalized an immaterial amount in 2016, \$0.6 million in 2015 and \$1.7 million in 2014 in deferred financing costs in connection with the Revolving Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of 1.00 to 1.00 if availability under the Revolving Credit Facility is less than the greater of \$100 million or 10% of the then existing aggregate lender commitments under the Revolving Credit Facility. As of July 1, 2016, the availability under the Revolving Credit Facility is greater than \$100 million. The fair value of the Revolving Credit Facility approximates the carrying value based on Level 2 inputs.

Indebtedness under the Revolving Credit Facility is secured by: (a) for US borrowings under the facility, a first priority security interest in substantially all of our domestic assets and, (b) for Canadian and European borrowings under the facility, a first priority security interest in substantially all of our domestic and Canadian assets and certain assets of our Spanish, French and German subsidiaries party to the facility. In addition, the lenders under our Revolving Credit Facility have received a pledge of (i) 100% of the equity interests in all of the Company's domestic subsidiaries, and (ii) 65% of the voting equity interests in and 100% of the non-voting equity interests in certain of our foreign subsidiaries, including our Canadian subsidiaries and our Spanish, French and German subsidiaries party to the Revolving Credit Facility. Borrowings under the Revolving Credit Facility bear interest at interest rate bases elected by the Company plus an applicable margin calculated quarterly based on the Company's average availability and Total Consolidated Leverage Ratio as set forth in the credit agreement. The Revolving Credit Facility also requires

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the payment of a commitment fee equal to the available but unused commitments multiplied by an applicable margin of either 0.25% or 0.375% based on the average daily unused commitments.

The Company's Revolving Credit Facility is summarized in the table below:

(in millions)	Revolving Credit Facility	
	July 1, 2016	December 31, 2015
Outstanding borrowings	\$ 113.3	\$ 136.3
Total credit under facility	1,000.0	1,000.0
Undrawn availability <sup>(1)</sup>	383.3	347.5
Interest rate	2.5%	2.5%
Outstanding letters of credit	\$ 25.2	\$ 36.7
Original issuance	July 2011	
Maturity date	Sept 2018	

(1) Total undrawn availability for the U.S. borrower, the Canadian borrower and the European borrowers at July 1, 2016 is \$312.6 million, \$32.6 million and \$38.1 million, respectively. Total undrawn availability for the U.S. borrower, the Canadian borrower and the European borrowers at December 31, 2015 was \$239.1 million, \$34.8 million and \$73.6 million, respectively.

*Latin America Credit Facilities*

The Company's Latin America credit facilities are summarized in the table below:

(in millions)	July 1, 2016	December 31, 2015
Outstanding borrowings	\$ 123.9	\$ 113.8
Undrawn availability	16.4	44.4
Interest rate – weighted average	10.0%	8.6%
Maturity date	Various; \$123.5 million due within one year	

The Company's Latin America credit facilities are short term loans utilized for working capital purposes. The fair value of the Latin America credit facilities approximates the carrying value due to the short term nature of the facilities based on Level 2 inputs.

*Africa/Asia Pacific Credit Facilities*

The Company's Africa credit facilities are summarized in the table below:

(in millions)	July 1, 2016	December 31, 2015
Outstanding borrowings	\$ 7.9	\$ 24.2
Undrawn availability	29.1	85.8
Interest rate – weighted average	7.3%	6.5%
Maturity date	Various; \$7.9 million due within one year	

The Company's Africa credit facilities are short term loans utilized for working capital purposes. The fair value of the Africa credit facilities approximates the carrying value due to the short term nature of the facilities based on Level 2 inputs.

**10. Financial Instruments**

The Company is exposed to various market risks, including changes in interest rates, foreign currency exchange rates and raw material (commodity) prices. To manage risks associated with the volatility of these natural business exposures, the Company enters into interest rate, commodity and foreign currency derivative agreements, and copper and aluminum forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in derivative contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

The Company enters into commodity instruments to hedge the purchase of copper, aluminum and lead in future periods and foreign currency exchange contracts principally to hedge the currency fluctuations in certain transactions denominated in foreign currencies, thereby reducing the Company's risk that would otherwise result from changes in exchange rates. Principal transactions hedged during the year were firm sales and purchase commitments. The fair value of foreign currency contracts represents the amount required to enter into offsetting contracts with similar remaining maturities based on quoted market prices.

The Company accounts for these commodity instruments and foreign currency exchange contracts as economic hedges. Changes in the fair value of economic hedges are recognized in current period earnings.

***Fair Value of Derivatives Instruments***

The notional amounts and fair values of derivatives not designated as cash flow hedges at July 1, 2016 and December 31, 2015 are shown below (in millions):

	July 1, 2016			December 31, 2015		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset <sup>(1)</sup>	Liability <sup>(2)</sup>		Asset <sup>(1)</sup>	Liability <sup>(2)</sup>
<b>Derivatives not designated as cash flow hedges:</b>						
Commodity futures	\$ 99.8	\$ 2.7	\$ 1.8	\$ 133.5	\$ 0.3	\$ 9.9
Foreign currency exchange	44.9	0.2	1.0	75.2	0.4	2.3
		<u>\$ 2.9</u>	<u>\$ 2.8</u>		<u>\$ 0.7</u>	<u>\$ 12.2</u>

(1) Balance recorded in "Prepaid expenses and other" and "Other non-current assets"

(2) Balance recorded in "Accrued liabilities" and "Other liabilities"

As of July 1, 2016 and December 31, 2015, all financial instruments held by the Company were subject to enforceable master netting arrangements held by various financial institutions. In general, the terms of our agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. The Company's accounting policy is to not offset these positions in the Condensed Consolidated Balance Sheets. As of July 1, 2016 and December 31, 2015, the net positions of the enforceable master netting agreements are not significantly different from the gross positions noted in the table above. Depending on the extent of an unrealized loss position on a derivative contract held by the Company, certain counterparties may require collateral to secure the Company's derivative contract position. As of July 1, 2016 and December 31, 2015, there were no contracts held by the Company that required collateral to secure the Company's derivative liability positions. Refer to Note 5 - Other Income (Expense) for more information.

## **11. Income Taxes**

The Company's effective tax rate for the six months ended July 1, 2016 and July 3, 2015 was 32.5% and 10.1%, respectively. The effective tax rate on the Company's pre-tax income for the six months ended July 1, 2016 was favorably impacted by the use of U.S. capital losses for which no tax benefit was previously recognized. This resulted in the recognition of only \$3.2 million of income tax expense on \$53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business. This favorable factor was partially offset by recognizing no tax benefit on \$18.6 million of operational losses and \$8.4 million of loss recorded on the sale of our Egyptian business. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

The low effective tax rate on the Company's pre-tax loss for the six months ended July 3, 2015 was primarily due to no tax benefit being available for the \$22.8 million Venezuelan currency devaluation loss and no tax benefit being recognized on \$53.0 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. These unfavorable factors were partially offset by \$6.5 million of tax benefits associated with the net release of uncertain tax position reserves, \$4.3 million of tax benefits associated with valuation allowance releases, and \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business due to the sale in the third quarter of 2015.

The Company's effective tax rate for the three months ended July 1, 2016 and July 3, 2015 was 25.4% and 77.5%, respectively. The effective tax rate for the three months ended July 1, 2016 was favorably impacted by the recognition of only \$3.2 million of income tax expense on \$53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business due to the use of U.S. capital losses for which no tax benefit was previously recognized. This favorable factor was partially offset by recognizing no tax benefit on \$6.4 million of operational losses and \$8.4 million of loss recorded on the sale of our Egyptian business. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

The high effective tax rate for the three months ended July 3, 2015 was primarily due to \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business due to the sale in the third quarter of 2015. This was partially offset by no tax benefit being recognized on \$24.2 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. The pre-tax loss was extremely low for the three months ended July 3, 2015 which also contributed to the volatile impact of these items on the effective tax rate.

During the second quarter of 2016, the Company accrued approximately \$0.9 million of income tax expense for uncertain tax positions likely to be taken in the current year and for interest and penalties on tax positions taken in prior periods, all of which would have a favorable impact on the effective tax rate, if recognized. In addition, \$0.1 million of income tax benefits were recognized due to statute of limitation expirations associated with various uncertain tax positions.

The Company files income tax returns in numerous tax jurisdictions around the world. Due to uncertainties regarding the timing and outcome of various tax audits, appeals and settlements, it is difficult to reliably estimate the amount of unrecognized tax benefits that could change within the next twelve months. The Company believes it is reasonably possible that approximately \$3 million of unrecognized tax benefits could change within the next twelve months due to the resolution of tax audits and statute of limitations expiration.

The Internal Revenue Service ("IRS") is currently in the process of finalizing its examination of the Company's 2012 consolidated income tax return. As discussed in the Company's 2015 Annual Report on Form 10-K, the IRS proposed a cumulative taxable income adjustment of \$33.6 million through 2012 in connection with the Original Issue Discount ("OID") yield on the Company's \$429.5 million Subordinated Convertible Notes ("Notes") due 2029. The Company believes that the amount of the OID deductions claimed on its federal income tax returns since the 2009 issuance of the Notes is proper and appealed the IRS proposed adjustment in 2016. The appeal is ongoing. With limited exceptions, tax years prior to 2010 are no longer open in major foreign, state, or local tax jurisdictions.

**12. Employee Benefit Plans**

The Company provides retirement benefits through contributory and noncontributory qualified and non-qualified defined benefit pension plans covering eligible domestic and international employees as well as through defined contribution plans and other postretirement benefits.

The components of net periodic benefit cost for pension benefits were as follows (in millions):

	Three Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$ 0.3	\$ 1.0	\$ 0.4	\$ 1.5
Interest cost	1.8	0.8	1.8	1.1
Expected return on plan assets	(2.4)	(0.6)	(2.6)	(0.7)
Amortization of prior service cost	—	0.2	—	0.2
Amortization of net loss	1.7	0.3	1.9	0.7
Net pension expense	\$ 1.4	\$ 1.7	\$ 1.5	\$ 2.8

	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Service cost	\$ 0.6	\$ 2.0	\$ 0.8	\$ 3.0
Interest cost	3.6	1.6	3.6	2.2
Expected return on plan assets	(4.8)	(1.2)	(5.2)	(1.4)
Amortization of prior service cost	—	0.4	—	0.4
Amortization of net loss	3.4	0.6	3.8	1.4
Settlement loss	—	—	—	0.9
Net pension expense	\$ 2.8	\$ 3.4	\$ 3.0	\$ 6.5

The estimated net loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income (loss) into net pension expense in 2016 is \$8.4 million. The prior service cost to be amortized from accumulated other comprehensive income (loss) into net pension expense over the next fiscal year is immaterial.

Defined benefit pension plan cash contributions for the three fiscal months ended July 1, 2016 and July 3, 2015 were \$1.3 million and \$3.0 million, respectively. Defined benefit pension plan cash contributions for the six fiscal months ended July 1, 2016 and July 3, 2015 were \$2.6 million and \$6.0 million, respectively.

**13. Accumulated Other Comprehensive Income (Loss)**

The components of accumulated other comprehensive income (loss) as of July 1, 2016 and December 31, 2015, respectively, consisted of the following (in millions):

	July 1, 2016		December 31, 2015	
	Company Common Shareholders	Noncontrolling Interest	Company Common Shareholders	Noncontrolling Interest
Foreign currency translation adjustment	\$ (244.3)	\$ (13.6)	\$ (275.6)	\$ (13.5)
Pension adjustments, net of tax	(62.0)	(1.5)	(64.6)	(1.5)
Accumulated other comprehensive income (loss)	\$ (306.3)	\$ (15.1)	\$ (340.2)	\$ (15.0)

The following is the detail of the change in the Company's accumulated other comprehensive income (loss) from December 31, 2015 to July 1, 2016 including the effect of significant reclassifications out of accumulated other comprehensive income (loss) (in millions, net of tax):

	Foreign currency translation	Change of fair value of pension benefit obligation	Total
Balance, December 31, 2015	\$ (275.6)	\$ (64.6)	\$ (340.2)
Other comprehensive income (loss) before reclassifications	13.0	—	13.0
Amounts reclassified from accumulated other comprehensive income	18.3	2.6	20.9
Net current - period other comprehensive income (loss)	31.3	2.6	33.9
Balance, July 1, 2016	\$ (244.3)	\$ (62.0)	\$ (306.3)

The following is the detail of the change in the Company's accumulated other comprehensive income (loss) from December 31, 2014 to July 3, 2015 including the effect of significant reclassifications out of accumulated other comprehensive income (loss) (in millions, net of tax):

	Foreign currency translation	Change of fair value of pension benefit obligation	Total
Balance, December 31, 2014	\$ (185.1)	\$ (78.3)	\$ (263.4)
Other comprehensive income (loss) before reclassifications	(65.2)	—	(65.2)
Amounts reclassified from accumulated other comprehensive income	11.4	4.8	16.2
Net current - period other comprehensive income (loss)	(53.8)	4.8	(49.0)
Balance, July 3, 2015	\$ (238.9)	\$ (73.5)	\$ (312.4)

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The following is the detail of the reclassifications out of accumulated other comprehensive income (loss) for the three and six months ended July 1, 2016 and July 3, 2015 (in millions, net of tax):

	Three Fiscal Months Ended		Six Fiscal Months Ended		Affected line item in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)
	July 1, 2016		July 1, 2016		
	Amount reclassified from accumulated other comprehensive income (loss)		Amount reclassified from accumulated other comprehensive income (loss)		
<b>Foreign currency translation</b>					
Sale of subsidiaries from continuing operations	\$	7.8	\$	7.8	SG&A
Sale of subsidiaries from discontinued operations		—		10.5	Net income (loss) from discontinued operations, net of tax
Total - Foreign Currency Items	\$	7.8	\$	18.3	
<b>Amortization of defined pension items, net of tax:</b>					
Prior service cost	\$	0.1	\$	0.2	Cost of Sales
Net loss		1.2		2.4	Cost of Sales
Total - Pension Items	\$	1.3	\$	2.6	
<b>Total</b>	<b>\$</b>	<b>9.1</b>	<b>\$</b>	<b>20.9</b>	

	Three Fiscal Months Ended		Six Fiscal Months Ended		Affected line item in the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)
	July 3, 2015		July 3, 2015		
	Amount reclassified from accumulated other comprehensive income (loss)		Amount reclassified from accumulated other comprehensive income (loss)		
<b>Foreign currency translation</b>					
Sale of subsidiaries from continuing operations	\$	5.2	\$	11.4	SG&A
<b>Amortization of defined pension items, net of tax:</b>					
Prior service cost	\$	0.1	\$	0.2	Cost of Sales
Net loss		1.7		3.4	Cost of Sales
Settlement loss		—		1.2	Cost of Sales
Total - Pension Items	\$	1.8	\$	4.8	
<b>Total</b>	<b>\$</b>	<b>7.0</b>	<b>\$</b>	<b>16.2</b>	

**14. Redeemable Noncontrolling Interest**

On October 1, 2012, the Company participated in a share subscription for 60% of the outstanding and issued shares of Procables. The existing shareholders immediately prior to the subscription (the "Sellers" or "Minority Shareholders") maintained control of the remaining 40% of the shares. The Company and the Minority Shareholders also agreed to certain put and call options with regard to the remaining 40% interest in Procables retained by the Minority Shareholders. For a 36-month period commencing on the fourth anniversary of the closing date, the Minority Shareholders may exercise a put option to sell their entire 40% interest in Procables to the Company. The Company shall be irrevocably obligated to purchase the shares (the "Put Option"). In addition, the Company has a call option (the "Call Option") to purchase the Minority Shareholders' 40% interest in Procables, during the 36-month period commencing on the expiration of the Put Option period. The consideration to be exchanged, per share in the event of a Put Option or Call Option shall be the higher of the following (1) the final per share purchase price; or (2) a price per share based on the Company's enterprise value equal to seven times the average of its earnings before interest, taxes, depreciation and amortization ("EBITDA") over the two most recently audited year-end financial statements immediately prior to the option being exercised, minus the 12-month average Net Indebtedness, as defined in the agreement, of the Company for the most recent audited fiscal year ("EBITDA average"). The Company determined that the Put Option is embedded within the noncontrolling interest shares that are subject to the Put Option. The redemption feature requires classification of the Minority Shareholder's interest in the Condensed Consolidated Balance Sheets outside of equity under the caption "Redeemable noncontrolling interest."

The redeemable noncontrolling interest of Procables was recorded on the acquisition date based on the estimated fair value of the shares including the embedded Put Option. The fair value of the Put Option was estimated at the higher of the final per share purchase price or EBITDA average. At July 1, 2016, the final per share purchase price was greater than the EBITDA average; therefore, the redeemable noncontrolling interest was valued at the same cost as the fair value determined at the opening balance sheet date, \$18.2 million. Subsequent adjustments to the value of the redeemable noncontrolling interest due to the redemption feature, if any, will be recognized as they occur and recorded within Net income (loss).

**15. Shipping and Handling Costs**

All shipping and handling amounts billed to a customer in a sales transaction are classified as revenue. Shipping and handling costs associated with storage and handling of finished goods and shipments to customers are included in the Cost of sales caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and totaled \$29.8 million and \$28.5 million, respectively, for the three fiscal months ended July 1, 2016 and July 3, 2015 and \$57.8 million and \$59.5 million, respectively, for the six fiscal months ended July 1, 2016 and July 3, 2015.

**16. Earnings (Loss) Per Common Share**

The Company applies the two-class method of computing basic and diluted earnings per share.

A reconciliation of the numerator and denominator of earnings (loss) per common share-basic to earnings (loss) per common share-assuming dilution is as follows (in millions, except per share data):

	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
<b>Amounts attributable to the Company – basic and diluted:</b>				
Net income (loss) from continuing operations	\$ 33.7	\$ (1.6)	\$ 25.7	\$ (36.3)
Less: net income (loss) attributable to continuing operations noncontrolling interest	(1.5)	(0.2)	(1.2)	(1.0)
Net income (loss) from continuing operations attributable to Company common shareholders	\$ 35.2	\$ (1.4)	\$ 26.9	\$ (35.3)
Net income (loss) from discontinued operations, net of tax	(5.4)	(6.8)	(1.8)	(13.0)
Less: net income (loss) attributable to discontinued operations noncontrolling interest	—	(1.3)	—	(3.3)
Net income (loss) from discontinued operations attributable to Company common shareholders	\$ (5.4)	\$ (5.5)	\$ (1.8)	\$ (9.7)
Net income (loss) attributable to Company common shareholders <sup>(1)</sup>	\$ 29.8	\$ (6.9)	\$ 25.1	\$ (45.0)
Weighted average shares outstanding for basic EPS computation <sup>(2,3)</sup>	49.6	48.9	49.5	48.8
<b>Earnings (loss) per common share calculation - basic: <sup>(4)</sup></b>				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – basic <sup>(3)</sup>	\$ 0.71	\$ (0.03)	\$ 0.54	\$ (0.72)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – basic	\$ (0.11)	\$ (0.11)	\$ (0.03)	\$ (0.20)
Earnings (loss) per common share attributable to Company common shareholders – basic <sup>(3)</sup>	\$ 0.60	\$ (0.14)	\$ 0.51	\$ (0.92)
Weighted average shares outstanding including nonvested shares	49.6	48.9	49.5	48.8
Dilutive effect of stock options and restricted stock units	2.5	—	2.5	—
Weighted average shares outstanding for diluted EPS computation <sup>(2)</sup>	52.1	48.9	52.0	48.8
<b>Earnings (loss) per common share calculation - dilution: <sup>(4)</sup></b>				
Earnings (loss) from continuing operations attributable to Company common shareholders per common share – assuming dilution	\$ 0.68	\$ (0.03)	\$ 0.52	\$ (0.72)
Earnings (loss) from discontinued operations attributable to Company common shareholders per common share – assuming dilution	(0.11)	(0.11)	(0.03)	(0.20)
Earnings (loss) per common share attributable to Company common shareholders – assuming dilution	\$ 0.57	\$ (0.14)	\$ 0.48	\$ (0.92)

(1) Numerator

(2) Denominator

(3) Under the two-class method, earnings (loss) per share – basic reflects undistributed earnings per share for both common stock and unvested share-based payment awards (restricted stock).

(4) Earnings (loss) per common share amounts are calculated by line item and may not add due to rounding.

For the three and six months ended July 1, 2016, there were approximately 1.9 million shares and for the three and six months ended July 3, 2015, there were approximately 3.7 million shares excluded from the earnings per common share — assuming dilution computation because their impact was anti-dilutive, respectively.

Under ASC 260 - Earnings per Share and ASC 470 - Debt and because of the Company's obligation to settle the par value of the Subordinated Convertible Notes in cash, the Company is not required to include any shares underlying the Subordinated Convertible Notes in its weighted average shares outstanding – assuming dilution until the average stock price per share for the quarter exceeds the \$36.75 conversion price of the Subordinated Convertible Notes and only to the extent of the additional shares that the Company may be required to issue in the event that the Company's conversion obligation exceeds the principal amount of the Subordinated

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Convertible Notes. The average stock price threshold conditions had not been met as of July 1, 2016 or July 3, 2015. At any such time in the future that threshold conditions are met, only the number of shares issuable under the “treasury” method of accounting for the share dilution would be included in the Company’s earnings per share – assuming dilution calculation, which is based upon the amount by which the average stock price exceeds the conversion price.

The following table provides examples of how changes in the Company’s stock price would require the inclusion of additional shares in the denominator of the weighted average shares outstanding – assuming dilution calculation for the Subordinated Convertible Notes.

Share Price	Shares Underlying Subordinated Convertible Notes	Total Treasury Method Incremental Shares <sup>(1)</sup>
\$36.75	—	—
\$38.75	603,152	603,152
\$40.75	1,147,099	1,147,099
\$42.75	1,640,151	1,640,151
\$44.75	2,089,131	2,089,131

(1) Represents the number of incremental shares that must be included in the calculation of fully diluted shares under GAAP.

**17. Segment Information**

The Company conducts its operations through four geographic operating and reportable segments — North America, Europe, Latin America, and Africa/Asia Pacific. The Company’s operating and reportable segments align with the structure of the Company’s internal management organization. All four segments engage in the development, design, manufacturing, marketing and distribution of copper, aluminum, and fiber optic communication, construction, electric utility and electrical infrastructure wire and cable products. In addition to the above products, the North America, Latin America and Africa/Asia Pacific segments manufacture and distribute rod mill wire and cable products.

Net revenues as shown below represent sales to external customers for each segment. Intersegment sales have been eliminated. In the three and six months ended July 1, 2016, intersegment sales were \$9.1 million and \$23.7 million in North America, \$1.1 million and \$4.4 million in Europe, and \$6.2 million and \$9.8 million in Latin America, respectively. In the three and six months ended July 3, 2015, intersegment sales were \$10.8 million and \$17.8 million in North America, \$1.8 million and \$14.3 million in Europe, and \$5.2 million and \$9.5 million in Latin America, respectively.

The chief operating decision maker (“CODM”) evaluates segment performance and allocates resources based on segment operating income. Segment operating income represents income from continuing operations before interest income, interest expense, other income (expense), other financial costs and income tax. Summarized financial information for the Company’s reportable segments reported in continuing operations for the three and six fiscal months ended July 1, 2016 and July 3, 2015 is as follows:

(in millions)	Three Fiscal Months Ended		Six Fiscal Months Ended	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
<b>Net Sales:</b>				
North America	\$ 530.9	\$ 609.4	\$ 1,069.1	\$ 1,247.6
Europe	229.5	250.9	451.4	512.7
Latin America	168.2	188.8	323.2	394.1
Africa/Asia Pacific	61.4	64.3	120.3	130.1
Total	\$ 990.0	\$ 1,113.4	\$ 1,964.0	\$ 2,284.5
<b>Segment Operating Income (Loss):</b>				
North America	\$ 73.8	\$ 30.9	\$ 91.5	\$ 60.5
Europe	(1.5)	(1.2)	6.2	4.7
Latin America	0.4	(2.5)	(3.3)	(18.4)
Africa/Asia Pacific	(14.6)	(3.5)	(21.0)	(6.9)
Total	\$ 58.1	\$ 23.7	\$ 73.4	\$ 39.9

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(in millions)	July 1, 2016	December 31, 2015
<b>Total Assets:</b>		
North America	\$ 960.1	\$ 986.9
Europe	705.0	632.0
Latin America	504.7	480.8
Africa/Asia Pacific	296.8	354.9
Total	<u>\$ 2,466.6</u>	<u>\$ 2,454.6</u>

The total assets of the discontinued operations as of July 1, 2016 and December 31, 2015 are \$146.1 million and \$160.8 million, respectively. The total assets of the discontinued operations are included in the Africa/Asia Pacific segment above.

## 18. Commitments and Contingencies

### *Environmental matters*

We are subject to a variety of federal, state, local and foreign laws and regulations covering the storage, handling, emission and discharge of materials into the environment, including CERCLA, the Clean Water Act, the Clean Air Act (including the 1990 amendments) and the Resource Conservation and Recovery Act.

Our subsidiaries in the United States have been identified as potentially responsible parties with respect to several sites designated for cleanup under CERCLA or similar state laws, which impose liability for cleanup of certain waste sites and for related natural resource damages without regard to fault or the legality of waste generation or disposal. Persons liable for such costs and damages generally include the site owner or operator and persons that disposed or arranged for the disposal of hazardous substances found at those sites. Although CERCLA imposes joint and several liability on all potentially responsible parties, in application, the potentially responsible parties typically allocate the investigation and cleanup costs based upon, among other things, the volume of waste contributed by each potentially responsible party.

Settlements can often be achieved through negotiations with the appropriate environmental agency or the other potentially responsible parties. Potentially responsible parties that contributed small amounts of waste (typically less than 1% of the waste) are often given the opportunity to settle as “de minimus” parties, resolving their liability for a particular site. We do not own or operate any of the waste sites with respect to which we have been named as a potentially responsible party by the government. Based on our review and other factors, we believe that costs relating to environmental clean-up at these sites will not have a material adverse effect on our results of operations, cash flows or financial position.

On March 7, 2011, GK Technologies, Inc. (“GK Tech”) was served with a Complaint filed on February 24, 2011, by the Housing Authority of the City of Los Angeles (“HACLA”) arising under CERCLA, California statutory law, and common law in the case known as Housing Authority of the City of Los Angeles v. PCC Technical Industries, Inc., Case No. 11-CV-01626 FMO (C.D. Cal.). The Housing Authority contends that GK Tech and several other defendants are responsible for environmental contamination at property located at 9901 S. Alameda Street in Los Angeles (the “Site”), which was apparently the location of a steel recycling mill formerly operated by a former subsidiary of GK Tech. The former subsidiary was legally dissolved in September 1993.

GK Tech has asserted various defenses to the claim, including the dissolution of the former subsidiary and the lack of knowledge of the environmental contamination. The Court had previously determined, as a matter of law, that the former subsidiary is one of several potentially responsible parties (“PRPs”) liable under CERCLA for costs of remediation of the contamination at the Site.

HACLA began conducting remediation work at the Site in April 2015, with projected costs at the time ranging from \$5 million to \$13 million. In October 2015, HACLA substantially expanded the scope of the remediation work at the Site and now estimates that the total costs to complete the work are between \$21 million and \$30 million. HACLA has collected some amounts through prior settlements with parties that owned and/or conducted operations on the Site after March 1979, which amounts we believe would partially offset any possible liability of GK Tech. GK Tech believes that it has very good defenses to HACLA’s successor liability theories but, nevertheless, it is reasonably possible that GK Tech could be held liable for between \$0 million and \$30 million in this case.

At July 1, 2016 and December 31, 2015, we had an accrued liability of approximately \$4.6 million and \$3.6 million, respectively, for various environmental-related liabilities to the extent costs are known or can be reasonably estimated as a liability. While it is difficult to estimate future environmental-related liabilities accurately, we do not currently anticipate any material adverse effect on our results of operations, financial position or cash flows as a result of compliance with federal, state, local or foreign environmental laws or regulations or cleanup costs of the sites discussed above.

*Asbestos litigation*

We have been a defendant in asbestos litigation for the past 28 years. Our subsidiaries have been named as defendants in lawsuits alleging exposure to asbestos in products manufactured by us. As of July 1, 2016, we were a defendant in approximately 316 cases brought in state and federal courts throughout the United States. In the six months ended July 1, 2016, 37 asbestos cases were brought against us. In the calendar year 2015, 99 asbestos cases were brought against us. In the last 28 years, we have had no cases proceed to verdict. In many of the cases, we were dismissed as a defendant before trial for lack of product identification. As of July 1, 2016, 50,920 asbestos cases have been dismissed. In the six months ended July 1, 2016, 45 asbestos cases were dismissed. As of December 31, 2015, 50,875 cases were dismissed. With regards to the approximately 316 remaining pending cases, we are aggressively defending these cases based upon either lack of product identification as to whether we manufactured asbestos-containing product and/or lack of exposure to asbestos dust from the use of our product.

As of July 1, 2016, plaintiffs have asserted monetary damages in 165 cases. In 55 of these cases, plaintiffs allege only damages in excess of some dollar amount (about \$692 thousand per plaintiff); in these cases there are no claims for specific dollar amounts requested as to any defendant. In 109 other cases pending in state and federal district courts, plaintiffs seek approximately \$440 million in damages from as many as 50 defendants. In one case, plaintiffs have asserted damages related to General Cable in the amount of \$4 million. In addition, in relation to these 165 cases, there are claims of \$280 million in punitive damages from all of the defendants. However, many of the plaintiffs in these cases allege non-malignant injuries. As of July 1, 2016 and December 31, 2015, we had accrued, on a gross basis, approximately \$4.3 million and \$4.1 million, respectively, and as of July 1, 2016 and December 31, 2015, had recovered approximately \$0.4 million of insurance recoveries for these lawsuits. The net amount of \$3.9 million and \$3.7 million, as of July 1, 2016 and December 31, 2015, respectively, represents our best estimate in order to cover resolution of current asbestos-related claims.

The components of the asbestos litigation reserve are current and future asbestos-related claims. The significant assumptions are: (1) the number of cases per state, (2) an estimate of the judgment per case per state, (3) an estimate of the percentage of cases per state that would make it to trial and (4) the estimated total liability percentage, excluding insurance recoveries, per case judgment. Management's estimates are based on the Company's historical experience with asbestos related claims. The Company's current history of asbestos claims does not provide sufficient and reasonable information to estimate a range of loss for potential future, unasserted asbestos claims because the number and the value of the alleged damages of such claims have not been consistent. As such, the Company does not believe a reasonably possible range can be estimated with respect to asbestos claims that may be filed in the future.

Settlement payments are made, and the asbestos accrual is relieved, when we receive a fully executed settlement release from the plaintiff's counsel. As of July 1, 2016 and December 31, 2015, aggregate settlement costs were \$9.8 million and \$9.7 million, respectively. For the six months ended July 1, 2016 and July 3, 2015, settlement costs totaled less than \$0.1 million. As of July 1, 2016 and December 31, 2015, aggregate litigation costs were \$26.7 million and \$26.1 million, respectively. For the six months ended July 1, 2016 and July 3, 2015, litigation costs were \$0.6 million and \$0.7 million, respectively.

In January 1994, we entered into a settlement agreement with certain principal primary insurers concerning liability for the costs of defense, judgments and settlements, if any, in all of the asbestos litigation described above. Subject to the terms and conditions of the settlement agreement, the insurers were responsible for a substantial portion of the costs and expenses incurred in the defense or resolution of this litigation. However, one of the insurers participating in the settlement that was responsible for a significant portion of the contribution under the settlement agreement entered into insurance liquidation proceedings and another became insolvent. As a result, the contribution of the insurers has been reduced and we have had to bear substantially most of the costs relating to these lawsuits.

*European Commission competition matter*

As part of the Company's acquisition of Silec in December 2005, SAFRAN SA ("SAFRAN"), agreed to indemnify the Company for the full amount of losses arising from, related to or attributable to practices, if any, that are similar to previous practices investigated by the French competition authority for alleged competition law violations related to medium-and high voltage cable markets. The Company has asserted a claim under this indemnity against SAFRAN related to the European Commission's Statement of Objections, discussed below, to preserve the Company's rights in case of an adverse European Commission decision.

On July 5, 2011, the European Commission issued a Statement of Objections in relation to its ongoing competition investigation to a number of wire and cable manufacturers in the submarine and underground power cables business, including our Spanish affiliate, Grupo General Cable Sistemas, and its French subsidiary, Silec. The Statement of Objections alleged that the two affiliates engaged in violations of competition law in the underground power cables businesses for limited periods of time. The allegations related to Grupo General Cable Sistemas claimed that it had participated in a cartel from January 2003 to May 2007, while the allegations related to Silec were for the ten month period following its December 22, 2005 acquisition from SAFRAN by Grupo General Cable Sistemas.

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Following our formal responses to the Statement of Objections in October 2011 and a hearing in 2012, the European Commission issued a final decision on April 2, 2014. In the decision, the claims of infringement against Grupo General Cable Sistemas were dismissed for lack of evidence of alleged cartel activity. With regard to Silec, the European Commission's decision imposed a fine of 1.9 million Euros related to the period Silec has been owned by us. This fine was based on participation that allegedly commenced well before Silec was acquired by us. On June 13, 2014, we filed an appeal with the General Court of the European Union challenging the European Commission's decision as to Silec in Europe based on established precedent. We also continue to pursue our claim for full indemnification for the Silec fine under the terms of the acquisition agreement with SAFRAN executed in 2005.

### *Transformer damage claims*

In March 2012, we received formal notice of a claim for damages arising from a transformer fire that occurred in December 2010 allegedly resulting in loss of equipment and some consequential damages at a metal processing facility in Iceland. We supplied and installed cables and terminations to the transformer, which was manufactured and installed by an independent third party, during 2006 and the first quarter of 2007. Our work was inspected and accepted by the customer in March 2007. In August 2012, the customer initiated arbitration proceedings before the ICC Tribunal with a request to arbitrate in Pennsylvania. In September 2012, we initiated litigation in Pennsylvania state court seeking a declaration that we are not liable for any damages associated with the alleged loss resulting from the transformer fire and seeking to enjoin the ICC arbitration proceedings. The customer then moved the case from state to federal district court in the Western District of Pennsylvania which determined on motion that the ICC Tribunal not the court should decide whether the claims were arbitrable in the first instance. The arbitration was conducted before the ICC Tribunal in April 2015, and the parties filed post-hearing briefs. On March 24, 2016, the ICC Tribunal issued its final order finding the Company liable for \$15.7 million in damages plus prejudgment interest of \$3.5 million. The Company was fully insured for the \$19.2 million award. Payment from the insurers was made in the second quarter of 2016.

### *Brazil tax matters*

One of our Brazilian subsidiaries is involved in administrative proceedings with State treasury offices regarding whether tax incentives granted to us by one Brazilian state are applicable to goods sold in another Brazilian State. We believe we correctly relied on the tax incentives granted and that we have substantial defenses to their disallowance by the Brazilian State claimant. The total amount of taxes allegedly due for the infractions including potential interest and penalties is up to \$8 million. In September 2012, an Administrative Court found that we were not liable for any incentive tax payments claimed by the State treasury office, however this determination was overturned on appeal and has since been further appealed. This appeal remains pending at the Brazilian Courts. Despite the pending appeal, in October 2014, the State issued a summons to recover the approximately \$8 million of contested incentives described above, and we are complying with the terms of the State's summons while continuing to contest the Court's ruling. We currently estimate our range of reasonably possible loss to be between \$0 million and \$8 million.

Our Brazilian subsidiaries have received notifications of various other claims related to disputed tax credits taken on Federal Tax Offset returns, which are in various phases of litigation. We believe we correctly applied the tax credits taken and that we have substantial defenses to these claims. The total amount of taxes allegedly due for the disputed credits, including potential interest and penalties is up to \$12 million.

### *Government and internal investigations*

We have been reviewing, with the assistance of external counsel, our use and payment of agents in connection with, and certain other transactions involving, our operations in Angola, Thailand, India, China and Egypt (the "Subject Countries"). Our review has focused upon payments and gifts made, offered, contemplated or promised by certain employees in one or more of the Subject Countries, directly and indirectly, and at various times, to employees of public utility companies and/or other officials of state owned entities that raise concerns under the FCPA and possibly under the laws of other jurisdictions. During 2015, we substantially completed our internal review in the Subject Countries and, based on our findings, we increased our outstanding FCPA-related accrual to \$28 million in the year ended December 31, 2015. At this time, we are in early stages of discussions with the SEC and DOJ regarding the terms of a potential resolution of the ongoing investigations, and based on these discussions, we believe the amount of total disgorgement of profits, including pre-judgment interest, required to resolve the investigation is in the range of \$33 million to \$59 million. As a result, we have increased our existing accrual as of July 1, 2016 by \$5 million to \$33 million, which represents the low-end of the range. The amount accrued solely reflects profits and pre-judgment interest that may be disgorged, and does not include, and we are not able to reasonably estimate, the amount of any possible fines, civil or criminal penalties or other relief, any or all of which could be substantial. The SEC and DOJ inquiries into these matters remain ongoing, and we continue to cooperate with the DOJ and the SEC with respect to these matters. At this time, we are unable to predict the nature of any action that may be taken by the DOJ or SEC or any remedies these agencies may pursue as a result of such actions.

The amounts accrued and the additional range of reasonably possible loss solely reflect profits that may be disgorged based on our investigation in the Subject Countries, and do not include, and we are not able to reasonably estimate, the amount of any possible fines, civil or criminal penalties or other relief, any or all of which could be substantial. The SEC and DOJ inquiries into these matters remain ongoing. We continue to cooperate with the DOJ and the SEC with respect to these matters. At this time,

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we are unable to predict the nature of any action that may be taken by the DOJ or SEC or any remedies these agencies may pursue as a result of such actions.

As previously disclosed, we conducted internal investigations, subject to the oversight of the Audit Committee of our Board of Directors and with the assistance of external counsel, principally relating to matters resulting in restatements of a number of our previously issued financial statements. The matters addressed in the investigations included (i) inventory accounting errors addressed in the restatements, including those resulting from inventory theft in Brazil, as well as the timing of internal reporting of the inventory accounting issues to senior corporate management at our headquarters in Highland Heights, Kentucky and (ii) historical revenue recognition accounting practices with regard to “bill and hold” sales in Brazil related to aerial transmission projects, including instances where we determined that the requirements for revenue recognition under GAAP with respect to the bill and hold sales were not met. (“Bill and hold” sales generally are sales meeting specified criteria under GAAP that enable the seller to recognize revenue at the time title to goods and ownership risk is transferred to the customer, even though the seller does not ship the goods until a later time. In typical sales transactions other than those accounted for as bill and hold, title to goods and ownership risk is transferred to the customer at the time of shipment or delivery.) In connection with these matters, among others, our management identified control deficiencies that constituted material weaknesses in our internal control over financial reporting. These material weaknesses resulted in accounting errors that caused us to issue two sets of restated financial statements. In March 2013, principally to correct the inventory accounting errors, we issued restated consolidated financial statements as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009, and unaudited restated financial statements for interim periods in 2011 and interim periods ended on March 30, 2012 and June 29, 2012. In January 2014, principally to correct errors relating to revenue recognition with respect to the bill and hold sales, we issued restated consolidated financial statements (which also encompassed matters addressed in the earlier restatement) as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011, 2010 and 2009, and unaudited restated financial statements for interim periods in 2011 and 2012 and the interim period ended on March 29, 2013.

We voluntarily contacted the SEC to advise it of our initial internal investigation, and we have continued to provide information to the SEC on an ongoing basis, including, among other things, information regarding the matters described above and certain earnings management activities by employees prior to the end of 2012. As we previously disclosed, these earnings management activities (none of which identified to date had a material effect on our consolidated financial statements) were designed to delay the reporting of expenses or other charges, including improper capitalization of costs, misuse of accruals and failure to timely report inventory shortfalls identified through physical inventory counts. The SEC has issued a formal order of investigation. Pursuant to the formal order, the SEC issued subpoenas to us seeking relevant documents and to certain of our current and former employees seeking their testimony. The SEC has requested information regarding, among other things, the above-described Angola matter, matters that were subject to our internal investigations and earnings management activities by employees. We continue to cooperate with the SEC in connection with its investigation.

Any determination that our operations or activities are not in compliance with existing laws or regulations could result in the imposition of substantial fines, civil and criminal penalties, and equitable remedies, including disgorgement and injunctive relief. Because the government investigations regarding commission payment practices and our use and payment of agents described above are ongoing, we are unable to predict their duration, scope, results, or consequences. Dispositions of these types of matters can result in modifications to business practices and compliance programs, and in some cases the appointment of a monitor to review future business and practices with the objective of effecting compliance with the FCPA and other applicable laws. At this time, we cannot reasonably estimate the amount or range of additional possible loss that we may incur above the amount accrued to date in connection with the foregoing matters.

### *Purported class action and derivative litigation*

Litigation was initiated against us and certain of our current and former directors, executive officers and employees following the restating of our financial statements principally as a result of the matters described above under “Government and internal investigations” relating to our Brazilian business.

Two civil complaints were filed in the United States District Court for the Southern District of New York on October 21, 2013 and December 4, 2013 by named plaintiffs, on behalf of purported classes of persons who purchased or otherwise acquired our publicly traded securities, against us, Gregory Kenny, our former President and Chief Executive Officer, and Brian Robinson, our Executive Vice President and Chief Financial Officer. On our motion, the complaints were transferred to the United States District Court for the Eastern District of Kentucky, the actions were consolidated, and a consolidated complaint was filed in that Court on May 20, 2014 by City of Livonia Employees Retirement System, as lead plaintiff on behalf of a purported class of all persons or entities who purchased our securities between November 3, 2010 and October 14, 2013 (the “City of Livonia Complaint”). The City of Livonia Complaint alleged claims under the antifraud and controlling person liability provisions of the Exchange Act, alleging generally, among other assertions, that we employed inadequate internal financial reporting controls that resulted in, among other things, improper revenue recognition, understated cost of sales, overstated operating income, net income and earnings per share, and the failure to detect inventory lost through theft; that we issued materially false financial results that had to be restated on two occasions; and that statements of Messrs. Kenny and Robinson that they had tested and found effective our internal

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controls over financial reporting and disclosure were false. The City of Livonia Complaint alleged that as a result of the foregoing, our stock price was artificially inflated and the plaintiffs suffered damages in connection with their purchase of our stock. The City of Livonia Complaint sought damages in an unspecified amount; reasonable costs and expenses, including counsel and experts fees; and such equitable injunctive or other relief as the Court deems just and proper. On January 27, 2015, the Court dismissed the City of Livonia Complaint, with prejudice, based on plaintiff's failure to state a claim upon which relief could be granted. On February 24, 2015, plaintiff filed a motion to alter or amend the January 27, 2015 judgment and for leave to file the proposed amended complaint, which the lower Court also denied. On June 9, 2015, plaintiff appealed the lower Court's decisions to the Sixth Circuit Court of Appeals. On May 24, 2016, the Sixth Circuit Court of Appeals affirmed the lower Court's decisions. On June 28, 2016, plaintiff filed a petition for rehearing or rehearing en banc. On July 19, 2016, the Sixth Circuit Court of Appeals denied plaintiff's petition for rehearing or rehearing en banc.

In addition, a derivative complaint was filed on January 7, 2014 in the Campbell County, Kentucky Circuit Court against all but one member of our Board of Directors, including Mr. Kenny, two former directors, Mr. Robinson and two former officers, one of whom is a former executive officer. The derivative complaint alleges that the defendants breached their fiduciary duties by knowingly failing to ensure that we implemented and maintained adequate internal controls over our accounting and financial reporting functions and by knowingly disseminating to stockholders materially false and misleading statements concerning our financial results and internal controls. The derivative complaint seeks damages in an unspecified amount, appropriate equitable relief to remedy the alleged breaches of fiduciary duty, attorneys' fees, experts' fees and other costs. On March 5, 2014, the derivative case was placed on inactive status until a motion is filed by a party to reinstate the action to the Court's active docket. On July 27, 2016, plaintiff filed a Notice of Dismissal with the Court voluntarily terminating the derivative litigation.

We believe the derivative complaint, insofar as it relates to our current and former directors, including Mr. Kenny, and to Mr. Robinson, and the City of Livonia Complaint are without merit and intend to vigorously contest the actions.

### *Other*

In addition, we are involved in various routine legal proceedings and administrative actions incidental to our business. In the opinion of our management, these routine proceedings and actions should not, individually or in the aggregate, have a material adverse effect on our consolidated results of operations, cash flows or financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these matters or other similar matters, if unfavorable, may have such adverse effects.

In accordance with GAAP, we record a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. To the extent additional information arises or our strategies change, it is possible that our estimate of our probable liability in these matters may change.

The General Cable Executive Severance Benefit Plan ("Severance Plan"), effective January 1, 2008, applicable to our U.S. executives holding a position of Executive Vice President or above prior to August 1, 2014, and the 2014 Executive Officer Severance Plan ("2014 Severance Plan"), applicable to the Company's executive officers holding a position of Executive Vice President or above or the position of Chief Financial Officer, General Counsel, Chief Compliance Officer or Chief Human Resources Officer and were hired or first promoted into such position after August 1, 2014, each include a change in control provision such that the executives may receive payments or benefits in accordance with the Severance Plan or 2014 Severance Plan, as applicable, to the extent that both a change of control and a triggering event, each as defined in the Severance Plan, occur. Unless there are circumstances of ineligibility, as defined, the Company must provide payments and benefits upon both a change in control and a triggering event.

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At July 1, 2016, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are \$15.3 million, \$8.0 million, \$6.1 million, \$4.5 million and \$3.8 million, respectively, and \$5.0 million thereafter.

As of July 1, 2016, the Company had \$27.9 million in letters of credit (including the \$25.2 million outstanding on the Company's Revolving Credit Facility), \$233.7 million in various performance bonds and \$100.4 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when the Company obtains advance payments to secure the production of cable for long-term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract.

**19. Unconsolidated Affiliated Companies**

Unconsolidated affiliated companies are those in which the Company generally owns less than 50 percent of the outstanding voting shares. The Company does not control these companies and accounts for its investments in them on the equity method basis. The unconsolidated affiliated companies primarily manufacture or market wire and cable products in the Latin America and Africa/Asia Pacific segments. The Company's share of the income of these companies is reported in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) under "Equity in net earnings of affiliated companies." For the three fiscal months ended July 1, 2016 and July 3, 2015, equity in net earnings of affiliated companies was \$0.3 million and \$0.0 million, respectively. For the six fiscal months ended July 1, 2016 and July 3, 2015, equity in net earnings of affiliated companies was \$0.4 million and \$0.2 million, respectively. The net investment in unconsolidated affiliated companies was \$8.8 million and \$8.4 million as of July 1, 2016 and December 31, 2015, respectively. As of July 1, 2016, the Company's ownership percentage was as follows: Colada Continua Chilena, S.A. 41%, Nostag GmbH & Co. KG 33%, and Pakistan Cables Limited 24.6%.

**20. Fair Value Disclosure**

The fair market values of the Company's financial instruments are determined based on the fair value hierarchy as discussed in ASC 820 - Fair Value Measurements.

The Company carries derivative assets and liabilities (Level 2) and marketable equity securities (Level 1) held in the rabbi trust as part of the Company's Deferred Compensation Plan at fair value. The fair values of derivative assets and liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices and indices to generate pricing and volatility factors, which are used to value the position. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. Marketable equity securities are recorded at fair value, which are based on quoted market prices.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below (in millions).

	Fair Value Measurement							
	July 1, 2016				December 31, 2015			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
<b>Assets:</b>								
Derivative assets	\$ —	\$ 2.9	\$ —	\$ 2.9	\$ —	\$ 0.7	\$ —	\$ 0.7
Equity securities <sup>(1)</sup>	10.7	—	—	10.7	18.0	—	—	18.0
<b>Total assets</b>	<b>\$ 10.7</b>	<b>\$ 2.9</b>	<b>\$ —</b>	<b>\$ 13.6</b>	<b>\$ 18.0</b>	<b>\$ 0.7</b>	<b>\$ —</b>	<b>\$ 18.7</b>
<b>Liabilities:</b>								
Derivative liabilities	\$ —	\$ 2.8	\$ —	\$ 2.8	\$ —	\$ 12.2	\$ —	\$ 12.2
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 2.8</b>	<b>\$ —</b>	<b>\$ 2.8</b>	<b>\$ —</b>	<b>\$ 12.2</b>	<b>\$ —</b>	<b>\$ 12.2</b>

(1) Balance represents the market value of the assets, exclusive of the market value of restricted stock and restricted stock units held ("Deferred Stock") and the General Cable Stock Fund by participants' elections, held in the Rabbi Trust in connection with the Company's deferred compensation plan at July 1, 2016 and December 31, 2015 classified as "other non-current assets" in the Condensed Consolidated Balance Sheets. The market value of mutual fund investments and the General Cable Stock Fund in the Rabbi Trust was \$16.2 million and \$25.6 million as of July 1, 2016 and December 31, 2015, respectively. Amounts payable to the plan participants at July 1, 2016 and December 31, 2015, excluding the Deferred Stock, were \$11.7 million and \$19.0 million, respectively, and are classified as "Other liabilities" in the Condensed Consolidated Balance Sheets.

At July 1, 2016, there were no material financial assets or financial liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Similarly, there were no other nonfinancial assets or nonfinancial liabilities measured at fair value on a non-recurring basis.

**21. Supplemental Guarantor Condensed Financial Information**

General Cable Corporation (“Parent Company”) and its U.S. 100% wholly-owned subsidiaries (“Guarantor Subsidiaries”) fully and unconditionally guarantee the \$600.0 million of 5.75% Senior Notes due in 2022 of the Parent Company on a joint and several basis. The following tables present financial information about the Parent Company, Guarantor Subsidiaries and Non-Guarantor Subsidiaries in millions. Intercompany transactions are eliminated in the “Eliminations” column of the Supplemental Guarantor Condensed Financial Information tables. The results of Asia Pacific have been reclassified as discontinued operations for all periods presented, and are included as Non-Guarantor Subsidiaries in the schedules below. Refer to Note 3 - Assets and Liabilities Held for Sale and Discontinued Operations for additional details.

**Condensed Statements of Operations and Comprehensive Income (Loss) Information  
Three Fiscal Months Ended July 1, 2016**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
<b>Net sales:</b>					
Customers	\$ —	\$ 453.2	\$ 536.8	\$ —	\$ 990.0
Intercompany	16.6	51.2	37.0	(104.8)	—
	16.6	504.4	573.8	(104.8)	990.0
<b>Cost of sales</b>	—	442.5	519.5	(88.2)	873.8
<b>Gross profit</b>	16.6	61.9	54.3	(16.6)	116.2
<b>Selling, general and administrative expenses</b>	12.9	(3.6)	62.9	(16.6)	55.6
<b>Intangible asset impairment charges</b>	—	—	2.5	—	2.5
<b>Operating income (loss)</b>	3.7	65.5	(11.1)	—	58.1
<b>Other income (expense)</b>	—	(0.5)	9.6	—	9.1
<b>Interest income (expense):</b>					
Interest expense	(14.4)	(15.9)	(7.6)	15.2	(22.7)
Interest income	13.7	1.4	0.4	(15.2)	0.3
	(0.7)	(14.5)	(7.2)	—	(22.4)
<b>Income (loss) before income taxes</b>	3.0	50.5	(8.7)	—	44.8
<b>Income tax (provision) benefit</b>	(1.1)	(3.4)	(6.9)	—	(11.4)
<b>Equity in net earnings of affiliated companies and subsidiaries</b>	27.9	(19.2)	0.1	(8.5)	0.3
<b>Net income (loss) from continuing operations</b>	29.8	27.9	(15.5)	(8.5)	33.7
<b>Net income (loss) from discontinued operations, net of tax</b>	—	—	(5.4)	—	(5.4)
<b>Net income (loss) including noncontrolling interest</b>	29.8	27.9	(20.9)	(8.5)	28.3
<b>Less: net income (loss) attributable to noncontrolling interest</b>	—	—	(1.5)	—	(1.5)
<b>Net income (loss) attributable to Company common shareholders</b>	\$ 29.8	\$ 27.9	\$ (19.4)	\$ (8.5)	\$ 29.8
<b>Comprehensive income (loss):</b>					
Net income (loss)	\$ 29.8	\$ 27.9	\$ (20.9)	\$ (8.5)	\$ 28.3
Currency translation gain (loss)	—	—	0.1	(0.4)	(0.3)
Defined benefit plan adjustments, net of tax	1.3	1.3	0.3	(1.6)	1.3
<b>Comprehensive income (loss), net of tax</b>	31.1	29.2	(20.5)	(10.5)	29.3
<b>Comprehensive income (loss) attributable to noncontrolling interest, net of tax</b>	—	—	(1.8)	—	(1.8)
<b>Comprehensive income (loss) attributable to Company common shareholders, net of tax</b>	\$ 31.1	\$ 29.2	\$ (18.7)	\$ (10.5)	\$ 31.1

**Condensed Statements of Operations and Comprehensive Income (Loss) Information**  
**Three Fiscal Months Ended July 3, 2015**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
<b>Net sales:</b>					
Customers	\$ —	\$ 503.1	\$ 610.3	\$ —	\$ 1,113.4
Intercompany	17.1	62.0	36.0	(115.1)	—
	17.1	565.1	646.3	(115.1)	1,113.4
Cost of sales	—	499.9	588.3	(98.0)	990.2
Gross profit	17.1	65.2	58.0	(17.1)	123.2
Selling, general and administrative expenses	16.0	41.7	57.2	(17.1)	97.8
Intangible asset impairment charges	—	—	1.7	—	1.7
Operating income (loss)	1.1	23.5	(0.9)	—	23.7
Other income (expense)	—	(2.5)	(3.5)	—	(6.0)
<b>Interest income (expense):</b>					
Interest expense	(14.4)	(16.4)	(10.1)	15.6	(25.3)
Interest income	13.8	1.9	0.4	(15.6)	0.5
	(0.6)	(14.5)	(9.7)	—	(24.8)
Income (loss) before income taxes	0.5	6.5	(14.1)	—	(7.1)
Income tax (provision) benefit	(0.2)	12.2	(6.5)	—	5.5
Equity in net earnings of affiliated companies and subsidiaries	(7.2)	(25.9)	—	33.1	—
Net income (loss) from continuing operations	(6.9)	(7.2)	(20.6)	33.1	(1.6)
Net income (loss) from discontinued operations, net of tax	—	—	(6.8)	—	(6.8)
Net income (loss) including noncontrolling interest	(6.9)	(7.2)	(27.4)	33.1	(8.4)
Less: net income (loss) attributable to noncontrolling interest	—	—	(1.5)	—	(1.5)
Net income (loss) attributable to Company common shareholders	\$ (6.9)	\$ (7.2)	\$ (25.9)	\$ 33.1	\$ (6.9)
<b>Comprehensive income (loss):</b>					
Net income (loss)	\$ (6.9)	\$ (7.2)	\$ (27.4)	\$ 33.1	\$ (8.4)
Currency translation gain (loss)	(12.8)	(12.8)	(17.0)	29.0	(13.6)
Defined benefit plan adjustments, net of tax	1.8	1.8	0.6	(2.4)	1.8
Comprehensive income (loss), net of tax	(17.9)	(18.2)	(43.8)	59.7	(20.2)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(2.3)	—	(2.3)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (17.9)	\$ (18.2)	\$ (41.5)	\$ 59.7	\$ (17.9)

**Condensed Statements of Operations and Comprehensive Income (Loss) Information**  
**Six Fiscal Months Ended July 1, 2016**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales:					
Customers	\$ —	\$ 900.4	\$ 1,063.6	\$ —	\$ 1,964.0
Intercompany	33.7	118.2	80.1	(232.0)	—
	33.7	1,018.6	1,143.7	(232.0)	1,964.0
Cost of sales	—	896.4	1,043.6	(198.3)	1,741.7
Gross profit	33.7	122.2	100.1	(33.7)	222.3
Selling, general and administrative expenses	31.6	41.3	105.3	(33.7)	144.5
Goodwill impairment charge	—	—	1.6	—	1.6
Intangible asset impairment charges	—	0.3	2.5	—	2.8
Operating income (loss)	2.1	80.6	(9.3)	—	73.4
Other income (expense)	—	(0.3)	8.0	—	7.7
Interest income (expense):					
Interest expense	(28.7)	(32.1)	(13.8)	30.4	(44.2)
Interest income	27.5	2.6	0.9	(30.4)	0.6
	(1.2)	(29.5)	(12.9)	—	(43.6)
Income (loss) before income taxes	0.9	50.8	(14.2)	—	37.5
Income tax (provision) benefit	(1.0)	(3.8)	(7.4)	—	(12.2)
Equity in net earnings of affiliated companies and subsidiaries	25.2	(21.8)	0.1	(3.1)	0.4
Net income (loss) from continuing operations	25.1	25.2	(21.5)	(3.1)	25.7
Net income (loss) from discontinued operations, net of tax	—	—	(1.8)	—	(1.8)
Net income (loss) including noncontrolling interest	25.1	25.2	(23.3)	(3.1)	23.9
Less: net income (loss) attributable to noncontrolling interest	—	—	(1.2)	—	(1.2)
Net income (loss) attributable to Company common shareholders	\$ 25.1	\$ 25.2	\$ (22.1)	\$ (3.1)	\$ 25.1
Comprehensive income (loss):					
Net income (loss)	\$ 25.1	\$ 25.2	\$ (23.3)	\$ (3.1)	\$ 23.9
Currency translation gain (loss)	31.3	31.3	26.9	(58.3)	31.2
Defined benefit plan adjustments, net of tax	2.6	2.6	0.6	(3.2)	2.6
Comprehensive income (loss), net of tax	59.0	59.1	4.2	(64.6)	57.7
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(1.3)	—	(1.3)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ 59.0	\$ 59.1	\$ 5.5	\$ (64.6)	\$ 59.0

**Condensed Statements of Operations and Comprehensive Income (Loss) Information**  
**Six Fiscal Months Ended July 3, 2015**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
<b>Net sales:</b>					
Customers	\$ —	\$ 1,043.5	\$ 1,241.0	\$ —	\$ 2,284.5
Intercompany	38.2	124.7	83.3	(246.2)	—
	38.2	1,168.2	1,324.3	(246.2)	2,284.5
Cost of sales	—	1,026.9	1,228.7	(208.0)	2,047.6
Gross profit	38.2	141.3	95.6	(38.2)	236.9
Selling, general and administrative expenses	36.5	88.9	108.1	(38.2)	195.3
Intangible asset impairment charges	—	—	1.7	—	1.7
Operating income (loss)	1.7	52.4	(14.2)	—	39.9
Other income (expense)	0.7	(4.0)	(28.5)	—	(31.8)
<b>Interest income (expense):</b>					
Interest expense	(29.8)	(33.6)	(19.2)	32.9	(49.7)
Interest income	28.6	4.3	1.0	(32.9)	1.0
	(1.2)	(29.3)	(18.2)	—	(48.7)
Income (loss) before income taxes	1.2	19.1	(60.9)	—	(40.6)
Income tax (provision) benefit	(0.8)	6.6	(1.7)	—	4.1
Equity in net earnings of affiliated companies and subsidiaries	(45.4)	(71.1)	0.1	116.6	0.2
Net income (loss) from continuing operations	(45.0)	(45.4)	(62.5)	116.6	(36.3)
Net income (loss) from discontinued operations, net of tax	—	—	(13.0)	—	(13.0)
Net income (loss) including noncontrolling interest	(45.0)	(45.4)	(75.5)	116.6	(49.3)
Less: net income (loss) attributable to noncontrolling interest	—	—	(4.3)	—	(4.3)
Net income (loss) attributable to Company common shareholders	\$ (45.0)	\$ (45.4)	\$ (71.2)	\$ 116.6	\$ (45.0)
<b>Comprehensive income (loss):</b>					
Net income (loss)	\$ (45.0)	\$ (45.4)	\$ (75.5)	\$ 116.6	\$ (49.3)
Currency translation gain (loss)	(53.8)	(53.8)	(36.2)	85.6	(58.2)
Defined benefit plan adjustments, net of tax	4.8	4.8	2.4	(7.2)	4.8
Comprehensive income (loss), net of tax	(94.0)	(94.4)	(109.3)	195.0	(102.7)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	—	—	(8.7)	—	(8.7)
Comprehensive income (loss) attributable to Company common shareholders, net of tax	\$ (94.0)	\$ (94.4)	\$ (100.6)	\$ 195.0	\$ (94.0)

**Condensed Balance Sheets Information**  
**July 1, 2016**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ —	\$ 1.5	\$ 61.3	\$ —	\$ 62.8
Receivables, net of allowances	—	250.2	503.0	—	753.2
Inventories	—	325.2	446.3	—	771.5
Prepaid expenses and other	—	20.4	81.6	—	102.0
Current assets of discontinued operations	—	—	90.0	—	90.0
<b>Total current assets</b>	<b>—</b>	<b>597.3</b>	<b>1,182.2</b>	<b>—</b>	<b>1,779.5</b>
Property, plant and equipment, net	0.3	187.2	318.8	—	506.3
Deferred income taxes	—	51.9	18.2	(51.9)	18.2
Intercompany accounts	1,104.2	110.4	74.9	(1,289.5)	—
Investment in subsidiaries	131.4	683.1	—	(814.5)	—
Goodwill	—	12.9	6.8	—	19.7
Intangible assets, net	0.1	10.8	25.6	—	36.5
Unconsolidated affiliated companies	—	8.6	0.2	—	8.8
Other non-current assets	—	17.9	23.6	—	41.5
Non-current assets of discontinued operations	—	—	56.1	—	56.1
<b>Total assets</b>	<b>\$ 1,236.0</b>	<b>\$ 1,680.1</b>	<b>\$ 1,706.4</b>	<b>\$ (2,155.9)</b>	<b>\$ 2,466.6</b>
<b>Liabilities and Total Equity</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ —	\$ 115.8	\$ 311.9	\$ —	\$ 427.7
Accrued liabilities	11.1	112.3	236.7	—	360.1
Current portion of long-term debt	—	—	133.8	—	133.8
Current liabilities of discontinued operations	—	—	25.9	—	25.9
<b>Total current liabilities</b>	<b>11.1</b>	<b>228.1</b>	<b>708.3</b>	<b>—</b>	<b>947.5</b>
Long-term debt	770.4	71.0	48.9	—	890.3
Deferred income taxes	183.2	—	14.2	(51.9)	145.5
Intercompany accounts	—	1,178.1	111.4	(1,289.5)	—
Other liabilities	0.5	71.5	106.9	—	178.9
Non-current liabilities of discontinued operations	—	—	1.8	—	1.8
<b>Total liabilities</b>	<b>965.2</b>	<b>1,548.7</b>	<b>991.5</b>	<b>(1,341.4)</b>	<b>2,164.0</b>
Redeemable noncontrolling interest	—	—	18.2	—	18.2
<b>Total Company shareholders' equity</b>	<b>270.8</b>	<b>131.4</b>	<b>683.1</b>	<b>(814.5)</b>	<b>270.8</b>
Noncontrolling interest	—	—	13.6	—	13.6
<b>Total liabilities, redeemable noncontrolling interest and equity</b>	<b>\$ 1,236.0</b>	<b>\$ 1,680.1</b>	<b>\$ 1,706.4</b>	<b>\$ (2,155.9)</b>	<b>\$ 2,466.6</b>

**Condensed Balance Sheets Information**  
**December 31, 2015**

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ —	\$ 0.8	\$ 78.9	\$ —	\$ 79.7
Receivables, net of allowances	—	214.0	472.9	—	686.9
Inventories	—	367.7	440.1	—	807.8
Prepaid expenses and other	—	18.5	43.6	—	62.1
Current assets of discontinued operations	—	—	103.9	—	103.9
Total current assets	—	601.0	1,139.4	—	1,740.4
Property, plant and equipment, net	0.4	192.6	330.5	—	523.5
Deferred income taxes	—	56.2	20.6	(56.2)	20.6
Intercompany accounts	1,114.5	102.8	66.4	(1,283.7)	—
Investment in subsidiaries	72.4	672.8	—	(745.2)	—
Goodwill	—	13.8	8.4	—	22.2
Intangible assets, net	—	9.5	27.1	—	36.6
Unconsolidated affiliated companies	—	8.4	—	—	8.4
Other non-current assets	—	27.1	18.9	—	46.0
Non-current assets of discontinued operations	—	—	56.9	—	56.9
Total assets	<u>\$ 1,187.3</u>	<u>\$ 1,684.2</u>	<u>\$ 1,668.2</u>	<u>\$ (2,085.1)</u>	<u>\$ 2,454.6</u>
<b>Liabilities and Total Equity</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ —	\$ 103.5	\$ 307.9	\$ —	\$ 411.4
Accrued liabilities	11.2	124.0	196.2	—	331.4
Current portion of long-term debt	—	—	154.9	—	154.9
Current liabilities of discontinued operations	—	—	51.6	—	51.6
Total current liabilities	11.2	227.5	710.6	—	949.3
Long-term debt	768.6	127.5	15.5	—	911.6
Deferred income taxes	179.5	—	22.0	(56.2)	145.3
Intercompany accounts	—	1,180.1	103.6	(1,283.7)	—
Other liabilities	—	76.7	108.9	—	185.6
Non-current liabilities of discontinued operations	—	—	1.7	—	1.7
Total liabilities	959.3	1,611.8	962.3	(1,339.9)	2,193.5
Redeemable noncontrolling interest	—	—	18.2	—	18.2
Total Company shareholders' equity	228.0	72.4	672.8	(745.2)	228.0
Noncontrolling interest	—	—	14.9	—	14.9
Total liabilities, redeemable noncontrolling interest and equity	<u>\$ 1,187.3</u>	<u>\$ 1,684.2</u>	<u>\$ 1,668.2</u>	<u>\$ (2,085.1)</u>	<u>\$ 2,454.6</u>

**Condensed Statements of Cash Flows Information**  
**Six Fiscal Months Ended July 1, 2016**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities from continuing operations	\$ 2.8	\$ 23.9	\$ (20.4)	\$ —	\$ 6.3
Net cash flows of operating activities from discontinued operations	—	—	9.7	—	9.7
Net cash flows of operating activities	2.8	23.9	(10.7)	—	16.0
Cash flows of investing activities:					
Capital expenditures	—	(15.2)	(16.9)	—	(32.1)
Proceeds from properties sold	—	0.4	0.2	—	0.6
Disposal of subsidiaries, net of cash disposed of	—	63.7	0.9	—	64.6
Other	—	(0.9)	0.7	—	(0.2)
Net cash flows of investing activities from continuing operations	—	48.0	(15.1)	—	32.9
Net cash flows of investing activities from discontinued operations	—	—	(0.1)	—	(0.1)
Net cash flows of investing activities	—	48.0	(15.2)	—	32.8
Cash flows of financing activities:					
Dividends paid to shareholders	(17.8)	—	—	—	(17.8)
Intercompany accounts	15.0	(19.5)	4.5	—	—
Proceeds from debt	—	505.6	247.4	—	753.0
Repayments of debt	—	(562.2)	(225.6)	—	(787.8)
Dividends paid to noncontrolling interest	—	—	(0.1)	—	(0.1)
Net cash flows of financing activities from continuing operations	(2.8)	(76.1)	26.2	—	(52.7)
Net cash flows of financing activities from discontinued operations	—	—	(1.8)	—	(1.8)
Net cash flows of financing activities	(2.8)	(76.1)	24.4	—	(54.5)
Effect of exchange rate changes on cash and cash equivalents	—	4.9	(1.0)	—	3.9
Cash held for sale	—	—	(4.7)	—	(4.7)
Increase (decrease) in cash and cash equivalents	—	0.7	(7.2)	—	(6.5)
Cash and cash equivalents – beginning of period	—	0.8	111.6	—	112.4
Cash and cash equivalents – end of period	\$ —	\$ 1.5	\$ 104.4	\$ —	\$ 105.9
Less cash and cash equivalents of discontinued operations	—	—	43.1	—	43.1
Cash and cash equivalents of continuing operations – end of period	\$ —	\$ 1.5	\$ 61.3	\$ —	\$ 62.8

**Condensed Statements of Cash Flows Information**  
**Six Fiscal Months Ended July 3, 2015**

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash flows of operating activities from continuing operations	\$ 3.2	\$ 142.1	\$ (9.6)	\$ (6.9)	\$ 128.8
Net cash flows of operating activities from discontinued operations	—	—	0.7	—	0.7
Net cash flows of operating activities	3.2	142.1	(8.9)	(6.9)	129.5
Cash flows of investing activities:					
Capital expenditures	—	(11.6)	(18.7)	—	(30.3)
Proceeds from properties sold	—	0.1	0.2	—	0.3
Disposal of subsidiaries, net of cash disposed of	—	—	22.7	—	22.7
Intercompany accounts	—	7.8	—	(7.8)	—
Other	—	(0.1)	0.4	—	0.3
Net cash flows of investing activities from continuing operations	—	(3.8)	4.6	(7.8)	(7.0)
Net cash flows of investing activities from discontinued operations	—	—	(4.4)	—	(4.4)
Net cash flows of investing activities	—	(3.8)	0.2	(7.8)	(11.4)
Cash flows of financing activities:					
Dividends paid to shareholders	(17.7)	—	—	—	(17.7)
Intercompany accounts	139.3	(154.3)	0.3	14.7	—
Proceeds from debt	—	1,358.1	481.7	—	1,839.8
Repayments of debt	(125.0)	(1,314.7)	(510.0)	—	(1,949.7)
Dividends paid to noncontrolling interest	—	—	(0.1)	—	(0.1)
Proceeds from exercise of stock options	0.2	—	—	—	0.2
Net cash flows of financing activities from continuing operations	(3.2)	(110.9)	(28.1)	14.7	(127.5)
Net cash flows of financing activities from discontinued operations	—	—	(3.4)	—	(3.4)
Net cash flows of financing activities	(3.2)	(110.9)	(31.5)	14.7	(130.9)
Effect of exchange rate changes on cash and cash equivalents	—	(24.4)	(13.8)	—	(38.2)
Increase (decrease) in cash and cash equivalents	—	3.0	(54.0)	—	(51.0)
Cash and cash equivalents - beginning of period	—	1.2	204.6	—	205.8
Cash and cash equivalents - end of period	\$ —	\$ 4.2	\$ 150.6	\$ —	\$ 154.8
Less cash and cash equivalents of discontinued operations	—	—	52.5	—	52.5
Cash and cash equivalents of continuing operations – end of period	\$ —	\$ 4.2	\$ 98.1	\$ —	\$ 102.3

**Intercompany Activity**

The Parent Company and its Guarantor Subsidiaries participate in a cash pooling program. As part of this program, cash balances are generally swept on a daily basis between the Guarantor Subsidiaries' bank accounts and those of the Parent Company. There are a significant number of the Company's subsidiaries that participate in this cash pooling arrangement and there are thousands of transactions per week that occur between the Parent Company and Guarantor Subsidiaries, all of which are accounted for through the intercompany accounts.

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Parent Company transactions include interest, dividends, tax payments and intercompany sales transactions related to administrative costs incurred by the Parent Company, which are billed to Guarantor Subsidiaries on a cost-plus basis. These costs are reported in the Parent's SG&A expenses on the Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) Information for the respective period(s). All intercompany transactions are presumed to be settled in cash when they occur and are included in operating activities on the Condensed Consolidated Statements of Cash Flows. Non-operating cash flow changes are classified as financing activities.

A summary of cash and non-cash transactions of the Parent Company's intercompany account is provided below for the six fiscal months ended July 1, 2016 and the twelve months ended December 31, 2015:

(in millions)	July 1, 2016	December 31, 2015
Beginning Balance	\$ 1,114.5	\$ 1,280.8
Non-cash transactions		
Deferred tax	—	(19.9)
Equity based awards	4.8	11.7
Foreign currency and other	(0.1)	0.2
Cash transactions	(15.0)	(158.3)
Ending Balance	<u>\$ 1,104.2</u>	<u>\$ 1,114.5</u>

**Dividends**

There were no cash dividend payments to the Parent Company from the Guarantor Subsidiaries in the six fiscal months ended July 1, 2016 or July 3, 2015.

**Parent Company Long-Term Debt**

At July 1, 2016 and December 31, 2015, the Parent Company was party to the following long-term financing arrangements:

(in millions)	July 1, 2016	December 31, 2015
5.75% Senior Notes due 2022	\$ 600.0	\$ 600.0
Subordinated Convertible Notes due 2029	429.5	429.5
Debt discount	(256.7)	(257.8)
Debt issuance costs	(11.4)	(12.1)
Other	9.0	9.0
Total Parent Company debt	<u>770.4</u>	<u>768.6</u>
Less current maturities	<u>—</u>	<u>—</u>
Parent Company Long-term debt	<u>\$ 770.4</u>	<u>\$ 768.6</u>

(in millions)	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Debt maturities twelve month period ending	\$ —	\$ —	\$ —	\$ —	\$ —

For long-term debt related to the Parent Company, refer to Note 9 - Long-Term Debt of the Notes to the Condensed Consolidated Financial Statements.

**Commitments and Contingencies**

For contingencies and guarantees related to the Parent Company, refer to Note 18 - Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements.

## GENERAL CABLE CORPORATION AND SUBSIDIARIES

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the Company's financial position, changes in financial condition and results of operations. MD&A is provided as a supplement to the Company's Condensed Consolidated Financial Statements and the accompanying Notes to Condensed Consolidated Financial Statements ("Notes") and should be read in conjunction with the Condensed Consolidated Financial Statements and Notes.

#### Disclosure Regarding Forward-Looking Statements

Certain statements in the report including, without limitation, statements regarding future financial results and performance, plans and objectives, capital expenditures, understanding of competition, projected sources of cash flow, potential legal liability, proposed legislation and regulatory action, and our management's beliefs, expectations or opinions, are forward-looking statements, and as such, we desire to take advantage of the "safe harbor" which is afforded to such statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "believe," "expect," "may," "anticipate," "intend," "estimate," "project," "plan," "assume," "seek to" or other similar expressions, although not all forward-looking statements contain these identifying words.

Actual results may differ materially from those discussed in forward-looking statements as a result of factors, risks and uncertainties over many of which we have no control. These factors, risks and uncertainties include, but are not limited to, the following: (1) general economic conditions, particularly those in the construction, energy and information technology sectors; (2) the volatility in the price of raw materials, particularly copper and aluminum; (3) impairment charges with respect to our long-lived assets; (4) our ability to execute our plan to exit all of our Asia Pacific and African operations; (5) our ability to achieve all of our anticipated cost savings associated with our previously announced global restructuring plans; (6) our ability to invest in product development, to improve the design and performance of our products; (7) economic, political and other risks of maintaining facilities and selling products in foreign countries; (8) domestic and local country price competition; (9) our ability to successfully integrate and identify acquisitions; (10) the impact of technology; (11) our ability to maintain relationships with our distributors and retailers; (12) the changes in tax rates and exposure to new tax laws; (13) our ability to adapt to current and changing industry standards; (14) our ability to execute large customer contracts; (15) our ability to maintain relationships with key suppliers; (16) the impact of fluctuations in foreign currency rates; (17) compliance with foreign and U.S. laws and regulations, including the Foreign Corrupt Practices Act; (18) our ability to negotiate extensions of labor agreements; (19) our ability to continue our uncommitted accounts payable confirming arrangements; (20) our exposure to counterparty risk in our hedging arrangements; (21) our ability to achieve target returns on investments in our defined benefit plans; (22) possible future environmental liabilities and asbestos litigation; (23) our ability to attract and retain key employees; (24) our ability to make payments on our indebtedness; (25) our ability to comply with covenants in our existing or future financing agreements; (26) lowering of one or more of our debt ratings; (27) our ability to maintain adequate liquidity; (28) our ability to maintain effective disclosure controls and procedures and internal control over financial reporting; (29) the trading price of our common stock; and (30) and other material factors.

See Item 1A of the Company's 2015 Annual Report on Form 10-K as filed with the SEC on February 29, 2016 and Part II, Item 1A of this Form 10-Q for a more detailed discussion on some of these risks.

Forward-looking statements reflect the views and assumptions of management as of the date of this report with respect to future events. The Company does not undertake, and hereby disclaims, any obligation, unless required to do so by applicable securities laws, to update any forward-looking statements as a result of new information, future events or other factors. The inclusion of any statement in this report does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

#### Overview

The Company is a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for use in the energy, industrial, construction, specialty and communications markets. The Company additionally engages in the design, integration, and installation on a turn-key basis for products such as high and extra-high voltage terrestrial and submarine systems. The Company analyzes its worldwide operations based on four geographical segments: North America, Europe, Latin America, and Africa/Asia Pacific. As of July 1, 2016, the Company manufactured its product lines in 39 manufacturing facilities and sold its products through its global operations. Additional financial information regarding the Company's segments appears in Note 17 - Segment Information. The Company's guiding principles are as follows:

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- Implementing the Company's new strategy to deliver increased operating income margins and returns from the Company's core strategic operations in North America, Latin America and Europe by leveraging economies of scale and capitalizing on the Company's leading positions across key markets where the Company has built long-standing customer relationships, efficient supply chains and a wide range of product offerings;
- Simplifying the geographic portfolio and reducing operational complexity by continuing on a strategy to exit its operations in Africa and Asia Pacific;
- Aligning organization structure to capitalize on the Company's leading market positions to benefit from key end markets, such as electric utility and communications;
- Strengthening and expanding customer relationships by providing high quality product lines and customer service;
- Continuing to increase cash flow through operational excellence by leveraging the Company's operating systems, logistical expertise, Lean Six Sigma manufacturing tools and techniques to improve the Company's cost position to increase margins as well as delivering improved returns through restructuring initiatives;
- Managing the Company's product portfolio by pursuing market share in faster growing and value added product lines;
- Enhancing organization capabilities by leveraging the Company's diversity and intellectual property through the sharing of best practices across the organization; and
- Cultivating a high performance culture with focus on operational execution, compliance, sustainability, safety, and innovation.

By operating under these guiding principles, the Company has been able to build a strong market position in the areas in which it competes. The Company considers its key performance indicators to be volume, as measured in metal pounds sold, operating income, net income, adjusted operating income, earnings before interest, taxes, depreciation and amortization ("EBITDA"), earnings per share, operating cash flows, the cash conversion cycle, returns on capital employed and invested capital and working capital efficiency.

### **Significant Current Business Trends and Events**

The wire and cable industry is competitive, mature and cost driven with minimal differentiation for many product offerings among industry participants from a manufacturing or technology standpoint. Over the last several years, the Company and the industry have experienced stable demand with pockets of relative demand strength. In certain markets, however, global demand remains below historical levels. The following are significant trends and events that affected the financial results in the three and six months ended July 1, 2016.

#### *Effect of copper and aluminum prices*

The Company's reported (GAAP) results are directly influenced by the price of copper, and to a lesser extent, aluminum. The price of copper and aluminum as traded on the London Metal Exchange ("LME") and Commodity Exchange, Inc. ("COMEX") has historically been subject to considerable volatility. The Company continues to experience volatile commodity pricing, primarily copper and aluminum, as well as other cost inputs. Volatility in the price of copper and aluminum and other raw materials, as well as fuel and energy, may in turn lead to significant fluctuations in our cost of sales or revenues. A significant portion of the Company's electric utility and telecommunications business and, to a lesser extent, the Company's electrical infrastructure business has metal escalators and de-escalators included in customer contracts under a variety of price setting and recovery formulas. The remainder of the Company's business requires that volatility in the cost of metals be recovered through negotiated price changes with customers. In these instances, the ability to change the Company's selling prices may lag the movement in metal prices by a period of time as the customer price changes are implemented.

Therefore, in the short-term, during periods of escalating raw material cost inputs, to the extent the Company is able to increase prices in the market to recover the higher raw material costs, the Company will generally experience an increase in gross profit from the sale of its relatively lower value inventory as computed under the weighted average inventory costing method. If the Company is unable to increase prices with the rise in the raw material market prices due to low levels of demand or market dynamics, the Company will experience lower gross profit. Conversely, during periods of declining raw material cost inputs, to the extent the Company has to decrease prices in the market due to competitive pressure as the current cost of metals declines, the Company will generally experience downward pressure on its gross profit due to the sale of relatively higher value inventory as computed under the weighted average inventory costing method. If the Company is able to maintain price levels in an environment in which raw material prices are declining due to high levels of demand, the Company will experience higher gross profit. There is no exact future measure of the effect to the Company's profitability of the change of raw material cost inputs due to the unique set of selling variables and the high volume of transactions in any given period, each of which involves numerous individual pricing decisions. In the six months ended July 1, 2016, a 1% change in copper and aluminum costs would have impacted the cost of sales by approximately \$8 million. This impact would directly impact gross profit if the Company was unable to change the price of copper and aluminum. To help reduce this volatility, the Company has implemented various pricing mechanisms and hedges a portion of its metal purchases when there is a firm price commitment for a future delivery, but the Company does not engage in speculative metals trading.

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### *Asia Pacific divestiture program*

As part of the 2014 announced divestiture plan, the Company completed the following as of July 1, 2016:

- In the first quarter of 2016, the Company completed the sale of India for cash consideration of \$10.8 million. The pre-tax gain recognized in the six months ended July 1, 2016 from the disposition of India was \$1.6 million.
- In the third quarter of 2015, the Company completed the sale of Thailand for cash consideration of approximately \$88 million.
- In the first quarter of 2015, the Company completed the sale of its 51% interest in Fiji and its 20% interest in Keystone for cash consideration of \$9.3 million and \$11.0 million, respectively.
- In the fourth quarter of 2014, the Company completed the sale of its interest in PDP and PDEP for cash consideration of \$67.1 million.

The results of Asia Pacific are classified as discontinued operations for all periods presented. Previously the results of these businesses included certain allocated corporate costs, which have been reallocated to the remaining continuing operations within the Africa/Asia Pacific segment on a retrospective basis. As a result, the Africa/Asia Pacific segment is now comprised primarily of the Company's Africa businesses. The financial results of the Company's Africa businesses are presented as continuing operations in the Condensed Consolidated Financial Statements. Refer to Note 3 - Assets and Liabilities Held for Sale and Discontinued Operations.

### *Africa divestiture program*

As part of the 2014 announced divestiture plan, the Company completed the following as of July 1, 2016:

- In the second quarter of 2016, the Company completed the sale of Egypt for gross proceeds of \$5.8 million. The pre-tax loss recognized in the three and six months ended July 1, 2016 from the disposition of Egypt was \$8.4 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) in the Europe segment (based on legal structure hierarchy).
- In 2016, the Company signed a definitive agreement to sell Zambia for cash consideration of approximately \$9 million, subject to customary working capital adjustments at the closing date. The estimated pre-tax loss from the disposition of Zambia recognized in the three and six months ended July 1, 2016 was \$13.3 million and is included in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) in the Africa/Asia Pacific segment. The estimated disposal loss was calculated using the Company's cumulative translation adjustment as part of the carrying amount of the investment.

The disposal of the Company's Africa businesses is not considered a strategic shift that has or will have a major effect on the Company's operations and financial results; therefore, the results are presented as continued operations.

### *Restructuring activities*

In the fourth quarter of 2015, the Company committed to a new strategic roadmap targeting growth and improvement in market positions, improvement to its overall cost position, growth through innovation, enhancement of organizational capabilities, alignment of its organization structure and cultivation of a high-performance culture. This effort will be launched in a phased approach and is expected to continue over the next several years. For the three and six months ended July 1, 2016, the Company incurred total costs of \$9.6 million and \$16.4 million, including \$8.3 million and \$12.3 million in North America, \$0.9 million and \$3.6 million in Europe and \$0.4 million and \$0.5 million in Latin America, respectively. These actions resulted in the elimination of approximately 250 positions globally. The Company anticipates these actions will result in savings of approximately \$100 million annually beginning in 2018.

In July 2014, the Company announced that it was implementing a restructuring program. As of July 1, 2016, the program is substantially complete. The restructuring program generated approximately \$18 million of savings in the first six months of 2016, and is expected to generate ongoing annual savings of approximately \$80 million to \$100 million. For the three and six months ended July 1, 2016, the Company incurred charges of \$4.9 million and \$9.8 million, respectively. For the three and six months ended July 1, 2016, costs incurred were \$3.7 million and \$6.1 million in North America, \$0.8 million and \$1.8 million in Europe and \$0.4 million and \$1.9 million in Latin America, respectively. These actions resulted in the elimination of approximately 1,310 positions globally.

### *North America automotive ignition wire sale*

As part of the November 2015 strategic roadmap, in the second quarter of 2016, the Company completed the disposal of its North American Automotive Ignition Wire business for total consideration of \$70.7 million. The pre-tax gain recognized in the three and six months ended July 1, 2016 from the disposition of the Automotive Ignition Wire business was \$53.2 million. The gain is

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recognized in the SG&A expenses caption in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). This disposal did not represent a strategic shift that has or will have a major effect on the Company's operations and financial results; therefore, the results are presented as continued operations.

### *Events affecting Venezuelan Operations*

Effective October 2, 2015, the Company deconsolidated its Venezuelan subsidiary and began accounting for its investment in the Venezuelan subsidiary using the cost method of accounting. Beginning in the fourth quarter of 2015, the Company's financial results will only include U.S. dollar payments received from its Venezuelan subsidiary. Accordingly, the Company will no longer include the results of our local Venezuelan subsidiary's operations in future reporting periods. In the third quarter of 2016, the Company completed the sale of its Venezuelan subsidiary for cash consideration of approximately \$6 million. Refer to Note 1 - Basis of Presentation and Principles of Consolidation.

### *FCPA Matters*

We have been reviewing, with the assistance of external counsel, our use and payment of agents in connection with, and certain other transactions involving, our operations in Angola, Thailand, India, China and Egypt (the "Subject Countries"). Our review has focused upon payments and gifts made, offered, contemplated or promised by certain employees in one or more of the Subject Countries, directly and indirectly, and at various times, to employees of public utility companies and/or other officials of state owned entities that raise concerns under the FCPA and possibly under the laws of other jurisdictions. During 2015, we substantially completed our internal review in the Subject Countries and, based on our findings, we increased our outstanding FCPA-related accrual to \$28 million in the year ended December 31, 2015. At this time, we are in early stages of discussions with the SEC and DOJ regarding the terms of a potential resolution of the ongoing investigations, and based on these discussions, we believe the amount of total disgorgement of profits, including pre-judgment interest, required to resolve the investigation is in the range of \$33 million to \$59 million. As a result, we have increased our existing accrual as of July 1, 2016 by \$5 million to \$33 million, which represents the low-end of the range. The amount accrued solely reflects profits and pre-judgment interest that may be disgorged, and does not include, and we are not able to reasonably estimate, the amount of any possible fines, civil or criminal penalties or other relief, any or all of which could be substantial. The SEC and DOJ inquiries into these matters remain ongoing, and we continue to cooperate with the DOJ and the SEC with respect to these matters. At this time, we are unable to predict the nature of any action that may be taken by the DOJ or SEC or any remedies these agencies may pursue as a result of such actions.

### *Seasonality*

The Company generally has experienced and expects to continue to experience certain seasonal trends in many products in which demand is linked with construction spending. Demand for these products during winter months in certain geographies is usually lower than demand during spring and summer months. Therefore, larger amounts of working capital are generally required during winter months in order to build inventories in anticipation of higher demand during the spring and summer months, when construction activity increases. In turn, receivables related to higher sales activity during the spring and summer months are generally collected during the fourth quarter of the year. Additionally, the Company has historically experienced changes in demand resulting from poor or unusual weather.

### *Other Trends*

In addition to the factors previously mentioned, the Company is currently being affected by the following general macro-level trends:

- Global demand and pricing are uneven as a result of macroeconomic factors, and therefore, continues to hamper growth in key end markets;
- Currency volatility and continued political uncertainty in certain markets;
- Volatility in the price of copper and aluminum;
- Competitive price pressures in certain markets;
- New commodity deposits are more difficult to find, harder and more expensive to extract, and lower in quantities;
- End market demand in Latin America continues to be hampered by inconsistent construction spending and electrical infrastructure investment;
- Recovery is slow in Europe and demand continues to be uneven for a broad spectrum of products in Europe;
- The U.S. market has remained relatively stable compared to the uneven and challenging operating environments of the emerging economies;
- New communications networks are an enabling technology, which require communication infrastructure investment;
- Climate change concerns are resulting in increased regulatory energy mandates, emphasizing renewable sources of energy;
- Project timing continues to be volatile resulting in a lag in demand in all segments; and
- Countries are seeking greater energy independence for political and economic reasons.

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The Company's overall financial results discussed in this section of the quarterly report reflect the above trends.

**Results of Operations**

The following table sets forth, for the periods indicated, consolidated statements of operations data in millions of dollars and as a percentage of net sales. Percentages may not add due to rounding.

	Three Fiscal Months Ended				Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015		July 1, 2016		July 3, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	\$ 990.0	100.0 %	\$ 1,113.4	100.0 %	\$ 1,964.0	100.0 %	\$ 2,284.5	100.0 %
Cost of sales	873.8	88.3 %	990.2	88.9 %	1,741.7	88.7 %	2,047.6	89.6 %
Gross profit	116.2	11.7 %	123.2	11.1 %	222.3	11.3 %	236.9	10.4 %
Selling, general and administrative expenses	55.6	5.6 %	97.8	8.8 %	144.5	7.4 %	195.3	8.5 %
Goodwill impairment charge	—	— %	—	— %	1.6	0.1 %	—	— %
Intangible asset impairment charges	2.5	0.3 %	1.7	0.2 %	2.8	0.1 %	1.7	0.1 %
Operating income (loss)	58.1	5.9 %	23.7	2.1 %	73.4	3.7 %	39.9	1.7 %
Other income (expense)	9.1	0.9 %	(6.0)	(0.5)%	7.7	0.4 %	(31.8)	(1.4)%
Interest expense, net	(22.4)	(2.3)%	(24.8)	(2.2)%	(43.6)	(2.2)%	(48.7)	(2.1)%
Income (loss) before income taxes	44.8	4.5 %	(7.1)	(0.6)%	37.5	1.9 %	(40.6)	(1.8)%
Income tax (provision) benefit	(11.4)	(1.2)%	5.5	0.5 %	(12.2)	(0.6)%	4.1	0.2 %
Equity in net earnings of affiliated companies	0.3	— %	—	— %	0.4	— %	0.2	— %
Net income (loss) from continuing operations	33.7	3.4 %	(1.6)	(0.1)%	25.7	1.3 %	(36.3)	(1.6)%
Net income (loss) from discontinued operations, net of tax	(5.4)	(0.5)%	(6.8)	(0.6)%	(1.8)	(0.1)%	(13.0)	(0.6)%
Net income (loss) including noncontrolling interest	28.3	2.9 %	(8.4)	(0.8)%	23.9	1.2 %	(49.3)	(2.2)%
Less: net income (loss) attributable to noncontrolling interest	(1.5)	(0.2)%	(1.5)	(0.1)%	(1.2)	(0.1)%	(4.3)	(0.2)%
Net income (loss) attributable to Company common shareholders	\$ 29.8	3.0 %	\$ (6.9)	(0.6)%	\$ 25.1	1.3 %	\$ (45.0)	(2.0)%

**Three Fiscal Months Ended July 1, 2016 Compared with Three Fiscal Months Ended July 3, 2015 - Continuing Operations**

*Net Sales*

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the three months ended July 3, 2015 have been adjusted to reflect the three months ended July 1, 2016 copper COMEX average price of \$2.13 per pound (a \$0.64 decrease compared to the same period in 2015) and the aluminum LME average price of \$0.79 per pound (a \$0.13 decrease compared to the same period in 2015).

See previous discussion of metal price volatility in "Significant Current Business Trends and Events - Effect of copper and aluminum prices".

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	Net Sales Three Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 530.9	54%	\$ 609.4	55%
Europe	229.5	23%	250.9	23%
Latin America	168.2	17%	188.8	17%
Africa/Asia Pacific	61.4	6%	64.3	5%
Total net sales	\$ 990.0	100%	\$ 1,113.4	100%

Metal-adjusted net sales, a non-GAAP financial measure, are provided below in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above.

	Metal-Adjusted Net Sales Three Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 530.9	54%	\$ 561.3	55%
Europe	229.5	23%	235.1	23%
Latin America	168.2	17%	163.2	17%
Africa/Asia Pacific	61.4	6%	55.8	5%
Total metal-adjusted net sales	\$ 990.0	100%	\$ 1,015.4	100%
Metal adjustment	—		98.0	
Total net sales	\$ 990.0		\$ 1,113.4	

Metal pounds sold is provided below as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes.

	Metal Pounds Sold Three Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Pounds	%	Pounds	%
North America	137.3	52%	138.7	55%
Europe	40.8	15%	41.4	16%
Latin America	63.9	24%	56.7	22%
Africa/Asia Pacific	22.9	9%	16.4	7%
Total metal pounds sold	264.9	100%	253.2	100%

Net sales decreased \$123.4 million to \$990.0 million for the three months ended July 1, 2016 from \$1,113.4 million for the three months ended July 3, 2015. Net sales decreased \$98.0 million due to unfavorable copper and aluminum price changes, \$27.4 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues and unfavorable selling price and product mix of approximately \$16.0 million, partially offset by higher volume of \$18.0 million. Volume, as measured by metal pounds sold, increased 11.7 million pounds, or 5%, to 264.9 million pounds in the three months ended July 1, 2016 as compared to 253.2 million pounds for the three months ended July 3, 2015.

Net sales in the North America segment decreased \$78.5 million, or 13%. Net sales decreased \$48.1 million due to unfavorable copper and aluminum price changes, \$4.7 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues, principally related to the Canadian dollar, unfavorable selling price and product mix of \$23.5 million and decreased volume of \$2.2 million. Volume, as measured by metal pounds sold, decreased 1.4 million pounds, or 1%, in the three months ended July 1, 2016 compared to the three months ended July 3, 2015. The decrease was primarily attributable to unfavorable market demand for specialty products, particularly those used in oil and gas applications, partially offset by favorable market demand for the North American construction cable businesses.

Net sales in the Europe segment decreased \$21.4 million, or 9%. Net sales decreased \$15.8 million due to unfavorable copper and aluminum price changes, unfavorable product mix of approximately \$8.0 million and decreased volume of \$0.9 million, partially offset by favorable foreign currency exchange rate changes of \$3.3 million on the translation of reported revenues. Volume,

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as measured by metal pounds sold, decreased by 0.6 million pounds, or 1%, for the three months ended July 1, 2016 compared to the three months ended July 3, 2015. The decrease in volume sold was primarily attributable to exiting of certain businesses as a result of the Company's July 2014 restructuring program in the three months ended July 1, 2016 compared to the three months ended July 3, 2015, partially offset by demand for electric utility cables including land-based turnkey and energy products.

Net sales in the Latin America segment decreased \$20.6 million, or 11%. Net sales decreased \$25.6 million due to unfavorable copper and aluminum price changes and \$13.5 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues due to the weakening of certain currencies in Latin America relative to the U.S. dollar. The decrease was partially offset by favorable selling price and product mix of approximately \$7.4 million and increased volume of \$11.1 million. Volume, as measured by metal pounds sold, increased by 7.2 million pounds, or 13%, in the three months ended July 1, 2016 compared to the three months ended July 3, 2015. The increase in volume sold is primarily attributable to favorable demand for aerial transmission products in Brazil in the three months ended July 1, 2016 as compared to the three months ended July 3, 2015, partially offset by end market demand pressure throughout the region due to ongoing difficult economic conditions and reduced government spending.

Net sales in the Africa/Asia Pacific segment decreased \$2.9 million, or 5%. Net sales decreased \$8.5 million due to unfavorable copper and aluminum price changes and \$12.5 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues primarily due to the weakening of certain currencies in Africa relative to the U.S. dollar. The decrease was partially offset by a favorable product mix of approximately \$8.1 million and increased volume of \$10.0 million. Volume, as measured by metal pounds sold, increased by 6.5 million pounds, or 40%, in the three months ended July 1, 2016 compared to the three months ended July 3, 2015. The increase in volume sold is primarily attributable to favorable demand for electrical utility products in northern Africa in the three months ended July 1, 2016 as compared to the three months ended July 3, 2015.

#### *Cost of Sales*

Cost of sales decreased \$116.4 million to \$873.8 million in the three months ended July 1, 2016 from \$990.2 million in the three months ended July 3, 2015. The percentage decrease in cost of sales is consistent with the percentage decrease in sales. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 45% of total product cost.

#### *Gross Profit*

Gross profit decreased \$7.0 million for the three months ended July 1, 2016 as compared to the three months ended July 3, 2015. Gross profit as a percentage of sales was 12% and 11% for the three months ended July 1, 2016 and July 3, 2015, respectively.

#### *SG&A Expenses*

SG&A expenses decreased \$42.2 million, or 43% for the three months ended July 1, 2016 as compared to the three months ended July 3, 2015 primarily due to the \$53.2 million pre-tax gain on the disposition of the North American Automotive Ignition Wire business and a decrease in SG&A expenses incurred as part of the global restructuring plans, which were \$7.8 million in the three months ended July 1, 2016 compared to \$16.8 million in the three months ended July 3, 2015, partially offset by the \$13.3 million estimated pre-tax loss from the disposition of Zambia, the \$8.4 million pre-tax loss from the disposition of Egypt and the recognition of an additional \$5.0 million accrual related to the FCPA investigation. SG&A expenses as a percentage of net sales was approximately 6% and 9% for the three months ended July 1, 2016 and July 3, 2015, respectively.

#### *Operating Income (Loss)*

The following table sets forth operating income (loss) by segment, in millions of dollars.

	Operating Income (Loss)			
	Three Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 73.8	127 %	\$ 30.9	130 %
Europe	(1.5)	(3)%	(1.2)	(5)%
Latin America	0.4	1 %	(2.5)	(11)%
Africa/Asia Pacific	(14.6)	(25)%	(3.5)	(14)%
Total operating income (loss)	\$ 58.1	100 %	\$ 23.7	100 %

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The increase in operating income for the North America segment of \$42.9 million was primarily due to the \$53.2 million pre-tax gain from the disposition of the North American Automotive Ignition Wire business and the benefit of restructuring initiatives in the three months ended July 1, 2016. The increase was partially offset by weaker demand as noted above, the recognition of an additional \$5.0 million accrual related to the FCPA investigation and restructuring costs of \$12.0 million recognized in the three months ended July 1, 2016 as compared to \$3.7 million in the three months ended July 3, 2015.

The increase in operating loss for the Europe segment of \$0.3 million was primarily attributable to the \$8.4 million pre-tax loss from the disposition of Egypt and lower subsea project activity in the three months ended July 1, 2016, partially offset by the benefit of restructuring initiatives recognized in the three months ended July 1, 2016 and a decrease in the costs incurred as part of the global restructuring plans, which were \$1.7 million in the three months ended July 1, 2016 compared to \$12.4 million in the three months ended July 3, 2015.

The increase in operating income for the Latin America segment of \$2.9 million was primarily attributable to the benefit of restructuring initiatives recognized in the three months ended July 1, 2016.

The increase in operating loss for the Africa/Asia Pacific segment of \$11.1 million was primarily attributable to the \$13.3 million estimated pre-tax loss from the disposition of Zambia recognized in the three months ended July 1, 2016.

### *Other Income (Expense)*

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated, as well as gains and losses on derivative instruments that are not designated as cash flow hedges. During the three months ended July 1, 2016 and July 3, 2015, the Company recorded other income of \$9.1 million and other expense of \$6.0 million, respectively. For the three months ended July 1, 2016, other income was primarily attributable to \$5.7 million related to other foreign currency transaction gains and \$3.4 million related to gains on derivative instruments that were not designated as cash flow hedges. For the three months ended July 3, 2015, other expense of \$6.0 million was primarily attributable to \$3.6 million related to other foreign currency transaction losses and \$2.4 million related to losses on derivative instruments that were not designated as cash flow hedges.

### *Interest Expense*

Net interest expense decreased to \$22.4 million for the three months ended July 1, 2016 from \$24.8 million for the three months ended July 3, 2015 primarily due to cash proceeds which were utilized to pay down debt from divestitures and the efficient management of working capital in the three months ended July 1, 2016.

### *Tax Provision*

The Company's effective tax rate for the three months ended July 1, 2016 and July 3, 2015 was 25.4% and 77.5%, respectively. The effective tax rate for the three months ended July 1, 2016 was favorably impacted by the recognition of only \$3.2 million of income tax expense on \$53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business due to the use of U.S. capital losses for which no tax benefit was previously recognized. This favorable factor was partially offset by recognizing no tax benefit on \$6.4 million of operational losses and \$8.4 million of loss recorded on the sale of Egypt. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

The high effective tax rate for the three months ended July 3, 2015 was primarily due to \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business resulting from the sale in the third quarter of 2015. This was partially offset by no tax benefit being recognized on \$24.2 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. The pre-tax loss was extremely low for the three months ended July 3, 2015 which also contributed to the volatile impact of these items on the effective tax rate.

## **Six Fiscal Months Ended July 1, 2016 Compared with Three Fiscal Months Ended July 3, 2015 - Continuing Operations**

### *Net Sales*

The following tables set forth net sales, metal-adjusted net sales, and metal pounds sold by segment, in millions. For the metal-adjusted net sales results, net sales for the six months ended July 3, 2015 have been adjusted to reflect the six months ended July 1, 2016 copper COMEX average price of \$2.12 per pound (a \$0.60 decrease compared to the same period in 2015) and the aluminum LME average price of \$0.78 per pound (a \$0.20 decrease compared to the same period in 2015).

See previous discussion of metal price volatility in "Significant Current Business Trends and Events - Effect of copper and aluminum prices".

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	Net Sales			
	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 1,069.1	54%	\$ 1,247.6	55%
Europe	451.4	23%	512.7	22%
Latin America	323.2	17%	394.1	17%
Africa/Asia Pacific	120.3	6%	130.1	6%
Total net sales	\$ 1,964.0	100%	\$ 2,284.5	100%

Metal-adjusted net sales, a non-GAAP financial measure, are provided below in order to eliminate an estimate of metal price volatility from the comparison of revenues from one period to another. The comparable GAAP financial measure is set forth above.

	Metal-Adjusted Net Sales			
	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 1,069.1	54%	\$ 1,141.1	55%
Europe	451.4	23%	478.9	23%
Latin America	323.2	17%	338.4	17%
Africa/Asia Pacific	120.3	6%	112.8	5%
Total metal-adjusted net sales	\$ 1,964.0	100%	\$ 2,071.2	100%
Metal adjustment	—		213.3	
Total net sales	\$ 1,964.0		\$ 2,284.5	

Metal pounds sold is provided below as the Company believes this metric to be an appropriate measure of sales volume since it is not impacted by metal prices or foreign currency exchange rate changes.

	Metal Pounds Sold			
	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Pounds	%	Pounds	%
North America	279.3	54%	284.8	54%
Europe	79.0	15%	83.1	16%
Latin America	119.0	23%	125.1	24%
Africa/Asia Pacific	41.9	8%	33.8	6%
Total metal pounds sold	519.2	100%	526.8	100%

Net sales decreased \$320.5 million to \$1,964.0 million for the six months ended July 1, 2016 from \$2,284.5 million for the six months ended July 3, 2015. Net sales decreased \$213.3 million due to unfavorable copper and aluminum price changes, \$82.2 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues, unfavorable selling price and product mix of approximately \$13.3 million and lower volume of \$11.7 million. Volume, as measured by metal pounds sold, decreased 7.6 million pounds, or 1%, to 519.2 million pounds in the six months ended July 1, 2016 as compared to 526.8 million pounds for the six months ended July 3, 2015.

Net sales in the North America segment decreased \$178.5 million, or 14%. Net sales decreased \$106.5 million due to unfavorable copper and aluminum price changes, \$14.6 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues, principally related to the Canadian dollar, unfavorable selling price and product mix of approximately \$48.9 million and decreased volume of \$8.5 million. Volume, as measured by metal pounds sold, decreased 5.5 million pounds, or 2%, in the six months ended July 1, 2016 compared to the six months ended July 3, 2015. The decrease was primarily attributable to unfavorable market demand for specialty products, particularly those used in oil and gas applications, coupled with weak market demand for electric utility distribution products in the six months ended July 1, 2016, which benefited from a very strong first half of 2015. The decrease was partially offset by favorable market demand for the North American construction cable businesses.

Net sales in the Europe segment decreased \$61.3 million, or 12%. Net sales decreased \$33.8 million due to unfavorable copper and aluminum price changes, \$0.5 million due to unfavorable foreign currency exchange rate changes on the translation of reported

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revenues, unfavorable product mix of approximately \$20.7 million and decreased volume of \$6.3 million. Volume, as measured by metal pounds sold, decreased by 4.1 million pounds, or 5%, for the six months ended July 1, 2016 compared to the six months ended July 3, 2015. The decrease in volume sold was primarily attributable to exiting of certain businesses as a result of the Company's July 2014 restructuring program in the six months ended July 1, 2016 compared to the six months ended July 3, 2015.

Net sales in the Latin America segment decreased \$70.9 million, or 18%. Net sales decreased \$55.7 million due to unfavorable copper and aluminum price changes and \$37.6 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues due to the weakening of certain currencies in Latin America relative to the U.S. dollar and lower volume of \$9.4 million, partially offset by a favorable selling price and product mix of approximately \$31.8 million. Volume, as measured by metal pounds sold, decreased by 6.1 million pounds, or 5%, in the six months ended July 1, 2016 compared to the six months ended July 3, 2015. The decrease in volume sold is primarily attributable to the deconsolidation of the Venezuelan subsidiary as of October 2, 2015 and end market demand pressure throughout the region due to ongoing difficult economic conditions and reduced government spending.

Net sales in the Africa/Asia Pacific segment decreased \$9.8 million, or 8%. Net sales decreased \$17.3 million due to unfavorable copper and aluminum price changes and \$29.5 million due to unfavorable foreign currency exchange rate changes on the translation of reported revenues primarily due to the weakening of certain currencies in Africa relative to the U.S. dollar. The decrease was partially offset by a favorable product mix of approximately \$24.5 million and increased volume of \$12.5 million. Volume, as measured by metal pounds sold, increased by 8.1 million pounds, or 24%, in the six months ended July 1, 2016 compared to the six months ended July 3, 2015. The increase in volume sold is primarily attributable to favorable demand for electrical utility products in northern Africa in the six months ended July 1, 2016 as compared to the six months ended July 3, 2015.

### *Cost of Sales*

Cost of sales decreased \$305.9 million to \$1,741.7 million in the six months ended July 1, 2016 from \$2,047.6 million in the six months ended July 3, 2015. The percentage decrease in cost of sales is consistent with the percentage decrease in sales. As previously noted, cost of sales is raw material intensive with copper and aluminum comprising the major cost components for cable products. At current metal prices, material costs are approximately 85% of total product costs with copper and aluminum metal costs comprising approximately 45% of total product cost.

### *Gross Profit*

Gross profit decreased \$14.6 million for the six months ended July 1, 2016 as compared to the six months ended July 3, 2015. Gross profit as a percentage of sales was 11% and 10% for the six months ended July 1, 2016 and July 3, 2015, respectively.

### *SG&A Expenses*

SG&A expenses decreased \$50.8 million, or 26% for the six months ended July 1, 2016 as compared to the six months ended July 3, 2015 primarily due to the \$53.2 million pre-tax gain on the disposition of the North American Automotive Ignition Wire business and a decrease in SG&A expenses incurred as part of the global restructuring plans, which were \$12.9 million in the six months ended July 1, 2016 compared to \$23.6 million in the six months ended July 3, 2015, partially offset by the \$13.3 million estimated pre-tax loss from the disposition of Zambia, the \$8.4 million pre-tax loss from the disposition of Egypt and the recognition of an additional \$5.0 million accrual related to the FCPA investigation. SG&A expenses as a percentage of net sales was approximately 7% and 9% for the six months ended July 1, 2016 and July 3, 2015, respectively.

### *Operating Income (Loss)*

The following table sets forth operating income (loss) by segment, in millions of dollars.

	Operating Income (Loss)			
	Six Fiscal Months Ended			
	July 1, 2016		July 3, 2015	
	Amount	%	Amount	%
North America	\$ 91.5	125 %	\$ 60.5	151 %
Europe	6.2	8 %	4.7	12 %
Latin America	(3.3)	(4)%	(18.4)	(46)%
Africa/Asia Pacific	(21.0)	(29)%	(6.9)	(17)%
Total operating income (loss)	\$ 73.4	100 %	\$ 39.9	100 %

The increase in operating income for the North America segment of \$31.0 million was primarily attributable to the \$53.2 million pre-tax gain from the disposition of the North American Automotive Ignition Wire business and the benefit of restructuring

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initiatives in the six months ended July 1, 2016. The increase was partially offset by decreased demand as noted above, the recognition of an additional \$5.0 million accrual related to the FCPA investigation and restructuring costs of \$18.4 million recognized in the six months ended July 1, 2016 as compared to \$7.6 million in the six months ended July 3, 2015.

The increase in operating income for the Europe segment of \$1.5 million was primarily attributable to the benefit of restructuring initiatives recognized in the six months ended July 1, 2016 and a decrease in the costs incurred as part of the global restructuring plans, which were \$5.4 million in the six months ended July 1, 2016 compared to \$21.5 million in the six months ended July 3, 2015. The increase was partially offset by the \$8.4 million pre-tax loss from the disposition of Egypt and lower subsea project activity in the six months ended July 1, 2016.

The decrease in operating loss for the Latin America segment of \$15.1 million was primarily attributable to the benefit of restructuring initiatives recognized in the six months ended July 1, 2016 and due to the deconsolidation of its Venezuelan subsidiary effective October 2, 2015, that resulted in a \$4.5 million operating loss in the six months ended July 3, 2015.

The increase in operating loss for the Africa/Asia Pacific segment of \$14.1 million was primarily attributable to the \$13.3 million estimated pre-tax loss from the disposition of Zambia and the \$6.0 million impairment of the Egypt machinery and equipment and real property assets in the first quarter of 2016, partially offset by increased demand in the six months ended July 1, 2016 as noted above.

### *Other Income (Expense)*

Other income (expense) includes foreign currency transaction gains or losses, which result from changes in exchange rates between the designated functional currency and the currency in which a transaction is denominated, as well as gains and losses on derivative instruments that are not designated as cash flow hedges. During the six months ended July 1, 2016 and July 3, 2015, the Company recorded other income of \$7.7 million and other expense of \$31.8 million, respectively. For the six months ended July 1, 2016, other income was primarily attributable to \$4.2 million related to other foreign currency transaction gains and \$3.5 million related to gains on derivative instruments that were not designated as cash flow hedges. For the six months ended July 3, 2015, other expense of \$31.8 million was primarily attributable to the adoption of the SIMADI currency exchange system in Venezuela and ongoing remeasurement of the local balance sheet which resulted in an expense of \$22.8 million, \$7.0 million related to other foreign currency transaction losses and \$2.0 million related to losses on derivative instruments that were not designated as cash flow hedges.

Refer to Note 1 - Basis of Presentation and Principles of Consolidation for more information regarding the Company's Venezuelan operations.

### *Interest Expense*

Net interest expense decreased to \$43.6 million for the six months ended July 1, 2016 from \$48.7 million for the six months ended July 3, 2015 primarily due to cash proceeds from divestitures which were utilized to pay down debt and the efficient management of working capital in the six months ended July 1, 2016 as well as the incremental interest expense on the Company's Senior Floating Rate Notes recognized in the six months ended July 3, 2015.

### *Tax Provision*

The Company's effective tax rate for the six months ended July 1, 2016 and July 3, 2015 was 32.5% and 10.1%, respectively. The effective tax rate on the Company's pre-tax income for the six months ended July 1, 2016 was favorably impacted by the use of U.S. capital losses for which no tax benefit was previously recognized. This resulted in the recognition of only \$3.2 million of income tax expense on \$53.2 million of pre-tax gain associated with the sale of the North American Automotive Ignition Wire business. This favorable factor was partially offset by recognizing no tax benefit on \$18.6 million of operational losses and \$8.4 million of loss recorded on the sale of Egypt. These losses were incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets.

The low effective tax rate on the Company's pre-tax loss for the six months ended July 3, 2015 was primarily due to no tax benefit being available for the \$22.8 million Venezuelan currency devaluation loss and no tax benefit being recognized on \$53.0 million of operational losses incurred in jurisdictions where valuation allowances are recorded against net deferred tax assets. These unfavorable factors were partially offset by \$6.5 million of tax benefits associated with the net release of uncertain tax position reserves, \$4.3 million of tax benefits associated with valuation allowance releases, and \$11.9 million of tax benefits associated with the recording of a deferred tax asset on the outside tax over book basis in the shares of the Thailand business due to the sale in the third quarter of 2015.

## Liquidity and Capital Resources

Cash flows from operations as well as borrowings under the Company's Revolving Credit Facility provide the primary source for financing operating expenses and other short term liquidity needs. As necessary the Company incurs additional borrowings to fund working capital needs, debt and interest payments, as well as discretionary investment in internal product development, acquisitions, cash dividends and to fund tax payments. The overall cash position of the Company reflects the business results and a global cash management strategy that incorporates liquidity management, economic factors, and tax considerations.

The Company's short term borrowings vary by period based on the Company's working capital requirements which is dependent on incremental demand for products and changes in the price of copper, aluminum, and other raw material cost inputs. At July 1, 2016, current assets exceeded current liabilities by \$832.0 million. Based upon historical experience, the cash on its balance sheet and the expected availability of funds under its credit facilities, the Company believes its sources of liquidity will be sufficient to enable it to meet funding requirements for cash dividends, working capital, capital expenditures, debt repayment, salaries and related benefits, restructuring activities, and interest and taxes for the next twelve months and foreseeable future. The Company maintains approximately \$428.8 million of excess availability from continuing operations under its various credit facilities around the world.

The Company's North American and principal European operations generally borrow and repay under its Revolving Credit Facility multiple times per week for working capital needs; borrowing on a short term basis is the most effective method to reduce interest costs based on the terms of the agreement. The Company's European operations also participate in accounts payable confirming arrangements with several European financial institutions to address working capital requirements in the business. At July 1, 2016, the arrangements had a maximum availability limit of the equivalent of approximately \$158.7 million. The Company utilized the full amount as of July 1, 2016. The Company's Latin America and Africa/Asia Pacific operations utilize various short term credit facilities for working capital purposes.

General Cable Corporation is a holding company with no operations of its own. All of the Company's operations are conducted, and net sales are generated, by its subsidiaries and investments. Accordingly, the Company's cash flow comes from the cash flows of its global operations. The Company's ability to use cash flow from its international operations, if necessary, has historically been adversely affected by limitations on the Company's ability to repatriate such earnings tax efficiently. As of July 1, 2016 and December 31, 2015, approximately 98% and 99% of cash and cash equivalents were held outside of the U.S. by the Company's foreign subsidiaries, respectively. If these funds are needed for the Company's operations in the U.S., repatriation of the funds would generally result in foreign withholding taxes and the recognition of U.S. taxable income. However, the Company does not foresee a need to repatriate this cash to fund U.S. operations. In addition, the Company's Revolving Credit Facility provides the Company flexibility in financing operating expenses and any other short term liquidity needs of the Company's North American and European operations.

### *Summary of Cash Flows*

Operating cash inflow from continuing operations of \$6.3 million for the six months ended July 1, 2016 reflects a net working capital use of \$40.6 million as compared to a net working capital source of \$73.6 million in the six months ended July 3, 2015. The change in operating cash flows in the six months ended July 1, 2016 compared to the six months ended July 3, 2015 is primarily due to an increase in receivables of \$82.6 million in the six months ended July 1, 2016, which is up due to the elevated amount of sales that occurred in the months prior to July 1, 2016 as compared to December 31, 2015 where sales declined over the final months of the year. The change was also due to an increase in accounts payable of \$28.0 million in the six months ended July 1, 2016 that was principally driven by a decrease in inventory levels. The Company has continued to tightly manage inventory levels in the second quarter of 2016. In addition, the operating cash inflow from continuing operations of \$6.3 million for the six months ended July 1, 2016 reflects a source of \$46.9 million related to net income (loss) from continuing operations adjusted for depreciation and amortization, foreign currency exchange (gains) losses, deferred income taxes, non-cash asset impairment charges, non-cash interest charges, (gain) loss on disposal of subsidiaries, loss on disposal of subsidiaries held for sale and losses on disposal of property.

The cash inflow from investing activities from continuing operations was \$32.9 million in the six fiscal months ended July 1, 2016, primarily reflecting \$64.6 million of proceeds from the disposal of subsidiaries, partially offset by \$32.1 million of capital expenditures. The Company anticipates capital spending to be approximately \$90 million to \$110 million in 2016.

Financing activities from continuing operations resulted in \$52.7 million and \$127.5 million of cash outflows in the six months ended July 1, 2016 and July 3, 2015, respectively. In the six months ended July 3, 2015, the Company repaid its \$125.0 million of Senior Floating Rate Notes at maturity by utilizing availability under its Revolving Credit Facility. During the six months ended July 1, 2016 and July 3, 2015, the Company paid dividends in total of approximately \$17.8 million and \$17.7 million to all common shareholders of record, respectively. Future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors. In determining dividends, the Board of Directors takes into consideration items such as general business conditions, financial performance, projected cash flows and anticipated financing needs. Future payments of dividends are also subject to the Company's Revolving Credit Facility, the indentures

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governing the Subordinated Convertible Notes and 5.75% Senior Notes, and the requirements of the Delaware General Corporation law. The Company evaluates various factors such as future operating cash flow requirements, other cash flow expectations, investment and financing strategic plans and the overall cost of capital to determine the appropriate levels of short and long-term debt to maintain. Refer to "Debt and Other Contractual Obligations" below for details.

### *Debt and Other Contractual Obligations*

The Company's outstanding debt obligations were \$1,024.1 million as of July 1, 2016 and the Company maintained approximately \$428.8 million of excess availability under its various credit facilities around the world. The Company utilizes short and long-term debt to address working capital needs, restructuring payments, debt repayments and interest payments as well as discretionary investments in internal product development, acquisitions, payment of dividends, repurchase of common stock and taxes. Short-term liquidity and working capital needs are generally supported through operating cash flows. The Company maintains ratings on its public debt; therefore, the Company has and expects to continue to obtain market rates on any new borrowings.

On July 21, 2011, the Company entered into a \$400 million Revolving Credit Facility, which was first amended in 2012 to increase the facility size to \$700 million and then subsequently amended and restated on September 6, 2013 and further amended on October 22, 2013, May 20, 2014, September 23, 2014, October 28, 2014, and February 9, 2016 to, among other things, increase the Revolving Credit Facility to \$1.0 billion, \$630 million of which may be borrowed by the U.S. borrower, \$300 million of which may be borrowed by the European borrowers and \$70 million of which may be borrowed by the Canadian borrower. The Revolving Credit Facility contains restrictions including limitations on, among other things, distributions and dividends, acquisitions and investments, indebtedness, liens and affiliate transactions. The Revolving Credit Facility provides the Company with flexibility and the restrictions in the Revolving Credit Facility generally only apply in the event that the Company's availability under the Revolving Credit Facility falls below certain specific thresholds.

The Revolving Credit Facility has a maturity date of September 6, 2018. The commitment amount under the Revolving Credit Facility may be increased by an additional \$250 million, subject to certain conditions and approvals as set forth in the Revolving Credit Facility. The Revolving Credit Facility requires maintenance of a minimum fixed charge coverage ratio of 1.00 to 1.00 if availability under the Revolving Credit Facility is less than the greater of \$100 million or 10% of the then existing aggregate lender commitment under the Revolving Credit Facility. As of July 1, 2016, the availability under the Revolving Credit Facility is greater than \$100 million.

Failure to comply with any of the covenants, financial tests and ratios required by the Company's existing or future debt obligations could result in a default under those agreements and under other agreements containing cross-default provisions, as defined in the Company's Revolving Credit Facility, Subordinated Convertible Notes, 5.75% Senior Notes and various other credit facilities maintained by the Company's subsidiaries. A default would permit lenders to cease making further extensions of credit, accelerate the maturity of the debt under these agreements and foreclose upon any collateral securing that debt. Indebtedness under the Company's Revolving Credit Facility is secured by: (a) for US borrowings under the Revolving Credit Facility, a first priority security interest in substantially all of the Company's domestic assets and, (b) for Canadian and European borrowings under the Revolving Credit Facility, a first priority security interest in substantially all of the Company's domestic and Canadian assets and certain assets of the Company's Spanish, French and German subsidiaries party to the Revolving Credit Facility. In addition, the lenders under the Company's Revolving Credit Facility have received a pledge of (i) 100% of the equity interests in substantially all of the Company's domestic subsidiaries, and (ii) 65% of the voting equity interests in and 100% of the non-voting equity interests in certain of the Company's foreign subsidiaries, including the Company's Canadian subsidiaries and the Company's Spanish, French and German subsidiaries party to the Revolving Credit Facility. The Company also has incurred secured debt in connection with some of its European operations. The lenders under these European secured credit facilities also have liens on assets of certain of our European subsidiaries. As a result of these pledges and liens, if the Company fails to meet its payment or other obligations under any of its secured indebtedness, the lenders under the applicable credit agreement would be entitled to foreclose and liquidate substantially all of the Company's assets. Broadly, cross-default provisions would permit lenders to cause such indebtedness to become due prior to its stated maturity in the event a default is not cured for a period of time under the terms of one or more financing agreements, or a change in control or a fundamental change occurs.

As of July 1, 2016 and December 31, 2015, the Company was in compliance with all material debt covenants.

The Company's defined benefit plans at December 31, 2015 were underfunded by \$121.0 million. Pension expense for the Company's defined benefit pension plans for the six fiscal months ended July 1, 2016 was \$6.2 million and cash contributions were approximately \$2.6 million.

The Company anticipates being able to meet its obligations as they come due based on historical operating and financing experience and the expected availability of funds under its current credit facilities. At July 1, 2016, maturities of long-term debt during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are \$133.8 million, \$0.9 million, \$116.5 million, \$0.8 million and \$1.6 million, respectively, and \$770.5 million thereafter.

### **Off Balance Sheet Assets and Obligations**

The Company has entered into various operating lease agreements related principally to certain administrative, manufacturing and distribution facilities and transportation equipment. At July 1, 2016, future minimum rental payments required under non-cancelable lease agreements during the twelve month periods beginning July 1, 2016 through July 2, 2021 and thereafter are \$15.3 million, \$8.0 million, \$6.1 million, \$4.5 million and \$3.8 million, respectively, and \$5.0 million thereafter.

As of July 1, 2016, the Company had \$27.9 million in letters of credit, \$233.7 million in various performance bonds and \$100.4 million in other guarantees. Other guarantees include bank guarantees and advance payment bonds. These letters of credit, performance bonds and guarantees are periodically renewed and are generally related to risk associated with self-insurance claims, defined benefit plan obligations, contract performance, quality and other various bank and financing guarantees. Advance payment bonds are often required by customers when the Company obtains advance payments to secure the production of cable for long-term contracts. The advance payment bonds provide the customer protection on their deposit in the event that the Company does not perform under the contract.

### **Environmental Matters**

The Company's expenditures for environmental compliance and remediation amounted to approximately \$1.3 million and \$1.0 million for the six months ended July 1, 2016 and July 3, 2015, respectively. In addition, certain General Cable subsidiaries have been named as potentially responsible parties in proceedings that involve environmental remediation. The Company has accrued \$4.6 million and \$3.6 million at July 1, 2016, and at December 31, 2015, respectively, for all environmental liabilities. Environmental matters are described in Note 18 - Commitments and Contingencies. While it is difficult to estimate future environmental liabilities, the Company does not currently anticipate any material adverse effect on results of operations, cash flows or financial position as a result of compliance with federal, state, local or foreign environmental laws or regulations or remediation costs.

### **Critical Accounting Policies and Estimates**

The Company's significant accounting policies are described in Note 2 - Summary of Significant Accounting Policies to the audited annual consolidated financial statements in the Company's 2015 Annual Report on Form 10-K. In the six months ended July 1, 2016, there have been no significant changes to these policies. The application of these policies requires management to make estimates and judgments that affect the amounts reflected in the condensed consolidated financial statements. Management bases its estimates and judgments on historical experience, information that is available to management about current events and actions the Company may take in the future and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. In addition, significant estimates and judgments include allowances for accounts receivable and deferred income taxes; legal, environmental, and asbestos liabilities; inventory costing and valuation; uncertain tax positions; assets and obligations related to pension and other postretirement benefits; intangible and long-lived asset valuations; financial instruments; and revenue recognized under the percentage-of-completion method. There can be no assurance that actual results will not differ from these estimates.

### ***New Accounting Standards***

A discussion of recently issued accounting pronouncements is described in Note 2 - Accounting Standards, Item 1 - Condensed Consolidated Financial Statements of this report, and we incorporate such discussion in this MD&A by reference and make it a part hereof.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company is exposed to various market risks, including changes in interest rates, foreign currency exchange rates and raw material (commodity) prices. To manage risk associated with the volatility of these natural business exposures, the Company enters into interest rate, commodity and foreign currency derivative agreements as well as copper and aluminum forward pricing agreements. The Company does not purchase or sell derivative instruments for trading purposes. The Company does not engage in trading activities involving commodity contracts for which a lack of marketplace quotations would necessitate the use of fair value estimation techniques.

As of July 1, 2016 and December 31, 2015, there were no derivatives that were designated as cash flow hedges.

### **ITEM 4. CONTROLS AND PROCEDURES**

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

In connection with the preparation of this Quarterly Report on Form 10-Q an evaluation was performed, as of July 1, 2016, under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of July 1, 2016.

#### *Changes in Internal Control over Financial Reporting*

There have been no changes in the Company's internal control over financial reporting, as such item is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the fiscal quarter ended July 1, 2016, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

No legal proceedings were initiated during the fiscal quarter ended July 1, 2016 that are reportable and, as of the date of this filing there were no material developments in the legal proceedings previously disclosed in the Company's 2015 Annual Report on Form 10-K, except as discussed in Note 18 - Commitments and Contingencies.

### **ITEM 1A. RISK FACTORS**

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see (i) the risk factors discussion provided under Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and (ii) the "Disclosure Regarding Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table summarizes purchases of equity securities by the Company during the quarter ended July 1, 2016:

<b>Period</b>	<b>Total number of shares purchased <sup>(1), (2)</sup></b>	<b>Average price paid per share</b>
April 2, 2016 through April 29, 2016	2,879	\$ 12.47
April 30, 2016 through May 27, 2016	1,390	\$ 16.00
May 28, 2016 through July 1, 2016	2,194	\$ 13.81
Total	6,463	\$ 13.68

<sup>(1)</sup>Includes 4,177 shares of common stock that were withheld for taxes on the vesting of restricted stock issued pursuant to the Company's equity compensation plans, and the average price paid per share was \$13.60 during the three months ended July 1, 2016.

<sup>(2)</sup>Includes 2,286 shares of common stock that were purchased through a rabbi trust as investments of participants in the Company's deferred compensation plan, and the average price paid per share was \$13.84 in the three months ended July 1, 2016. A Rabbi Trust has been established in connection with the Deferred Compensation Plan, and the Trust assets are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency of the Company.

**ITEM 6. EXHIBITS**

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

**Signatures**

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

General Cable Corporation

Signed: August 4, 2016

By: /s/ BRIAN J. ROBINSON

Brian J. Robinson  
Executive Vice President and Chief  
Financial Officer

Signed: August 4, 2016

By: /s/ LEONARD R. TEXTER

Leonard R. Texter  
Senior Vice President of Finance, Principal  
Accounting Officer and Global Controller

**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
2.1	Stock and Asset Purchase Agreement, dated as of May 23, 2016, among General Cable Industries, Inc., Prestolite de México, S.A. de C.V., GK Technologies, Inc., General Cable de México, S.A. de C.V., General Cable Technologies Corporation, Servicios Latinoamericanos GC S.A. de C.V., Standard Motor Products, Inc., Standard Motor Products de Mexico S. de R.L. de C.V. and Motortronics, Inc.*
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed with the Commission on May 14, 2010)
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)
12.1	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Rule 13a – 14(a) or 15d – 14
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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 schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. General Cable agrees to furnish supplementally a copy of any omitted schedule or exhibit, or any section thereof, to the SEC upon request.

**STOCK AND ASSET PURCHASE AGREEMENT**

among

**GENERAL CABLE INDUSTRIES, INC.,**

**PRESTOLITE DE MÉXICO, S.A. DE C.V.,**

**GK TECHNOLOGIES, INC.,**

**GENERAL CABLE DE MÉXICO, S.A. DE C.V.,**

**GENERAL CABLE TECHNOLOGIES CORPORATION,**

**SERVICIOS LATINOAMERICANOS GC S.A. DE C.V.,**

**STANDARD MOTOR PRODUCTS, INC.,**

**STANDARD MOTOR PRODUCTS DE MEXICO S. DE R.L. DE C.V.,**

**AND**

**MOTORTRONICS, INC.**

dated as of

May 23, 2016

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The Purchase Agreement is being filed to provide General Cable stockholders and other security holders with information regarding the terms of the Purchase Agreement, and not to provide stockholders or other security holders with any factual or disclosure information regarding General Cable or any of the parties to the Purchase Agreement. The Purchase Agreement contains representations and warranties that were made solely for the benefit of the other parties to the Purchase Agreement. Such representations and warranties (i) have been modified or qualified by certain confidential disclosures that were made between the parties in connection with the negotiation of the Purchase Agreement, which disclosures are not reflected in the Purchase Agreement itself, (ii) are subject to materiality qualifications contained in the Purchase Agreement, (iii) were made solely for the purposes of the Purchase Agreement and as of specific dates, and (iv) are not intended as statements of fact to be relied upon by stockholders or other security holders, but rather as a way of allocating the risk between the parties in the event the statements therein prove to be inaccurate.

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Exhibit L	Form of Employee Services Agreement

The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. General Cable agrees to furnish supplementally to the SEC, upon request, a copy of any omitted schedule or exhibit.

## STOCK AND ASSET PURCHASE AGREEMENT

This Stock and Asset Purchase Agreement (this “**Agreement**”), dated as of May 23, 2016, is entered into among General Cable Industries, Inc., a Delaware corporation (“**GCI**”), Prestolite de México, S.A. de C.V., a “*Sociedad Anonima de Capital Variable*” organized under the laws of Mexico (“**Prestolite**”), General Cable Technologies Corporation, a Delaware corporation (“**GCTC**”), Servicios Latinoamericanos GC S.A. de C.V., a company organized under the laws of Mexico (“**Servicios**,” and together with GCI, Prestolite and GCTC, each an “**Asset Seller**” and collectively the “**Asset Sellers**”), GK Technologies, Inc., a New Jersey corporation (“**GK Technologies**”), General Cable de México, S.A. de C.V., a “*Sociedad Anonima de Capital Variable*” organized under the laws of Mexico (“**GCM**,” and together with GK Technologies, each an “**Equity Seller**” and collectively the “**Equity Sellers**”), Standard Motor Products, Inc., a New York corporation (“**U.S. Buyer**”), Motortronics, Inc., a New York corporation (“**Motortronics**,” and together with SMP, each an “**Equity Buyer**” and collectively the “**Equity Buyers**”), and Standard Motor Products de Mexico S. de R.L. de C.V., a “*Sociedad de Responsabilidad Limitada de Capital Variable*” organized under the laws of Mexico (“**Mexico Buyer**,” and together with U.S. Buyer and Motortronics, each a “**Buyer**” and collectively “**Buyers**”). The Asset Sellers and the Equity Sellers are collectively referred to herein as “**Sellers**” (and each individually as a “**Seller**”).

### RECITALS

WHEREAS, the Equity Sellers collectively own 100% of the outstanding equity interests (the “**GCA Equity**”) of General Cable Automotriz S.A. de C.V., a “*Sociedad Anonima de Capital Variable*” organized under the laws of Mexico (the “**Acquired Company**”);

WHEREAS, the Asset Sellers and the Acquired Company are engaged in the business of manufacturing and distributing automotive ignition wire sets, ignition leads and bulk ignition wire to the aftermarket and OEM/OES markets in North America (the “**Business**”); and

WHEREAS, Sellers wish to sell and assign to Buyers, and Buyers wish to purchase and assume from Sellers, the GCA Equity and certain other specified assets and specified liabilities relating to the Business, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

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## ARTICLE I

### DEFINITIONS

The following terms have the meanings specified or referred to in this **ARTICLE I**:

“**Accounts Receivable**” has the meaning set forth in **Section 2.03(b)**.

“**Acquired Company**” shall have the meaning given to such term in the Recitals.

“**Acquired Company Financial Statements**” has the meaning set forth in **Section 4.05**.

“**Acquired Inventory**” has the meaning set forth in **Section 2.02(b)**.

“**Action**” means any written claim, action, cause of action, demand, lawsuit, arbitration, notice of violation, litigation, subpoena or proceeding of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity, that is commenced, brought, conducted or heard by or before any court or other Governmental Entity.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) 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.

“**Allocation Schedule**” has the meaning set forth in **Section 2.08**.

“**Altoona Facility**” means GCI’s facility located in Altoona, Pennsylvania.

“**Asset Seller**” shall have the meaning given to such term in the preamble.

“**Asset Seller Corporate Books**” has the meaning set forth in **Section 2.02(k)**.

“**Assigned Contracts**” has the meaning set forth in **Section 2.02(c)**.

“**Assignment and Assumption Agreement**” means the Assignment and Assumption Agreement among the Asset Sellers and the Buyers, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit A**.

“**Assignment and Assumption of Lease (Georgia Lease)**” means the Assignment and Assumption of Lease between U.S. Buyer and GCI, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit B-1**.

“**Assignment and Assumption of Lease (Plant B Lease)**” means the Assignment of Lease Agreement between Prestolite, GCA and Damoza, to be executed and delivered by Prestolite and GCA at the Closing, in the form attached hereto as **Exhibit B-1**. Notwithstanding anything to the contrary in this Agreement, the parties hereto acknowledge and agree that the execution and delivery of the Assignment and Assumption of Lease (Plant B) by Damoza shall not be required as a condition to the Closing for Buyers or Sellers and that the parties’ obligation to use commercially reasonable efforts to obtain such consent promptly following signing hereof and the execution and delivery of such document by Damoza shall be governed by **Section 2.09** in the event that it is not obtained on or prior to the Closing Date.

“**Assumed Liabilities**” has the meaning set forth in **Section 2.04**.

“**Balance Sheet**” has the meaning set forth in **Section 4.05**.

“**Balance Sheet Date**” has the meaning set forth in **Section 4.05**.

“**Basket**” has the meaning set forth in **Section 7.04(a)**.

“**Benefit Plan**” has the meaning set forth in **Section 4.20(a)**.

“**Bill of Sale**” means the Bill of Sale from Prestolite and GCI to U.S. Buyer and Mexico Buyer, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit C**.

“**Books and Records**” has the meaning set forth in **Section 2.02(k)**.

“**Business**” shall have the meaning given to such term in the Recitals.

“**Business Confidential Information**” has the meaning set forth in **Section 6.12(a)**.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

“**Buyer**” and “**Buyers**” shall have the meanings given to such terms in the preamble.

“**Buyer Closing Certificate**” has the meaning set forth in **Section 3.05(f)**.

“**Buyer Indemnitees**” has the meaning set forth in **Section 7.02**.

“**Buyers’ Objection**” has the meaning set forth in **Section 2.07(c)**.

“**Buyers’ Review Period**” has the meaning set forth in **Section 2.07(c)**.

“**Cap**” has the meaning set forth in **Section 7.04(a)**.

“**Carve-out Financial Statements**” has the meaning set forth in **Section 4.05**.

“**Closing**” has the meaning set forth in **Section 3.01**.

“**Closing Date**” has the meaning set forth in **Section 3.01**.

“**CMA Closing Statement**” has the meaning set forth in **Section 2.07(b)**.

“**CMA Expiration Date**” has the meaning set forth in **Section 2.07(b)**.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Contracts**” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“**Covered Person**” has the meaning set forth in **Section 6.11**.

“**CPA Firm**” has the meaning set forth in **Section 2.07(c)**.

“**Cross Dock**” means GCI’s leased cross dock facility located in Nogales, Arizona.

“**Damoza**” means Centro Ejecutivo Damoza, S.A. de C.V., the landlord under the Plant B Lease.

“**Direct Claim**” has the meaning set forth in **Section 7.05(c)**.

“**Disclosure Schedules**” means the Disclosure Schedules delivered by Sellers and Buyers concurrently with the execution and delivery of this Agreement.

“**Dispute**” has the meaning set forth in **Section 9.10(a)**.

“**Dispute Notice**” has the meaning set forth in **Section 9.10(b)**.

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

“**Employee Services Agreement**” means that certain employee services agreement between GCA and Servicios, dated as of January 1, 2014, as previously amended and as amended and restated as of the Closing, to be executed and delivered at the Closing in the form attached hereto as **Exhibit L**.

“**Employer Substitution**” has the meaning set forth in **Section 6.01(a)**.

“**Employer Substitution Agreement**” means the Employer Substitution Agreement between Prestolite and Mexico Buyer, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit D**.

“**Employer Substitution Notice**” means the Employer Substitution Notice, in the form attached hereto as **Exhibit D-3**, to be delivered to Mexico Employees in connection with the Employer Substitution.

“**Encumbrance**” means any charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), option, encumbrance, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or other similar restriction, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“**Environmental Claim**” means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) based on or resulting from: (a) the presence of, Release of, exposure to, handling, generation, manufacture, storage, treatment, disposal or transportation of, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“**Environmental Law**” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety as it relates to Hazardous Materials, or the indoor or outdoor environment (including, without limitation, ambient air, soil, surface water or groundwater, subsurface strata or building material or structure); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, Release, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials, and in connection with Mexico, the term “Environmental Law” shall also include, but is not limited to: (i) Mexico’s *Ley General del Equilibrio Ecológico y la Protección al Ambiente*, and its regulations, Mexico’s *Ley de Aguas Nacionales*, and its regulations, Mexico’s *Ley General para la Prevención y Gestión Integral de los Residuos*, and its regulations, Mexico’s *Ley General de Salud*, and the respective regulations of each of such laws, as well as Mexico’s *Reglamento Federal de Seguridad, Higiene y Medio Ambiente en el Trabajo*, as such laws and regulations may be amended, restated or supplemented from time to time, and (ii) Mexican Official Norms NOM-052-SEMARNAT-2005, NOM-053-SEMARNAT-1993, NOM-138-SEMARNAT/SSA1-2012, NOM-147-SEMARNAT/SSA1-2004, and NOM-010-STPS-1999, among others, as such norms may be amended, restated or supplemented from time to time.

“**Environmental Notice**” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim.

“**Environmental Permit**” means any Permit required by Environmental Law.

“**Equity Buyer**” shall have the meaning given to such term in the preamble.

“**Equity Seller**” shall have the meaning given to such term in the preamble.

“**Escalation to Executive Notice**” has the meaning set forth in **Section 9.10(b)**.

“**Escrow Agent**” means the entity designated to serve as escrow agent under the Escrow Agreement.

“**Escrow Agreement**” means the Escrow Agreement among U.S. Buyer, GCI and the Escrow Agent, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit E**.

“**Escrow Amount**” means the sum of three million five hundred thirty-four thousand and one hundred Dollars (\$3,534,100) to be deposited with the Escrow Agent and held in escrow pursuant to the Escrow Agreement.

“**Estimated Excluded Plant A Inventory Amount**” has the meaning set forth in **Section 2.07(a)**.

“**Excluded Assets**” has the meaning set forth in **Section 2.03**.

“**Excluded Contracts**” has the meaning set forth in **Section 2.03(e)**.

“**Excluded Environmental Liabilities**” has the meaning set forth in **Section 7.04(i)**.

“**Excluded Liabilities**” has the meaning set forth in **Section 2.05**.

“**Excluded Plant A Inventory**” means all Inventory located at Plant A and related exclusively to the Business.

“**Excluded Plant A Inventory Amount**” means the book value of Excluded Plant A Inventory as of a given date, as determined in accordance with the methodologies that were used in the preparation of the Financial Statements.

“**Excluded UPC Codes**” has the meaning set forth in **Section 2.02(m)**.

“**Executive**” has the meaning set forth in **Section 9.10(b)**.

“**Final CMA Closing Statement**” has the meaning set forth in **Section 2.07(c)**.

“**Financial Statements**” has the meaning set forth in **Section 4.05**.

“**Fraud**” means common law liability of any party for fraud in the event such party is finally determined by a court of competent jurisdiction to have willfully and knowingly committed fraud against any other party, with the specific intent to deceive and mislead such other party, regarding the representations and warranties made herein or in any other Transaction Document.

“**GAAP**” means United States generally accepted accounting principles in effect from time to time or, if applicable, generally accepted accounting principles in effect from time to time in Mexico.

“**GCA Balance Sheet**” has the meaning set forth in **Section 4.5(a)**.

“**GCA Equity**” shall have the meaning given to such term in the Recitals.

“**GCA Material Contract**” shall have the meaning set forth in **Section 4.04**.

“**GCI**” shall have the meaning given to such term in the preamble.

“**GCM**” shall have the meaning given to such term in the preamble.

“**GCTC**” shall have the meaning given to such term in the preamble.

“**Georgia Lease**” has the meaning set forth in **Section 2.02(g)**.

“**GK Technologies**” shall have the meaning given to such term in the preamble.

“**Government Contracts**” has the meaning set forth in **Section 4.08(a)**.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Hazardous Materials**” means: (a) any substance or waste that is subject to regulation and/or liability under Environmental Laws due to its hazardous, acutely hazardous or toxic properties; and (b) any petroleum or petroleum-derived products, radon, radioactive

materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls, and in connection to Mexico, shall also be considered any material, substance or waste, whether in solid, liquid or gaseous forms, of a corrosive, reactive, explosive, toxic, flammable, or infectious nature, or any component or element thereof or any other substance or material referenced in, regulated under or defined by Environmental Laws, including, without limitation, any wastes, materials or substances that are (i) labeled as “hazardous material” or “hazardous waste” or both, pursuant to Mexico’s *Ley General del Equilibrio Ecológico y la Protección al Ambiente*; (ii) listed, characterized (or subject to characterization) as “hazardous” under Mexican Official Norms NOM-052-SEMARNAT-2005 and NOM-053-SEMARNAT-1993, and/or (iii) labeled as “hazardous wastes” under Mexico’s *Ley General para la Prevención y Gestión Integral de los Residuos and/or its regulations*.

“**Indemnified Party**” has the meaning set forth in **Section 7.05**.

“**Indemnifying Party**” has the meaning set forth in **Section 7.05**.

“**Insurance Policies**” has the meaning set forth in **Section 4.15**.

“**Intellectual Property**” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with Twitter, Facebook and other social media companies and the content found thereon and related thereto, and URLs; (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights; (d) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (e) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Authority-issued indicia of invention ownership (including inventor’s certificates, petty patents and patent utility models); (f) software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation; (g) royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and (h) all rights to any Actions of any nature available to or being pursued by any Seller to the extent related to the foregoing,

whether accruing before, on or after the date hereof, including all rights to and claims for damages, restitution and injunctive relief for infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief, and to collect, or otherwise recover, any such damages.

“**Intellectual Property Agreements**” means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to the Intellectual Property Assets.

“**Intellectual Property Assets**” has the meaning set forth in **Section 2.02(d)**.

“**Intellectual Property Assignment Agreement**” means the Intellectual Property Assignment Agreement between U.S. Buyer and GCTC, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit F**.

“**Intellectual Property Registrations**” means all Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

“**Inter-Maquiladora Customs Transfer**” shall mean the standard customs transactions needed to effect a “virtual inter-maquiladora transfer” of the Purchased Assets that Prestolite imported into Mexico under its Maquiladora Program, to convey such Purchase Assets duty free to Mexico Buyer’s own Maquiladora Program, as authorized by Article 112 of the Mexican Customs Law.

“**Inventory**” has the meaning set forth in **Section 2.02(b)**.

“**Knowledge of Sellers**” or any other similar knowledge qualification, means the actual knowledge of Emerson Moser, Greg Lampert, Greg Ulewicz, Coco Taliaferro, Paul Furtado and Craig Horton.

“**Law**” means any statute, law, ordinance, regulation, rule, code, constitution, treaty, judgment, decree, other requirement or rule of law (including common law) of any Governmental Authority.

“**Leased Real Property**” has the meaning set forth in **Section 4.11(a)**.

“**Leasehold Term**” has the meaning set forth in **Section 4.18(a)**.

“**Leases**” has the meaning set forth in **Section 4.11(a)**.

“**Liabilities**” means liabilities, obligations or commitments of any nature, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“**Losses**” means losses, damages, liabilities, deficiencies, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees.

“**Maquiladora Program**” (also known as an “IMMEX Program”) means the authorization that both Prestolite and Mexico Buyer have obtained under the Mexican Decree for the development of the manufacturing, maquiladora and export services industry (*Decreto para el fomento de la industria manufacturera, maquiladora y de servicios de exportación*) to conduct their manufacturing operations in México, and which is a condition precedent for the implementation of the Inter-Maquiladora Customs Transfer.

“**March 31 Balance Sheet and Statement of Operations**” has the meaning set forth in **Section 4.05**.

“**Material Adverse Effect**” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become materially adverse to the business, results of operations, condition (financial or otherwise) or assets of the Business, taken as a whole, but excluding (a) effects or changes resulting from acts of terrorism or the commencement or escalation of any war whether declared or undeclared, or other hostilities, (b) changes in Laws applicable to the Business or the enforcement thereof that do not disproportionately affect the Business, (c) the failure of the Business to meet any internal or public projections, forecasts or estimates of revenue, earnings, cash flow or cash position (although the underlying performance, facts and circumstances causing such failure may be taken into account unless otherwise provided herein), (d) changes in GAAP or the interpretation thereof, (e) changes that are generally applicable to the industries and markets in which the Business operates that do not disproportionately affect the Business, (f) changes in the United States, Mexico or world securities, credit or financial markets or general economic, regulatory or political conditions (including prevailing interest rates) that do not disproportionately affect the Business, (g) effects directly or primarily arising out of the execution or delivery of this Agreement and the other Transaction Documents, the consummation of the transactions contemplated thereby, the identity of Buyers or the public announcement or other publicity, leak or rumor with respect to any of the foregoing, or the operation of the Business by Buyers following the Closing, or (h) any matter set forth on the Disclosure Schedules as of the date of this Agreement.

“**Material Customers**” has the meaning set forth in **Section 4.14(a)**.

“**Material Suppliers**” has the meaning set forth in **Section 4.14(b)**.

“**Mexico Asset Purchase and Sale Agreement**” means the Mexican Purchase Agreement between Prestolite and Mexico Buyer, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit G**, to be entered by such parties, subject to **Section 9.06** hereof.

“**Mexico Buyer**” shall have the meaning given to such term in the preamble.

“**Mexico Employee**” has the meaning set forth in **Section 6.01(a)**.

“**Mexico Stock Purchase and Sale Agreements**” means jointly a) the Mexican Stock Purchase Agreement between GK Technologies and SMP regarding the stock of GCA, to be executed and delivered at the Closing, in the form attached hereto as **Exhibits K-1**; and b) the Mexican Stock Purchase Agreement between GCM and Motortronics also regarding the stock of GCA, to be executed and delivered at the Closing, in the form attached hereto as **Exhibits K-2**, to be entered by such parties, subject to **Section 9.06** hereof.

“**Minimum Claim Amount**” has the meaning set forth in **Section 7.04(a)**.

“**Motortronics**” shall have the meaning given to such term in the preamble.

“**Negotiation Period**” has the meaning set forth in **Section 2.07(c)**.

“**New Products**” has the meaning set forth in **Section 6.15**.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, certificates or variances required to be obtained from Governmental Authorities.

“**Permitted Encumbrances**” means any (a) mechanic’s, materialmen’s, laborer’s, workmen’s, repairmen’s, carrier’s and similar Encumbrances for which Sellers have received a notice of claim, including all statutory Encumbrances, arising or incurred in the ordinary course of business for amounts not delinquent, (b) Encumbrances for Taxes, assessments and other government charges not yet due and payable or, if due, (i) not delinquent or (ii) being contested in good faith through appropriate proceedings and for which appropriate reserves have been accrued, (c) zoning, building codes and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property, which are not materially violated by the current use or occupancy of such real property or the operation of the Business thereon, (d) all exceptions, restrictions, easements, charges, rights-of-way and monetary and nonmonetary encumbrances which are of record or set forth in any Permits, (e) Encumbrances that do not materially interfere with the operation of the Business, and (f) the Encumbrances set forth on **Schedule 1.01(a)**. For purposes of this Agreement, Permitted Encumbrances shall be deemed to be Excluded Liabilities.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Plant A**” means Sellers’ approximately 115,000 square feet facility in Nogales, Mexico where Sellers’ maquiladora that produces OEM ignition wire sets is located.

“**Plant B**” means Sellers’ approximately 65,000 square feet facility in Nogales, Mexico where Sellers’ maquiladora that produces aftermarket ignition wire sets and the operations of the Acquired Company is located.

“**Plant B Lease**” has the meaning set forth in **Section 2.02(f)**.

“**Post-Closing Recall**” has the meaning set forth in **Section 7.05(d)**.

“**Pre-Closing Recall**” has the meaning set forth in **Section 7.05(d)**.

“**Pre-Closing Tax Period**” means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

“**Prestolite**” shall have the meaning given to such term in the preamble.

“**Purchase Price**” has the meaning set forth in **Section 2.06**.

“**Purchased Assets**” has the meaning set forth in **Section 2.02**.

“**Qualified Recipients**” has the meaning set forth in **Section 3.04(h)**.

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Restricted Period**” has the meaning set forth in **Section 6.02(a)**.

“**Seller**” and “**Sellers**” shall have the meaning given to such term in the preamble.

“**Seller Closing Certificate**” has the meaning set forth in **Section 3.04(f)**.

“**Seller Confidential Information**” has the meaning set forth in **Section 6.12(b)**.

“**Seller Indemnitees**” has the meaning set forth in **Section 7.03**.

“**Seller Trademarks**” has the meaning set forth in **Section 6.10(a)**.

“**Servicios**” shall have the meaning given to such term in the preamble.

“**Servicios SMP**” has the meaning set forth in **Section 6.01(e)**.

“**Supplies**” has the meaning set forth in **Section 6.10(b)**.

“**Supply Agreement**” means the Supply Agreement between U.S. Buyer and GCI, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit H**.

“**Tangible Personal Property**” has the meaning set forth in **Section 2.02(e)**.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, flat, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, anti-dumping fees (*cuotas compensatorias*), duties (including *aprovechamientos*) or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, adjustment for inflation, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, offsetting notice, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Tax Treaty**” has the meaning set forth in **Section 4.22(l)**.

“**Third Party Claim**” has the meaning set forth in **Section 7.05(a)**.

“**Trademark License Agreement**” means the Trademark License Agreement between U.S. Buyer and GCI, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit I**.

“**Transaction Documents**” means this Agreement, the Assignment and Assumption Agreement, the Assignment and Assumption of Lease (Georgia Lease), the Assignment and Assumption of Lease (Plant B Lease), the Bill of Sale, the Employee Services Agreement, the Employer Substitution Agreement, the Escrow Agreement, the Intellectual Property Assignment Agreement, the Mexico Asset Purchase Agreement, the Mexico Stock Purchase

Agreements, the Supply Agreement, the Trademark License Agreement and the Transition Services Agreement.

“**Transferred Employees**” has the meaning set forth in **Section 6.01(b)**.

“**Transferred U.S. Employees**” has the meaning set forth in **Section 6.01(b)**.

“**Transition Services Agreement**” means the Transition Services Agreement between U.S. Buyer, Mexico Buyer, the Acquired Company, Servicios and GCI, to be executed and delivered at the Closing, in the form attached hereto as **Exhibit J**.

“**Union**” has the meaning set forth in **Section 4.21(b)**.

“**U.S. Buyer**” shall have the meaning given to such term in the preamble.

## ARTICLE II

### PURCHASE AND SALE

Subject to the terms and conditions set forth herein, at the Closing:

**Section 2.01 Purchase and Sale of GCA Equity.** Each Equity Seller shall sell, assign, transfer, convey and deliver to the Equity Buyers, and the Equity Buyers shall purchase, acquire and accept from such Equity Seller, free and clear of any Encumbrances, all of such Equity Seller’s right, title and interest in, to and under the GCA Equity, and accordingly, all of the assets (including cash, cash equivalents and Accounts Receivable) and liabilities of the Acquired Company.

**Section 2.02 Purchase and Sale of Assets.** Each applicable Asset Seller shall sell, assign, transfer, convey and deliver to the applicable Buyer, and such Buyer shall purchase, acquire and accept from such Asset Seller, free and clear of any Encumbrances (other than Permitted Encumbrances), all of such Asset Seller’s right, title and interest in, to and under the following assets, properties and rights (but excluding the Excluded Assets) (collectively, the “**Purchased Assets**”):

(a) substantially all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), located in Plant B, and, to the extent they relate primarily to, or are used or held for use primarily in connection with, the Business, substantially all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), located in Plant A, the Altoona Facility and the Cross Dock;

(b) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories (“Inventory”), located at, or in transit to, the Altoona Facility, Plant B or the Cross Dock and, in each case, related exclusively to the Business (the “Acquired Inventory”);

(c) all Contracts, including Intellectual Property Agreements (if any), set forth on Schedule 2.02(c) (the “Assigned Contracts”);

(d) all Intellectual Property set forth on Schedule 2.02(d) (the “Intellectual Property Assets”);

(e) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property (the “Tangible Personal Property”) that is (a) located at Plant B or (b) set forth on Schedule 2.02(e);

(f) all rights and obligations of Prestolite, except for any Excluded Liabilities, under the real property lease agreement relating to Plant B between Prestolite and Damoza, dated as of August 1, 2014 (as amended, restated, supplemented or modified, the “Plant B Lease”), as well as any Permits that are (i) assignable under applicable Law, (ii) held by Sellers solely and specifically in relation to Plant B, and (iii) required for the conduct of the Business as currently conducted at such location, in each case as set forth on Schedule 2.02(f);

(g) all rights and obligations of GCI, except for any Excluded Liabilities, under the real property lease agreement relating to office space in Tifton, Georgia between GCI and Jeff Harrison and Gary Harrison, dated as of January 7, 2013 (as amended, restated, supplemented or modified, the “Georgia Lease”);

(h) to the extent transferable, all rights of any Asset Seller to any Actions against third parties available to or being pursued by such Asset Seller solely to the extent related to the Business, the Purchased Assets or the Assumed Liabilities, including unliquidated rights under manufacturers’ and vendors’ warranties, whether arising by way of counterclaim or otherwise;

(i) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of Taxes) of the Acquired Company;

(j) all rights of any Asset Seller regarding warranties, indemnities and all similar rights against any third party, solely to the extent related to any Purchased Assets or Assumed Liabilities, arising on or after the Closing Date;

(k) to the extent transferable without violating applicable Law, originals (or copies, to the extent originals are not available) of any books and records of any Asset Seller and the Acquired Company to the extent relating primarily to the Business, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer lists, personnel files, customer purchasing histories, price lists, distribution lists, supplier lists, production data, all Tax Returns in the possession of the Acquired Company (and related work papers and work product) and all IRS Forms 5471 relating to the Acquired Company filed since January 1, 2005 (and related work papers and work product), quality control records and procedures, customer complaints and inquiry files, research and development files, records and data

(including all correspondence with any Governmental Authority) and sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), internal monthly financial statements since January 1, 2015, marketing and promotional surveys, material and research and files relating to the Intellectual Property Assets and the Intellectual Property Agreements (“Books and Records”); provided, that, for the avoidance of doubt, the Books and Records shall exclude any corporate records of the Asset Sellers, including any stock ledgers, minute books or other similar documents (the “Asset Seller Corporate Books”); provided, further, that notwithstanding anything to the contrary contained in this Agreement, each Seller may retain copies of any Books and Records, Contracts, Permits or any other document or materials that are included in the Purchased Assets;

(l) all goodwill related exclusively to the Business; and

(m) uniform product codes for the products of the Business, except for UPC code 079407 (General Cable) and 686177 (Prestolite Wire LLC) (the “Excluded UPC Codes”); provided that Sellers shall use commercially reasonable efforts to transfer the uniform product codes included in the Purchased Assets promptly following the Closing (taking into account any approvals or procedures that may be required by GC1).

**Section 2.03 Excluded Assets.** Notwithstanding anything herein to the contrary, there shall be excluded from the sale, conveyance, assignment or transfer from the Asset Sellers to Buyers hereunder, and the Purchased Assets shall not include, the following assets (collectively, the “Excluded Assets”):

(a) cash and cash equivalents of any Asset Seller, including any investment securities and other short- and medium-term investments of any Asset Seller;

(b) all trade accounts receivable and other rights to payment from customers of any Asset Seller and the full benefit of any all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or services rendered to customers of any Asset Seller; all other accounts or notes receivable of any Asset Seller and the full benefit of all security for such accounts or notes; and any claim, remedy or other right related to any of the foregoing (“Accounts Receivable”);

(c) real property owned by any Asset Seller, including the real property relating to the Altoona Facility;

(d) any real property lease rights of any Asset Seller, except for the Plant B Lease and the Georgia Lease;

(e) Contracts to which any Asset Seller is party or bound that are not Assigned Contracts (the “Excluded Contracts”);

- (f) the rights that accrue or will accrue to any Asset Seller under the Transaction Documents;
- (g) all refunds of Taxes of any Asset Seller;
- (h) all Tax Returns (and related work papers and work product) of any Asset Seller;
- (i) the Seller Trademarks not assigned in connection herewith;
- (j) all Seller Benefit Plans and any funds held in trust in connection with such Seller Benefit Plans;
- (k) any rights or benefits pursuant to any insurance policies of any Asset Seller (whether intercompany, self-insurance or otherwise);
- (l) any causes of action, lawsuits, judgments, claims and demands of any nature of any Asset Seller that arose or arise or relate to events that occur prior to, at or following the Closing if the same arose, arise out of, or are related to, any of the Excluded Assets, whether arising by way of counterclaim or otherwise;
- (m) any Permits of any Asset Seller, including Environmental Permits, not specifically assigned in connection herewith;
- (n) all Excluded Plant A Inventory as of the Closing;
- (o) the Asset Seller Corporate Books;
- (p) the Excluded UPC Codes; and
- (q) any other asset owned, leased or licensed by any Asset Seller that is not included in the Purchased Assets.

**Section 2.04 Assumed Liabilities.** Subject to the terms and conditions set forth herein, Buyers shall assume and agree, jointly and severally, to pay, perform and discharge only the following Liabilities of Sellers (collectively, the “**Assumed Liabilities**”), and no other Liabilities:

- (a) all trade accounts payable of Sellers to third parties in connection with the Business that remain unpaid and are not delinquent as of the Closing Date and such other Liabilities that either are reflected on the Balance Sheet or arose in the ordinary course of business since the Balance Sheet Date;
- (b) all Liabilities in respect of the Assigned Contracts but only to the extent that such Liabilities thereunder are required to be performed after the Closing Date, were incurred in the ordinary course of business (including ordinary course customer overstock and warranty returns) and do not relate to any material failure to perform or other material breach, default or violation by any Seller on or prior to the Closing;

(c) all of the Liabilities assumed by Buyers or their respective Affiliates pursuant to Section 6.01 and all of the other Liabilities relating to the Transferred Employees and Liabilities of the lessee(s) under the Leases; and

(d) Liabilities of the Acquired Company.

**Section 2.05 Excluded Liabilities.** Subject to the provisions of **Section 2.04**, Buyers shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of Sellers or any of their Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the “**Excluded Liabilities**”).

**Section 2.06 Purchase Price.** Buyers hereby agree to purchase, acquire and assume, and Sellers hereby agree to sell, transfer, convey and assign, (a) all of the Purchased Assets and the Assumed Liabilities from the Asset Sellers for total cash consideration of \$64,747,000, less the Estimated Excluded Plant A Inventory Amount, and (b) all of the GCA Equity from the Equity Sellers for total cash consideration of \$5,935,000 (collectively, such sum being the “**Purchase Price**”). Buyers represent that they have performed a fair market valuation of the Purchased Assets, the GCA Equity and the Assumed Liabilities and that amount does not exceed \$78,200,000. The Purchase Price shall be paid as follows:

(a) At the Closing, the Purchase Price less the Escrow Amount shall be paid by wire transfer of immediately available funds to an account designated in writing by Sellers to Buyers (with such designation to be delivered to Buyers no later than two Business Days prior to the Closing Date); and

(b) The Escrow Amount shall be deposited by wire transfer of immediately available funds into an account designated by the Escrow Agent and shall be held and distributed in accordance with the terms of the Escrow Agreement to satisfy any and all claims made by Buyers or any other Buyer Indemnitee against Sellers pursuant to Article VII.

**Section 2.07 Excluded Plant A Inventory.**

(a) No later than three Business Days prior to the Closing, Sellers shall deliver to Buyers a good faith estimate of the Excluded Plant A Inventory Amount as of the Closing Date (the “**Estimated Excluded Plant A Inventory Amount**”).

(b) No later than 20 Business Days following the date on which any particular Ignition Wire Product (as defined in the Supply Agreement) (each such date, a “**CMA Expiration Date**”) has been removed from Plant A to Buyers’ production facility, Sellers shall deliver to Buyers a good faith estimate of the Excluded Plant A Inventory Amount as of such CMA Expiration Date with respect such removed Ignition Wire Product (each, a “**CMA Closing Statement**”). Buyers, at their own expense, shall have the right to observe or have their Representatives present to observe the physical inventories or cycle counting conducted to estimate such Excluded Plant A Inventory.

(c) Buyers shall, within 20 Business Days after the delivery by Sellers of a CMA Closing Statement (the “Buyers’ Review Period”), complete their review of the Excluded Plant A Inventory Amount reflected on such CMA Closing Statement. A CMA Closing Statement shall be binding and conclusive upon, and deemed accepted by, Buyers unless Buyers shall have notified Sellers in writing prior to the expiration of the Buyers’ Review Period of any objection thereto (the “Buyers’ Objection”). If Sellers and Buyers are unable to resolve all of their disputes with respect to any Closing Statement within 10 Business Days following Sellers’ receipt of Buyers’ Objection to such CMA Closing Statement pursuant to this Section 2.07(b) (the “Negotiation Period”), they shall refer their remaining differences to a mutually agreeable independent registered public accounting firm (the “CPA Firm”) for decision, which decision shall be final and binding on the parties upon delivery of the written opinion set forth in sub-clause (iii) below. The procedure and schedule under which any dispute shall be submitted to the CPA Firm shall be as follows:

(i) Within 10 Business Days following the expiration of the Negotiation Period, Buyers shall submit any unresolved portion of Buyers’ Objection to the CPA Firm in writing (with a copy to Sellers), supported by any documents and/or affidavits upon which they rely.

(ii) Within 10 Business Days following Buyers’ submission of the unresolved portion of Buyers’ Objection as specified in sub-clause (i) above, Sellers shall submit their response to the CPA Firm in writing (with a copy to Buyers), supported by any documents and/or affidavits upon which they rely.

(iii) Buyers and Sellers shall request that the CPA Firm deliver its written opinion within 10 Business Days following its receipt of the information provided for in sub-clause (ii) above, or such longer period of time as the CPA Firm determines is necessary, but not to exceed 20 Business Days. The scope of the disputes to be resolved by the CPA Firm is limited to the unresolved portion of the Buyers’ Objection. In resolving any disputed items, the CPA Firm may not assign a value to any particular item greater than the greatest value for such item claimed by Buyers or Sellers or less than the smallest value for such item claimed by Buyers or Sellers. Buyers and Sellers shall make readily available to the CPA Firm all relevant books and records and any work papers (including those of the parties’ respective accountants) relating to the CMA Closing Statement and all other items reasonably requested by the CPA Firm.

Any expenses relating to the engagement of the CPA Firm shall be allocated between Buyers and Sellers so that Buyers’ share of such costs shall be in the same proportion that (x) the aggregate amount of the disputed items submitted by Buyers to the CPA Firm that are unsuccessfully disputed bears to (y) the total amount of all disputed items submitted by Buyers to the CPA Firm. Sellers, on the one hand, and Buyers, on the other, shall each bear the fees of their respective auditors incurred in connection with the determination and review of any CMA Closing Statement. A CMA Closing Statement shall become final and binding on the parties upon the earliest of (i) if no Buyers’ Objection has been given, the expiration of the period within which Buyers must make the Buyers’ Objection pursuant to this Section

2.07(b), (ii) agreement in writing by Sellers and Buyers that the CMA Closing Statement, together with any modifications thereto agreed by Sellers and Buyers, shall be final and binding and (iii) the date on which the CPA Firm shall issue its written determination with respect to any dispute relating to such CMA Closing Statement. Each CMA Closing Statement, as submitted by Sellers if no timely Buyers' Objection has been given or as adjusted pursuant to any agreement between the parties or as determined pursuant to the decision of the CPA Firm, is herein referred to as a "Final CMA Closing Statement."

(d) With respect to each applicable CMA Expiration Date, U.S. Buyer shall pay GCI the Excluded Plant A Inventory Amount with respect to the applicable inventory as set forth in the applicable Final CMA Closing Statement, within five (5) Business Days of the delivery of such Final CMA Closing Statement, by wire transfer of immediately available funds to such account as is directed by GCI.

**Section 2.08 Allocation of Purchase Price.** Subject to **Section 2.06**, Sellers and Buyers agree that the Purchase Price and the Assumed Liabilities (plus other relevant items) shall be allocated among the Purchased Assets and the GCA Equity for all purposes (including Tax and financial accounting) as shown on the allocation schedule set forth on **Schedule 2.08** (the "**Allocation Schedule**"). The Allocation Schedule shall also describe the consideration due (a) by Mexico Buyer to Prestolite under the Mexico Asset Purchase and Sale Agreement, plus the Mexican value added Tax thereto at the rate of sixteen percent (16%), also payable by Mexico Buyer; and (b) by SMP to GK Technologies, and by Motronics to GCM, under the Mexico Stock Purchase and Sale Agreements.

**Section 2.09 Third Party Consents.** To the extent that any Seller's rights under any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset, may not be assigned to Buyers without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and the parties hereto shall cooperate and shall use their commercially reasonable efforts to obtain any such required consent(s) promptly following signing hereof. If any fees are required to obtain the consent of a third party to the proposed assignment of a Contract or Permit, Buyers and Sellers will discuss in good faith the allocation of such fees; provided, that, absent a separate written agreement by Sellers to the contrary, no Seller shall under any circumstances be required to make any such payments required or sought by any Person for any such consent. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would materially impair the applicable Buyers' rights under the Purchased Asset in question so that such Buyer would not in effect acquire the benefit of all such rights, the applicable Seller shall act after the Closing as such Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate with such Buyer in any other commercially reasonable arrangement designed to provide such benefits to such Buyer; provided, however, that in the event the consent of Damoza is not obtained with respect to the assignment of the Plant B Lease prior to or on the Closing, Prestolite shall remain the tenant thereunder until such consent is obtained and Mexico Buyer will reimburse Prestolite for any applicable rent or other actual documented costs (consistent with the remainder of the provisions of this **Section 2.09** set forth below). In any such arrangement, the applicable Buyer will, subject to the

terms of any other Transaction Document (including the Transition Services Agreement), (i) bear the sole responsibility for completion of the work or provision of goods and services, (ii) bear all Taxes (except for Sellers' income Taxes and Sellers' property Taxes) with respect thereto or arising therefrom, (iii) be solely entitled to all benefits thereof, economic or otherwise, (iv) be solely responsible for any warranty or breach thereof, any repurchase, indemnity and service obligations thereof and any damages related to termination of such Assigned Contract or other Purchased Asset, and (v) promptly reimburse the reasonable costs and expenses of the applicable Seller and its Affiliates related thereto, pre-approved in writing by Buyers prior to Sellers incurring such costs or expenses to the extent reasonably practicable. If and when such consents or approvals are obtained or such other required actions have been taken, the transfer of such Assigned Contract or other Purchased Asset will be effected in accordance with the terms of this Agreement.

### ARTICLE III

#### CLOSING; CONDITIONS TO CLOSING

**Section 3.01 Closing.** Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Withers Bergman LLP, 430 Park Avenue, 10th Floor, New York, New York 10022, on May 27, 2016 so long as all the conditions to Closing in **Article III** are satisfied or waived by such date (other than those which, by their nature, are to be satisfied at the Closing, but subject to such satisfaction), or on such other date or at such other time mutually agreed in writing by the parties to this Agreement. The date on which the Closing is to occur is herein referred to as the "**Closing Date**". The Closing shall be deemed to be effective as of 11:59 p.m., Eastern Daylight Time on the Closing Date.

**Section 3.02 Closing Deliverables.**

- (a) At the Closing, Sellers shall deliver to Buyers the following:
  - (i) duly endorsed stock certificates of the Acquired Company;
  - (ii) each of the Transaction Documents to which any Seller or the Acquired Company is a party, duly executed by such Seller or the Acquired Company, as applicable;
  - (iii) the Seller Closing Certificate; and
  - (iv) certificates of the Secretary or Assistant Secretary of Sellers required by **Section 3.04(h)**.
- (b) At the Closing, Buyers shall deliver to Sellers the following:

- (i) the Purchase Price, less the Escrow Amount;
- (ii) each of the Transaction Documents to which any Buyer is a party, duly executed by such Buyer;
- (iii) the Buyer Closing Certificate; and
- (iv) certificates of an officer of each Buyer required by **Section 3.05(g)**.

(c) At the Closing, Buyers shall deliver the Escrow Amount to the Escrow Agent pursuant to the Escrow Agreement.

**Section 3.03 Conditions to Obligations of All Parties.** The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of the condition that no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise prohibiting the consummation of the sale of the Purchased Assets and the GCA Equity, and no Action shall have been commenced against Buyers or Sellers by any Governmental Authority that would prevent the Closing.

**Section 3.04 Conditions to Obligations of Buyers.** The obligations of Buyers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyers' waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Sellers contained in this Agreement and any certificate delivered by Sellers pursuant hereto shall be true and correct (disregarding, for purposes of this Section 3.04(a), any exception or qualification of such representations and warranties relating to materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except that any inaccuracies in such representations and warranties will be disregarded for purposes of this Section 3.04(a) if such inaccuracies, considered collectively, do not have a Material Adverse Effect as of the Closing Date.

(b) Sellers shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, Sellers shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) From the date of this Agreement, there shall not have occurred any Material Adverse Effect.

(d) Each Seller shall have delivered to Buyers duly executed counterparts to the Transaction Documents to which any Seller or the Acquired Company is a party (other than this Agreement) and such other documents and deliveries set forth in Section 3.02(a).

(e) Buyers shall have received all Permits constituting Purchased Assets and set forth on Schedule 3.04(e).

(f) Buyers shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of each Seller, that each of the conditions set forth in Section 3.04(a) and Section 3.04(b) have been satisfied (the “Seller Closing Certificate”).

(g) Buyers shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of each Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of such Seller authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby and certifying the names and signatures of the officers of such Seller authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(h) The Qualified Recipients (as defined below) of U.S. Buyer shall have received on the third Business Day prior to the Closing Date the following reports, which shall in each case be prepared in accordance with (and limited to the information typically set forth on) Sellers’ current, ordinary course record-keeping practices relating to reports of such nature: (i) list of vendors of the Business, (ii) list of pricing and terms with respect to such vendors, (iii) list of customers of the Business, and (iv) list of pricing and terms with respect to such customers. As used herein, the term “Qualified Recipients” shall mean exclusively personnel of Buyers who have responsibility for information technology and financial management matters for the Business following the Closing, and such term shall specifically exclude any personnel with any responsibility for or involvement in any sales or marketing activities. Prior to the Closing, the Qualified Recipients shall hold such information in strict confidence, shall convey such information to no other Person and shall use such information only with respect to the transition of ownership of the Business with respect to information technology and financial management matters (and not for any competitive purpose). If this Agreement is terminated and the Closing does not occur, then the Qualified Recipients (A) shall expunge all such information from the records of any Buyer and (B) shall promptly return or destroy such reports (at the election of Sellers).

**Section 3.05 Conditions to Obligations of Sellers.** The obligations of Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Sellers’ waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyers contained in this Agreement and any certificate delivered by Buyers pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Each Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by such Buyer prior to or on the Closing Date; provided, that, with respect to agreements, covenants and conditions that are qualified by materiality, such Buyer shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) Each Buyer shall have delivered to Sellers duly executed counterparts to the Transaction Documents to which such Buyer is a party (other than this Agreement) and such other documents and deliveries set forth in Section 3.02(b).

(d) Buyers shall have delivered the Purchase Price, less the Escrow Amount, to Sellers pursuant to Section 2.06(a).

(e) Buyers shall have delivered the Escrow Amount to the Escrow Agent pursuant to Section 2.06(b).

(f) Sellers shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyers, that each of the conditions set forth in Section 3.05(a) and Section 3.05(b) have been satisfied (the "Buyer Closing Certificate").

(g) Sellers shall have received a certificate of an officer of each Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Buyers authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby and certifying the names and signatures of the officers of Buyers authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

#### **ARTICLE IV**

##### **REPRESENTATIONS AND WARRANTIES OF SELLERS**

Except as set forth in the Disclosure Schedules, Sellers represent and warrant to Buyers that the statements contained in this Article IV are true and correct as of the date hereof.

**Section 4.01 Organization of Sellers.** Each Seller and the Acquired Company is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation (to the extent such concept is recognized in such jurisdiction). Each Seller has the organizational power and authority necessary to execute, deliver and perform its obligations under this Agreement and each other Transaction Document, to the extent that it is a party thereto, and to consummate the transactions contemplated hereby and thereby to be consummated by it. Each Asset Seller and the Acquired Company has the organizational power and authority necessary to own, lease or use its assets as currently owned, leased or used by it and conduct its business as currently conducted by it.

**Section 4.02 Authority to Conduct Business.** Section 4.02 of the Disclosure Schedules sets forth each jurisdiction in which the Asset Sellers and the Acquired Company are licensed or qualified to do business, and the Asset Sellers and the Acquired Company, as applicable, are duly licensed or qualified to do business and is in good standing in each jurisdiction (to the extent such concept is recognized in such jurisdiction) in which the ownership of the Purchased Assets or the operation of the Business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not be material to the Business.

**Section 4.03 Authority of Sellers; Enforceability.** The execution and delivery by each Seller of this Agreement and any other Transaction Document to which such Seller is a party, the performance by such Seller of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate or organizational action on the part of such Seller. This Agreement and each other Transaction Document to which any Seller is or will be a party has been duly executed and delivered by such Seller, and (assuming due authorization, execution and delivery by Buyers (as applicable)) this Agreement and each of the Transaction Documents will constitute a legal and binding obligation of such Seller enforceable against such Seller in accordance with their respective terms, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Laws which may affect creditors' rights and remedies generally and by principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

**Section 4.04 No Conflicts; Consents.** The execution, delivery and performance by each Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of any Seller or the Acquired Company; (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to the Business or the Purchased Assets; (c) require the consent, notice or other action by any Person under, require the payment of any contractual transfer or assignment fee by any Seller, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Assigned Contract or any Contract of GCA involving aggregate annual consideration in excess of \$100,000 (each, a "**GCA Material Contract**"); or (d) result in

the creation or imposition of any Encumbrance on the Purchased Assets. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Seller in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except as otherwise provided on **Section 4.04** of the Disclosure Schedules.

**Section 4.05 Financial Statements.** The following financial statements (collectively, the “**Financial Statements**”) have been delivered to Buyers: (i) the balance sheets at December 31, 2014 and December 31, 2013 and the statements of operations and statements of cash flows for the years ended December 31, 2014 and 2013 of the Acquired Company (“**Acquired Company Financial Statements**”); (ii) the management prepared combined statements of operations for the years ended December 31, 2015 and December 31, 2014 of the operations comprising the Business (combined and without the Acquired Company) (“**Carve-out Financial Statements**”); (iii) the management prepared combined internal balance sheet (the “**Balance Sheet**”) and statement of operations of the Business (other than the Acquired Company) for the three fiscal months ended as of April 1, 2016 (“**March 31 Balance Sheet and Statement of Operations**”); and (iv) the management prepared combined internal adjusted balance sheet of the Acquired Company as of April 30, 2016 (the “**GCA Balance Sheet**”). The Balance Sheet and the GCA Balance Sheet are set forth on **Section 4.05** of the Disclosure Schedules. The Acquired Company Financial Statements are audited and have been prepared in accordance with generally accepted accounting principles applicable in the country of Mexico and fairly present in all material respects the financial condition of the Acquired Company as of the periods presented. The Carve-out Financial Statements and the March 31 Balance Sheet and Statement of Operations, both of which are unaudited, were prepared in accordance with the books of account and other financial records of the General Cable Corporation (“Group Companies”) with respect to the Ignition Wire Harness (IWH) Business. Except as set forth in **Section 4.05** of the Disclosure Schedules, the Financial Statements (a) have been prepared in accordance with the accounting policies and practices historically used by the Business for internal management financial statements, which policies and practices have been consistently applied throughout the periods covered, and (b) fairly present, in all material respects, the financial position and results of operations of the IWH Business (combined and without the Acquired Company) as at their respective dates for their respective periods. The Financial Statements reflect the financial position and results of operations of the IWH Business (combined and without the Acquired Company) had they been operated on a stand-alone basis during the periods presented, except for corporate expenses of GCI and its Affiliates in an amount equal to approximately \$4,200,000. March 31, 2016 is referred to herein as the “**Balance Sheet Date**”.

**Section 4.06 Undisclosed Liabilities.** The Asset Sellers and the Acquired Company do not have any Liabilities with respect to the Business of a type required to be reflected on a balance sheet prepared in accordance with GAAP, except Liabilities (a) that are adequately reflected or reserved against in the GCA Balance Sheet as to the Acquired Company and in the Balance Sheet as to the remainder of the Business, (b) that have been incurred in the ordinary course of business consistent with past practice since the Balance

Sheet Date (with respect to the Asset Sellers) or April 30, 2016 (with respect to the Acquired Company), (c) that are Excluded Liabilities or Liabilities permitted or contemplated by this Agreement, or (d) that are not material to the Business. The fair value of the Acquired Company's assets exceeds, and immediately following the Closing will exceed, the fair value of its liabilities (including contingent liabilities, but excluding any deferred revenue). The Acquired Company is able, and immediately following the Closing, the Acquired Company will be able, to pay its pre-Closing debts (including trade payables) and Taxes unpaid as of the Closing Date, as they become due. From the date hereof until the Closing Date, the Acquired Company will not make, or agree or commit to make, any expenditures, except for expenditures in the ordinary course of business. The parties agree that the foregoing sentence shall prohibit the payment of any dividends by the Acquired Company following the date of this Agreement. Since January 1, 2016, the Acquired Company has not paid any dividends other than those set forth on **Section 4.06** of the Disclosure Schedules.

**Section 4.07 Absence of Certain Changes, Events and Conditions.** Since the Balance Sheet Date, and other than in the ordinary course of business consistent with past practice, there has not been any of the following events relating to the Business or the Purchased Assets:

- (a) event, occurrence or development that has had, individually or in the aggregate, a Material Adverse Effect;
- (b) material change in any method of accounting or accounting practice for the Business, except as required by GAAP or as disclosed in the notes to the Financial Statements;
- (c) material change in cash management practices and policies, practices and procedures with respect to inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;
- (d) entry into any Contract that would constitute a Material Contract;
- (e) transfer, assignment, sale or other disposition of any of the Purchased Assets shown or reflected in the Balance Sheet, except for the sale of Inventory in the ordinary course of business;
- (f) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Intellectual Property Assets or Intellectual Property Agreements;
- (g) material damage, destruction or loss, or any material interruption in use, of any Purchased Assets, whether or not covered by insurance;
- (h) acceleration, termination, material modification to or cancellation of any Assigned Contract or Permit;

(i) imposition of any Encumbrance upon any of the Purchased Assets, other than any Permitted Encumbrance; provided, however, that Sellers shall have satisfied and removed such Encumbrances prior to the Closing Date;

(j) increase in any wages, salary, severance, pension or other compensation or benefits in respect of any current or former employees, officers, directors, independent contractors or consultants of the Business, other than as provided for in any written agreements or required by applicable Law or change in the terms of employment for any employee of the Business;

(k) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant of the Business, (ii) Benefit Plan, or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(l) change from the ordinary course of business in inventory production, management and distribution; or

(m) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

**Section 4.08 Material Contracts.**

(a) Section 4.08(a) of the Disclosure Schedules lists each of the following Contracts to which any Asset Seller or the Acquired Company is a party or by which it is bound, in each case that relate primarily to the Business or the Purchased Assets:

(i) all Contracts involving aggregate consideration in excess of \$1,000,000 that cannot be cancelled without penalty on not more than 120 days' notice;

(ii) all Contracts that provide for the indemnification of any Person or the assumption of any Tax or other Liability of any Person;

(iii) all Contracts with any Governmental Authority ("Government Contracts");

(iv) all Contracts for the sale of any of the Purchased Assets or for the grant to any Person of any option, right of first refusal or preferential or similar right to purchase any of the Purchased Assets; and

(v) all collective bargaining agreements or Contracts with any Union.

(b) Each Assigned Contract and GCA Material Contract is valid and binding on the Acquired Company or the Asset Sellers, as applicable, in accordance with its terms and is in full force and effect, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Laws which may affect creditors' rights and remedies generally and by principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). None of the Asset Sellers or the Acquired Company is in

breach of or default under (or is alleged to be in breach of or default under) any Assigned Contract or GCA Material Contract in any material respect, or has provided or received any written notice of any intention to terminate any Assigned Contract or GCA Material Contract. To the Knowledge of Sellers, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute a material event of default under any Assigned Contract or GCA Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Assigned Contract and GCA Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyers. There are no material disputes pending or, to the Knowledge of Sellers, threatened under any Assigned Contract or GCA Material Contract.

**Section 4.09 Title to Purchased Assets.** Except for Intellectual Property (which is addressed exclusively in **Section 4.12**), the Asset Sellers, as applicable, have good and valid title to, or a valid leasehold interest in, all of the Purchased Assets. All such Purchased Assets (including leasehold interests) are free and clear of Encumbrances, except for Permitted Encumbrances.

**Section 4.10 Condition and Sufficiency of Assets.**

(a) The items of tangible personal property included in the Purchased Assets are, in all material respects, in satisfactory operating condition and repair (subject to normal wear and tear), and adequate for the uses to which they are being put. Except as set forth in Section 4.10 of the Disclosure Schedules, the Purchased Assets and the assets of the Acquired Company constitute all of the assets (other than the Excluded Assets) necessary to operate the Business in substantially the same manner as presently conducted.

(b) No Encumbrance has a material and adverse effect on the ownership of the Purchased Assets or the operation of the Business.

**Section 4.11 Leased Real Property.**

(a) Section 4.11(a) of the Disclosure Schedules sets forth a detailed description of certain real property (i) leased by the Acquired Company situated in Cuernavaca, Mexico and (ii) leased pursuant to the Plant B Lease and the Georgia Lease (the “Leased Real Property”), and a true and complete list of all leases, subleases, licenses, concessions and other agreements (whether written or oral), including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which any Asset Seller or the Acquired Company holds such Leased Real Property (collectively, the “Leases”). Sellers have delivered to Buyers a true and complete copy of each Lease. With respect to each Lease:

(i) such Leases are valid, binding, enforceable and in full force and effect, and Sellers enjoy possession of the Leased Real Property;

(ii) Sellers are not in breach or default under such Leases, and no event has occurred or circumstance exists which, with the delivery of notice, passage of time or both, would constitute such a breach or default, and Sellers have paid all rent due and payable under such Leases;

(iii) Sellers have not received nor given any notice of any default or event that with notice or lapse of time, or both, would constitute a default by any Seller under the Leases and, to the Knowledge of Sellers, no other party is in default thereof, and no party to the Leases has exercised any termination rights with respect thereto;

(iv) Sellers have not subleased, assigned or otherwise granted to any Person other than an Affiliate the right to use or occupy such Leased Real Property or any portion thereof; and

(v) Sellers have not pledged, mortgaged or otherwise granted an Encumbrance on its leasehold interest in the Leased Real Property.

(b) Neither the Acquired Company nor any Asset Seller has received any written notice of (i) material violations of building codes and/or zoning ordinances or other governmental or regulatory Laws affecting the Leased Real Property, (ii) existing, pending or threatened condemnation proceedings affecting the Leased Real Property, or (iii) existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to materially and adversely affect the ability to operate the Leased Real Property as currently operated. Neither the whole nor any material portion of the Leased Real Property has been damaged or destroyed by fire or other casualty.

(c) The Leased Real Property is sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing.

#### **Section 4.12 Intellectual Property.**

(a) Section 4.12(a) of the Disclosure Schedules lists all Intellectual Property Registrations. All required filings and fees related to the Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Intellectual Property Registrations are otherwise in good standing.

(b) Section 4.12(b) of the Disclosure Schedules lists all Intellectual Property Agreements. Sellers have provided Buyers with true and complete copies of all such Intellectual Property Agreements, including all written modifications, amendments and supplements thereto and waivers thereunder. Each Intellectual Property Agreement is valid and binding on the Acquired Company or the applicable Asset Seller in accordance with its terms and is in full force and effect, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Laws which may affect creditors' rights and remedies generally and by principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). None of the Asset Sellers or the Acquired Company is in breach of or default under (or is alleged to be in breach of or default under) any Intellectual Property Agreement in any material respect, or has provided or received any written notice of breach or default of or any intention to terminate any Intellectual

Property Agreement. To the Knowledge of Sellers, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute a material event of default under any Intellectual Property Agreement or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.

(c) GCTC is the sole and exclusive legal and beneficial, and with respect to the Intellectual Property Registrations, record, owner of all right, title and interest in and to the Intellectual Property Assets and the Asset Sellers and the Acquired Company have the right to use all other Intellectual Property licensed under the Intellectual Property Agreements.

(d) The Intellectual Property acquired or licensed hereunder or other Transaction Documents are all of the Intellectual Property necessary to operate the Business in substantially the same manner as presently conducted. The consummation of the transactions contemplated hereunder will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, each Buyer's right to own, use or hold for use any Intellectual Property Asset or any Intellectual Property licensed under the Intellectual Property Agreements as owned, used or held for use in the conduct of the Business as currently conducted.

(e) Sellers' rights in the Intellectual Property Assets are valid, subsisting and, to the Knowledge of Sellers, enforceable. Sellers have taken reasonable steps to maintain the Intellectual Property Assets and to protect and preserve the confidentiality of all material trade secrets included in the Intellectual Property Assets.

(f) There are no Actions or material governmental investigations pending or, to the Knowledge of Sellers, threatened: (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by the Acquired Company or any Asset Seller in connection with the Business; (ii) challenging the validity, enforceability, registrability or ownership of any Intellectual Property Assets or any rights of the Acquired Company or any Asset Seller with respect to any Intellectual Property Assets; or (iii) by any Asset Seller, the Acquired Company or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of any Intellectual Property Assets. No Asset Seller nor the Acquired Company is subject to any outstanding Governmental Order (including any motion or petition therefor) that does or would materially restrict or impair the use of any Intellectual Property Assets.

**Section 4.13 Acquired Inventory.** All Acquired Inventory consists of a quality usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. Except as set forth in **Section 4.13** of the Disclosure Schedules, all Acquired Inventory is owned by Sellers free and clear of all Encumbrances, and no Inventory is held on a consignment basis.

#### **Section 4.14 Customers and Suppliers.**

(a) Section 4.14(a) of the Disclosure Schedules sets forth with respect to the Business (i) each customer who has paid aggregate consideration for goods or services rendered in an amount greater than or equal to \$1,000,000 for each of the two (2) most recent fiscal years (collectively, the “Material Customers”); and (ii) the amount of consideration paid by each Material Customer during such periods. No Asset Seller nor the Acquired Company has received any written notice that any of the Material Customers has ceased, or intends to cease after the Closing, to use the goods or services of the Business or to otherwise terminate or materially reduce its relationship with the Business.

(b) Section 4.14(b) of the Disclosure Schedules sets forth with respect to the Business (i) each supplier to whom the Business has paid consideration for goods or services rendered in an amount greater than or equal to \$500,000 for each of the two (2) most recent fiscal years (collectively, the “Material Suppliers”); and (ii) the amount of purchases from each Material Supplier during such periods. No Asset Seller nor the Acquired Company has received any written notice that any of the Material Suppliers has ceased, or intends to cease, to supply goods or services to the Business or to otherwise terminate or materially reduce its relationship with the Business.

**Section 4.15 Insurance.** Section 4.15 of the Disclosure Schedules sets forth a true and complete list of all material current policies or binders, including amounts of coverage and pre-paid insurance policies, of fire, liability, product liability, umbrella liability, real and personal property, workers’ compensation, vehicular, fiduciary liability and other casualty and property insurance maintained by the Acquired Company (collectively the “**Insurance Policies**”). There are no pending claims related to the Business, the Purchased Assets or the Assumed Liabilities pending under any current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers’ compensation, vehicular, fiduciary liability and other casualty and property insurance maintained by any Seller or any Affiliate thereof and relating to the Business, the Purchased Assets or the Assumed Liabilities as to which, coverage has been questioned in writing, denied or disputed in writing or in respect of which there is an outstanding reservation of rights.

#### **Section 4.16 Legal Proceedings; Governmental Orders.**

(a) There are no Actions pending or, to the Knowledge of Sellers, threatened against or by the Acquired Company or any Asset Seller or any of their respective Affiliates (i) that are reasonably expected to have an adverse effect on the Business, the Purchased Assets or the Assumed Liabilities; or (ii) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against, that are reasonably expected to have an adverse effect on the Business.

**Section 4.17 Compliance With Laws; Permits.**

(a) The Asset Sellers and the Acquired Company are now complying with all material Laws applicable to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets.

(b) All material Permits required for the Acquired Company or any Asset Seller to conduct the Business as currently conducted have been obtained by the Acquired Company or such Asset Seller, as applicable, and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 4.17(b) of the Disclosure Schedules lists all current Permits issued to Sellers which are related to the conduct of the Business as currently conducted in Plant B or the ownership and use of the Purchased Assets in Plant B, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Section 4.17(b) of the Disclosure Schedules.

(c) None of the representations and warranties in this Section 4.17 shall be deemed to relate to environmental matters (which are governed by Section 4.18), employee benefits matters (which are governed by Section 4.20), employment matters (which are governed by Section 4.21) or tax matters (which are governed by Section 4.22).

**Section 4.18 Environmental Matters.**

(a) The operations of the Acquired Company and the Asset Sellers with respect to the Business are currently in compliance in all material respects with all applicable Environmental Laws. The Acquired Company and the Asset Sellers have been in compliance in all material respects with all applicable Environmental Laws with respect to the operations at each particular Leased Real Property during the time period that is the shorter of (i) five years prior to the date of this Agreement and (ii) the period prior to the Closing Date during which the applicable Seller or the Acquired Company held a leasehold interest in such Leased Real Property (the "Leasehold Term"). During the Leasehold Term, no Asset Seller nor the Acquired Company has received from any Person, with respect to the Business or the Purchased Assets, any: (x) Environmental Notice; or (y) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing material obligations or requirements as of the Closing Date.

(b) The Acquired Company and the Asset Sellers have obtained and are in material compliance with all Environmental Permits (each of which is disclosed in Section 4.18(b) of the Disclosure Schedules) required for the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Leased Real Property and all such Environmental Permits are in full force and effect and shall be maintained in full force and

effect by Sellers through the Closing Date in accordance with Environmental Law. Sellers have not received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of any Environmental Permit.

(c) To the Knowledge of Sellers, during the Leasehold Term there has been no material Release of Hazardous Materials by the Acquired Company or the Asset Sellers at any Leased Real Property in contravention of, or in any manner that could reasonably be expected to give rise to material liability or obligation pursuant to, Environmental Law with respect to the Leased Real Property, and Sellers have not received written notice that the Leased Real Property (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Material.

(d) Seller has not retained or assumed by contract any liabilities or obligations of third parties under Environmental Law with respect to the Leased Real Property or the Purchased Assets.

(e) Sellers have provided access to Buyers to any Phase I environmental site assessment reports, Phase II reports and any material environmental compliance documents that are within the Sellers' possession, custody or control relating to the Leased Real Property.

(f) The representations and warranties set forth in this Section 4.18 are Sellers' sole and exclusive representations and warranties regarding environmental matters.

**Section 4.19 GCA Equity.**

(a) Upon the consummation of the Closing, the GCA Equity shall have been sold and delivered to the Equity Buyers, free and clear of all Encumbrances.

(b) All of the issued and outstanding GCA Equity as of the date hereof has been duly authorized and validly issued and are fully paid and non-assessable. None of such GCA Equity was issued in violation of any pre-emptive rights, rights of first offer or first refusal or similar rights or in violation of any securities Law. There are no outstanding subscriptions, options, warrants or other rights of any kind to acquire (including securities exercisable or exchangeable for or convertible into) any additional GCA Equity (or securities convertible into or exchangeable or exercisable for any such additional equity interests), no GCA Equity of any class of equity interest of the Acquired Company has been reserved or set aside for any purpose and the Acquired Company is not party to any written Contract in respect thereof.

#### **Section 4.20 Employee Benefit Matters.**

(a) Section 4.20(a) of the Disclosure Schedules contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit, seniority and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, whether or not tax-qualified, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Sellers for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of the Business or any spouse or dependent of such individual, or under which any Seller or any of its Affiliates has or may have any Liability, with respect to which any Buyer or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise (as listed on Section 4.20(a) of the Disclosure Schedules, each, a “Benefit Plan”).

(b) With respect to each Benefit Plan, Sellers have made available to Buyers accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; and (v) copies of material notices, letters or other correspondence from any Governmental Authority relating to the Benefit Plan.

(c) No Benefit Plan provides post-termination or retiree welfare benefits to any Person for any reason including death or medical benefits (whether or not insured), with respect to current or former employees, directors or independent contractors of Sellers beyond their retirement or other termination of service.

(d) The representations and warranties set forth in this Section 4.20 are the Sellers' sole and exclusive representations and warranties regarding employee benefit matters.

#### **Section 4.21 Employment Matters.**

(a) Section 4.21(a) of the Disclosure Schedules contains a list of all persons to be hired by any Buyer on or after the Closing Date, who are employees, independent contractors or consultants of the Business as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position; (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-

based compensation; and (vi) a description of any other fringe benefits provided to each such individual as of the date hereof that are not disclosed elsewhere on the Disclosure Schedules. As of the date hereof, each of the individuals set forth on Section 4.21(a) of the Disclosure Schedules is a full time employee and there are no outstanding employee loans with respect to such individuals. Except for payroll and sales employee compensation that has accrued but is unpaid in the ordinary course, as of the date hereof, all compensation, including wages, commissions and bonuses payable to all employees, independent contractors or consultants of the Business for services performed on or prior to the date hereof have been paid in full and there are no outstanding agreements, understandings or commitments of Sellers or the Acquired Company with respect to any compensation, commissions or bonuses.

(b) Solely with respect to the Transferred Employees, Sellers are not, and have not been a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, "Union"), and there is not, and has not been, any Union representing or purporting to represent any Transferred Employee, and, to the Knowledge of Sellers, no Union or group of employees is seeking or has sought to organize any Transferred Employees for the purpose of collective bargaining.

(c) The representations and warranties set forth in this Section 4.21 are the Sellers' sole and exclusive representations and warranties regarding employment matters.

**Section 4.22 Taxes.** With respect to the Business:

(a) All Tax Returns with respect to the Business required to be filed by Sellers and the Acquired Company for any Pre-Closing Tax Period have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by any Seller (whether or not shown on any Tax Return) have been, or will be, timely paid.

(b) The VAT credit balance (impuesto al valor acreditable susceptible de devolución), CUFIN (cuenta de utilidad fiscal neta) and CUCA (cuenta de capital de aportación) accounts and the NOL balance (pérdidas fiscales de ejercicios anteriores) of the Acquired Company have been properly computed and the Acquired Company has the appropriate documentation to support such computations before the Tax authority.

(c) The Acquired Company has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, foreign resident, service provider, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(d) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of any Seller.

(e) All Tax deficiencies asserted, or assessments made, against any Seller as a result of any examinations by any taxing authority have been fully paid.

(f) No Seller is a party to any Action or, with respect to the Acquired Company, any audit by any taxing authority. There are no pending or threatened Actions or, with respect to the Acquired Company, any audits by any taxing authority.

(g) There are no Encumbrances for Taxes upon any of the Purchased Assets and the Acquired Company nor, to the Knowledge of Sellers, is any taxing authority in the process of imposing any Encumbrances for Taxes on any of the Purchased Assets (other than for current Taxes not yet due and payable).

(h) No Seller is, or has been, a party to, or a promoter of, a “reportable transaction” with respect to the Business within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b).

(i) None of the Purchased Assets is (i) required to be treated as being owned by another Person pursuant to the so-called “safe harbor lease” provisions of former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, or (ii) subject to a disqualified leaseback or long-term agreement as defined in Section 467 of the Code.

(j) None of the Purchased Assets is tax-exempt use property within the meaning of Section 168(h) of the Code.

(k) Except for certain representations related to Taxes specifically made elsewhere in this Agreement, the representations and warranties set forth in this Section 4.22 are Sellers' sole and exclusive representations and warranties regarding Tax matters.

(l) GK Technologies is a US corporation and a US tax resident under the definition of the United States and Mexico Tax Convention for the avoidance of double taxation (“Tax Treaty”).

(m) GK Technologies meets the requirements provided in the Tax Treaty to be eligible for the benefits provided therein for the taxation of capital gains.

(n) The Acquired Inventory that will be located in Mexico at the time of the Closing has been imported into Mexico under a temporary importation scheme using the Maquiladora Program.

(o) The period for the temporary importation relating to the Acquired Inventory imported on a temporary basis has not expired and will not expire at Closing.

(p) The importer of record relating to the Acquired Inventory located in Mexico has in place a Maquiladora Program and will continue to do so at Closing.

**Section 4.23 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of any Seller or the Acquired Company.

**Section 4.24 Disclaimer of Other Representations.** The representations and warranties set forth in this Article IV are the only representations and warranties made by Sellers or any of their Affiliates, or relied upon by the Buyers, with respect to the Business, the Acquired Company, the Purchased Assets or the Assumed Liabilities. Except as specifically set forth in this Agreement or any other Transaction Document, (a) Sellers are selling the Purchased Assets and the GCA Equity to Buyers “as is” and “where is” and with all faults, and make no warranty, express or implied, as to any matter whatsoever relating to the Business, the Acquired Company, the Purchased Assets or the Assumed Liabilities including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the Business by Buyers after the Closing in any manner or (iii) the probable success or profitability of the Business after the Closing, and (b) no Seller, nor any of their respective Representatives or Affiliates will have or will be subject to any Liability or indemnification obligation to Buyers or any other Person resulting from the distribution to Buyers, or the respective Affiliates or Representatives of Buyers, or Buyers’ use of, any information relating to the Business, the Acquired Company, the Purchased Assets and the Assumed Liabilities, including any descriptive memoranda, summary business descriptions or any information, documents or material made available to Buyers or their respective Representatives, whether orally or in writing, in certain “data rooms,” management presentations, functional “break-out” discussions, responses to questions submitted on behalf of Buyers, due diligence reviews, or in any other form in expectation of the transactions contemplated by this Agreement, including during the negotiations with respect to the transactions contemplated by this Agreement.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF BUYERS

Except as set forth in the Disclosure Schedules, Buyers jointly and severally represent and warrant to Sellers that the statements contained in this ARTICLE V are true and correct as of the date hereof.

**Section 5.01 Organization of Buyers.** U.S. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of New York. Motortronics is a corporation duly organized, validly existing and in good standing under the Laws of the State of New York. Mexico Buyer is a Sociedad de Responsabilidad Limitada de Capital Variable duly organized, validly existing and in good standing under the Laws of Mexico.

**Section 5.02 Authority of Buyers; Enforceability.** Each Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which such Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each Buyer of this Agreement and any other Transaction Document to which such Buyer is a party, the performance by such Buyer of its obligations hereunder and thereunder and the consummation by such Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of such Buyer. This Agreement and each other Transaction Document to which each Buyer is or will be a party has been duly executed and delivered by such Buyer, and (assuming due authorization,

execution and delivery by Sellers) this Agreement constitutes a legal, valid and binding obligation of Buyers enforceable against each Buyer in accordance with its terms, except insofar as enforceability may be limited by bankruptcy, insolvency, moratorium or other Laws which may affect creditors' rights and remedies generally and by principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

**Section 5.03 No Conflicts; Consents.** The execution, delivery and performance by each Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of such Buyer; (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to such Buyer; or (c) require the consent, notice (other than notice required to be delivered to the U.S. Buyer's lenders under its credit facility, which has been provided as of the date hereof) or other action by any Person, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which such Buyer is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Buyer in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

**Section 5.04 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of any Buyer.

**Section 5.05 Sufficiency of Funds.** Buyers have sufficient cash on hand or other sources of immediately available funds to enable Buyers to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

**Section 5.06 Legal Proceedings.** There are no Actions pending or, to Buyers' knowledge, threatened against or by Buyers or any Affiliate of Buyers that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

**Section 5.07 Investment.** Each Equity Buyer is acquiring the GCA Equity solely for the purpose of this investment and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"), or any state or non-U.S. Law of similar effect. Each Equity Buyer acknowledges the GCA Equity is not registered under the Securities Act or any state or non-U.S. Law of similar effect, and that the GCA Equity may not be transferred or sold except pursuant to the registration provisions of such Laws or pursuant to an applicable exemption therefrom as applicable. Each Equity Buyer is an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act. Each Equity Buyer has such knowledge and experience in financial and business matters and investments in general that make it capable of evaluating the merits and risks of purchasing the GCA Equity. Each Equity Buyer

acknowledges that it has been afforded: (a) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of Sellers and the Acquired Company concerning the merits and risks of investing in the Acquired Company; (b) access to information about the Acquired Company, its results of operations, financial condition and cash flow, and business, in each case sufficient to enable such Equity Buyer to evaluate whether to proceed with the execution and delivery of this Agreement and the purchase of the GCA Equity; and (c) the opportunity to obtain such additional information that either Sellers or the Acquired Company possess, or can acquire without unreasonable effort or expense, that is necessary to make an informed investment decision with respect to the execution and delivery of this Agreement and the consummation of the purchase of the GCA Equity.

## ARTICLE VI

### COVENANTS

#### **Section 6.01 Employees and Employee Benefits.**

(a) Mexico Employees. Buyers hereby covenant and agree that each employee of Prestolite or of Servicios listed on Schedule 6.01(a) (each, a “Mexico Employee”) (including those employees on leave of absence, vacation or otherwise absent from work on the Closing Date) shall, as applicable: (i) be automatically transferred at the Closing by Prestolite to Mexico Buyer through an employer substitution (substitución patronal) (an “Employer Substitution”), as provided by applicable Mexican labor Law; or (ii) shall continue to be employed by Servicios for the benefit of the Acquired Company under the terms of the Employee Services Agreement. In each case each Mexico Employee shall continue to receive salary and benefits following the Closing on similar (or more favorable) terms and conditions as are provided to such Mexico Employee as of immediately prior to the Closing, as mandated by the Mexican Federal Labor Law.

(b) U.S. Employees. Buyers hereby covenant and agree that each employee of the Business listed on Schedule 6.01(b) who will become employed by U.S. Buyer following the Closing (each, a “Transferred U.S. Employee”) shall be eligible to receive the salary and benefits maintained for employees of U.S. Buyer on substantially similar terms and conditions in the aggregate as are provided to similarly situated employees of U.S. Buyer. The Mexico Employees and the Transferred U.S. Employees are hereinafter referred to as the “Transferred Employees”.

(c) Buyers hereby covenant and agree that, except regarding the Mexico Employees, whose severance or other separation benefits shall be determined in accordance with the provisions of the Mexican Federal Labor Law, each Transferred Employee shall be given service credit for the purpose of eligibility under Benefit Plans for his or her period of service with the Acquired Company or any Seller, as applicable, prior to the Closing Date; provided, however, that for purposes of determining the amount of severance or other separation benefits, (i) such credit shall be given pursuant to payroll or plan records, at the election of the applicable Buyer, in its sole and absolute discretion; and (ii) such service crediting shall be permitted and consistent with such Buyer’s Benefit Plans.

(d) For the purpose of transferring the Mexico Employees employed by Prestolite to Mexico Buyer, on the Closing Date or immediately thereafter, Prestolite and Mexico Buyer shall jointly give each such Mexico Employee the notice to which Article 41 of the Mexican Federal Labor Law refers in the form attached hereto as Exhibit D-3. Furthermore, Prestolite and Mexico Buyer shall enter into an Employer Substitution Agreement in the form attached hereto as Exhibit D-1. The parties hereto expressly agree that Mexico Buyer shall relieve, indemnify and hold harmless Prestolite from the joint liability obligation established by the aforementioned Article 41 and shall be solely responsible for any and all Losses relating to labor claims from the aforementioned employees (and shall indemnify, defend, hold harmless and reimburse Sellers to the extent any of them incur such Losses), unless said claims are due to pre-Closing unlawful acts or omissions of Prestolite. Sellers shall relieve, indemnify and hold harmless Buyers from any and all Losses relating to labor claims from the aforementioned employees, solely due to pre-Closing unlawful acts or omissions of Prestolite.

(e) For the purpose of transferring the Mexico Employees employed by Servicios to GCA or, at Mexico Buyer's election, to an employee services company to be incorporated by Mexico Buyer to assume the role of Servicios (are hereinafter referred to as "Servicios SMP"), the parties will, if permitted under Mexican labor law, effect an employer substitution within 120 days following the Closing Date. If such employer substitution is not permitted under Mexican labor law, then Buyers and Servicios will use commercially reasonable efforts to obtain the consent of the Transferred Employees employed by Servicios to such transfer in accordance with the Employee Services Agreement; provided, any employee who does not provide such consent shall remain in the employ of Servicios and shall not be deemed a "Transferred Employee" hereunder. In the case of an employer substitution, Servicios and GCA or Servicios SMP, as applicable, shall jointly give each such Mexico Employee the notice to which Article 41 of the Mexican Federal Labor Law refers in the form attached hereto as Exhibit D-3. Furthermore, in the event an employer substitution is permitted, Servicios and GCA or Servicios SMP, as applicable shall enter into an Employer Substitution Agreement in the form attached hereto as Exhibit D-2. In the case of such employer substitution, the parties hereto expressly agree that Buyers shall relieve, indemnify and hold harmless Servicios from the joint liability obligation established by the aforementioned Article 41 and shall be solely responsible for any and all Losses relating to labor claims from the aforementioned employees (and shall indemnify, defend, hold harmless and reimburse Sellers to the extent any of them incur such Losses), unless said claims are due to pre-Closing unlawful acts or omissions of Servicios. Sellers shall relieve, indemnify and hold harmless Buyers from any and all Losses relating to labor claims from the aforementioned employees, solely due to pre-Closing unlawful acts or omissions of Servicios.

(f) General Matters.

(i) Sellers and Buyers intend that the Transferred Employees will continue to provide services to the Business without interruption and that the Transferred Employees will have continuous and uninterrupted employment with respect to the Business before and immediately after the Closing.

(ii) Buyers agree that, with respect to all Transferred Employees, Buyers will honor all accrued but untaken vacation credited to such Transferred Employees under the applicable vacation plans of Sellers and the Acquired Company, determined as of the Closing.

(iii) Buyers shall indemnify and hold Sellers and their respective Affiliates harmless from any claims made by any Transferred Employee for any claims based on breach of contract and from any other claims arising out of, or in connection with any action (or inaction) by Buyers following the Closing with respect to the employment or the failure to offer employment to, or the termination of employment of, any Transferred Employee following the Closing Date, including severance or other separation benefits.

(iv) Sellers shall indemnify and hold Buyers and their respective Affiliates harmless from any claims made by any Transferred Employees for any claims based on breach of contract and from any other claims arising out of, or in connection with any action (or inactions) by Sellers prior to Closing with respect to the employment of the Transferred Employees, including payment obligations or non-disclosed severance or other separation benefits arrangements.

**Section 6.02 Non-competition; Non-solicitation.**

(a) For a period of five (5) years commencing on the Closing Date (the “Restricted Period”), each Seller shall, and shall require its Affiliates (including, without limitation, Affiliates in France or Brazil) to, refrain from: (i) directly or indirectly engaging or investing in, controlling or managing, any activities which are, as of the Closing, competitive with automotive aftermarket and OEM/OES ignition wire sets, ignition leads, and bulk ignition wire in North America; (ii) selling, directly or indirectly, automotive aftermarket and OEM/OES ignition wire sets, ignition leads, and bulk ignition wire in North America, which, for the avoidance of doubt, includes selling such items, directly or indirectly, to a non-North America buyer (A) if such buyer has affirmatively indicated to such Seller its intention of selling such items in North America or (B) if, to the Knowledge of Sellers, such buyer is in fact selling such items in North America; (iii) selling, directly or indirectly, automotive aftermarket and OEM/OES ignition wire sets, ignition leads, and bulk ignition wire to existing (as of the Closing Date) non-North America export customers of the Business; and/or (iv) entering into any Contract for the purchase and sale of all or part of the Sellers’ ignition extrusion wire business or the assets of the Sellers’ ignition extrusion wire business, unless the Person purchasing such business or assets agrees to be bound by the provisions of this Section 6.02; provided, however that Sellers shall not be liable to Buyers or otherwise responsible for the failure of such Person to comply with the provisions of this Section 6.02 so long as such Person agrees to be liable to Buyers (including by way of a third-party beneficiary provision) with respect to its compliance with the provisions of this Section 6.02.

(b) Each Seller acknowledges that a breach or threatened breach of this Section 6.02 would give rise to irreparable harm to Buyers, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach

by such Seller of any such obligations, each Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(c) Each Seller acknowledges that the restrictions contained in this Section 6.02 are reasonable and necessary to protect the legitimate interests of Buyers and constitute a material inducement to Buyers to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 6.02 should ever be adjudicated to exceed the time, geographic, product or service or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service or other limitations permitted by applicable Law. The covenants contained in this Section 6.02 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

**Section 6.03 Bulk Sales Laws.** The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyers.

**Section 6.04 Consents.** Each party hereto shall, reasonably promptly following execution of this Agreement, (i) make, or cause or be made, all filings and submissions required under any Law applicable to such party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Persons or Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals.

**Section 6.05 Books and Records.** In order to facilitate the resolution of any claims made against or incurred by Sellers for periods prior to the Closing or claims made against or incurred by Buyers for periods after the Closing or for any other reasonable purpose, each of the parties shall retain for three (3) years after the Closing Date the Books and Records in its possession relating to periods prior to the Closing, in a manner reasonably consistent with the prior practices of cause any Books and Records. During such term, each of the parties shall allow the other party and such other party's Representatives reasonable access to inspect or copy such Books and Records, at their expense, during normal business hours.

**Section 6.06 Public Announcements.** Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

**Section 6.07 Taxes.**

(a) All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by whichever party is responsible to pay such Taxes under applicable Law. Such party shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and the other parties shall cooperate with respect thereto as necessary). Notwithstanding the foregoing, Buyers shall be responsible for and shall pay any and all (a) value added Tax levied by the Mexican value added Law on the transactions contemplated in this Agreement and the other Transaction Documents and (b) sales Tax payable with respect to this Agreement and any other Transaction Document, unless Buyers provide to Sellers on or prior to the Closing valid sales Tax exemption certificates or other proof of exemption from such sales Taxes. Furthermore, (i) Buyers shall be responsible for and shall pay the Mexican customs duties that will result in the event Buyers fail to properly effect the Inter-Maquiladora Customs Transfer and (ii) Sellers shall be responsible for and shall pay the Mexican customs duties that will result in the event Sellers fail to properly effect the Inter-Maquiladora Customs Transfer.

(b) GK Technology as seller of the GCA Equity shall follow one of the two procedures provided in article 161 of the Mexican Income Tax Law (Ley del Impuesto sobre la Renta), which are (i) paying the applicable tax based on the capital gain from the sale of the GCA Equity; or (ii) paying the applicable tax based on the gross purchase price under the corresponding Mexico Stock Purchase Agreement. In either case GK Technologies shall file the required tax return.

(c) In the event that GK Technologies elects to apply the procedure provided in the fifth paragraph of article 161 of the Mexican Income tax Law (Ley del Impuesto sobre la Renta) to be taxed on the gross purchase price, GK Technologies shall provide copies to

Buyers of documents evidencing the appointment of a Mexican tax resident as a legal representative under article 174 of the Mexican Income Tax Law and filing a Tax return reporting the income, payment of the applicable Tax on the income. These copies must be provided no later than two days following the date they should be filed, with the exception of the appointment, which must be provided no later than June 2, 2016.

(d) If GK Technologies elects to apply the procedure provided in the sixth and seventh paragraphs of article 161 of the Mexican Income tax Law, in addition to providing copies of the documents referred to in the preceding paragraph, it shall also provide copies to Buyers of the filing a notice before the Tax authority of the Tax report and filing the Tax report (including its exhibits). All of these copies must be provided no later than two days following the date they should be filed, with the exception of the appointment, which must be provided no later than June 2, 2016.

(e) Prestolite as an Asset Seller shall issue invoices (comprobantes fiscales digitales por internet or CFDI) for the Purchased Assets covered under the Mexico Asset Purchase Agreement. Such CFDIs must meet all the applicable Mexican Tax requirements, including (but not limited to) break down of VAT (impuesto al valor agregado), where applicable, allocation of Purchase Price per item and import summary number if the relevant Purchased Asset has been imported into Mexico by Prestolite. Prestolite shall deliver the CFDI, composed of both PDF and XML files, no later than three (3) business days after the Closing Date.

(f) U.S. Buyer will prepare and file all U.S. Tax Returns and Mexico federal Tax Returns required to be filed for the Acquired Company for the 2016 tax year, including such U.S. Tax Returns and Mexico federal Tax Returns that are required to be filed after the Closing Date. Sellers shall file all local Tax Returns, if any, required to be filed for the Acquired Company relating to taxable periods ending with the Closing Date, with all estimated Taxes required to be paid on or prior to the Closing Date paid by Sellers or properly accrued. Notwithstanding anything to the contrary in this Section 6.07(f), Buyers will provide a draft of the Acquired Company's US Form 5471 for the Sellers' review prior to filing Form 5471 with the Internal Revenue Service, and Sellers shall not unreasonably withhold consent to the filing of Form 5471 as drafted by Buyers.

(g) Buyers shall not make an Internal Revenue Code Section 338 election with respect to the Acquired Company.

**Section 6.08 Tax Clearance Certificates.** Promptly following the execution and delivery of this Agreement, Sellers shall, if required by applicable Law, notify the taxing authorities in the applicable jurisdictions that impose Taxes on any Seller or where any Seller has a duty to file Tax Returns reporting the transactions contemplated by this Agreement in the form and manner required by such taxing authorities, if the failure to make such notifications or receive any available tax clearance certificate (a "Tax Clearance Certificate") could subject the Buyers to any Taxes of such Seller.

**Section 6.09 Further Assurances.** Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates, as the case may be, to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents, including the effective transfer of all Assigned Contracts.

**Section 6.10 Seller Trademarks.**

(a) Unless otherwise provided in any other Transaction Document, Buyers hereby acknowledge and agree that nothing in this Agreement grants or shall be deemed to grant to Buyers the right to use or any interest in (i) the names “General Cable”, “General Cable Industries, Inc.”, “Prestolite de México, S.A. de C.V.”, “General Cable Technologies Corporation”, “GK Technologies, Inc.”, “General Cable de México, S.A. de C.V.”, “Servicios Latinoamericanos GC S.A. de C.V.” or any trademark, trade name, service mark, corporate name, domain name, logo or other source indicator containing same and/or confusingly similar thereto, other than those trademarks that are included in the Purchased Assets (collectively, the “Seller Trademarks”) or (ii) any other Intellectual Property of Sellers and their Affiliates that is not included in the Purchased Assets; provided, however, that Sellers and Buyers acknowledge and agree that Buyers shall be entitled to retain and use the name “General Cable Automotriz S.A. de C.V.” for a reasonable period of time following the Closing (not to exceed 75 days) and shall use best efforts to change such name as soon as practicable following the Closing. Notwithstanding the foregoing, after the Closing Date Buyers can continue to sell any Acquired Inventory utilizing packaging bearing the Seller Trademarks and/or trade dress, and Buyer agrees to use commercially reasonable efforts to sell such Acquired Inventory as quickly as commercially practicable.

(b) Unless otherwise provided in any other Transaction Document, commencing promptly after the Closing Date, neither Buyers nor any of their Affiliates shall use any signs or stationery, purchase order forms, packaging or other goods or supplies, advertising and promotional materials, product, training and service literature and materials, or any other materials in any format or medium (“Supplies”) that contain any Seller Trademarks. After the Closing Date, Buyers shall not reorder, produce or reproduce any Supplies that include the Seller Trademarks. Promptly following the Closing Date, Buyers and the Acquired Company shall cease all use of the Seller Trademarks.

**Section 6.11 Director and Officer Liability, Indemnification and Insurance.** After the Closing, Buyers shall cause the Acquired Company to continue to indemnify and hold harmless each present and former director and officer (and similar functionary) of the Acquired Company and each such Person who served at the request of the Acquired Company as an officer, trustee, partner, fiduciary, employee or agent of another corporation, partnership, joint venture, trust, pension or other benefit plan or enterprise of the Acquired Company (each a “Covered Person”) against any costs or expenses (including reasonable attorneys’ fees), judgments, fines, losses, claims, damages or liabilities of any nature whatsoever, incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters

existing or occurring at or prior to Closing (including the transactions contemplated by this Agreement), whether asserted or claimed prior to, at or after the Closing, to the fullest extent that the Acquired Company would have been permitted under applicable Law to indemnify and/or exculpate any such Person (including the advancing of expenses as incurred to the fullest extent permitted by applicable Law); provided, however, the Person to whom such expenses are advanced provides an unsecured undertaking to the Acquired Company to repay such advances if it is ultimately determined that such Person is not entitled to indemnification.

**Section 6.12 Confidential Information.** The parties agree as follows:

(a) Each Seller agrees that following the Closing Date it shall, and shall cause its directors, officers, employees, advisors and Affiliates to, keep the Business Confidential Information (as defined below), confidential for a period of three (3) years from the Closing Date, except that any Business Confidential Information may be disclosed if such disclosure is (i) required by or requested in writing pursuant to any applicable Law, (ii) necessary to establish rights under this Agreement, (iii) to such Seller's shareholders, potential investors, potential strategic partners and financing sources, in each case, to the extent that they are bound to a comparable level of confidentiality as set forth in this Agreement, or (iv) to such Seller's Affiliates, directors, officers, employees, attorneys, agents, and accountants on a reasonable need to know basis. For purposes hereof, the term "Business Confidential Information" means all information that relates to the Purchased Assets, the Acquired Company or the Assumed Liabilities, other than any such information that (A) is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 6.12(a); (B) is disclosed by any Buyer to a third party without an obligation of confidence; (C) is developed by any Seller independently of the Business; or (D) is received by any Seller after the Closing Date from a third party without any obligation of confidence.

(b) Each Buyer agrees that following the Closing Date it shall, and shall cause its directors, officers, employees, advisors and Affiliates (including the Acquired Company) to, keep Seller Confidential Information (as defined below) confidential for a period of three (3) years from the Closing Date, except that any Seller Confidential Information may be disclosed if such disclosure is (i) required or requested in writing pursuant to any applicable Law, (ii) necessary to establish rights under this Agreement, (iii) to such Buyer's shareholders, potential investors, potential strategic partners and financing sources, in each case, to the extent that they are bound to a comparable level of confidentiality as set forth in this Agreement, or (iv) to such Buyer's Affiliates, directors, officers, employees, attorneys, agents, and accountants on a reasonable need to know basis. For purposes hereof, the term "Seller Confidential Information" means all information of any Seller and or their respective Affiliates (excluding, for such purpose and for the avoidance of any doubt, the Acquired Company) that relates to the Excluded Assets or the Excluded Liabilities and provided to any Buyer in connection with the transactions contemplated by this Agreement or the Transaction Documents or otherwise in the possession of any Buyer or their respective Affiliates (including the Acquired Company) following the Closing, other than any such information that (A) is available to the public on the Closing Date, or thereafter becomes

available to the public other than as a result of a breach of this Section 6.12(b); (B) is disclosed by any Seller to a third party without an obligation of confidence; (C) is developed by any Buyer independently of Sellers; or (D) is received by any Buyer after the Closing Date from a third party without any obligation of confidence.

(c) In no event shall Buyers or the Acquired Company or any Affiliate or agent of those Persons involved in the operation of the Business advertise or hold itself out as any Seller or any Affiliate of any Seller after the Closing Date.

**Section 6.13 Intercompany Arrangements.** Except for \$214,684.79 in trade accounts payable owed by the Acquired Company to GCI (which shall remain on the GCA Balance Sheet at the Closing and shall be payable to GCI after the Closing) or as may otherwise be mutually agreed by the parties, Sellers will cause any intercompany contracts, arrangements, financing agreements or intercompany loans between the Acquired Company, on the one hand, and any Seller or any Affiliate of Sellers, on the other hand, to be terminated effective no later than as of the Closing, other than Transaction Documents or any other arrangement entered into pursuant hereto or in connection with the contemplated transactions; provided, that Sellers shall not take any action that would result in the Sellers' representations and warranties in **Section 4.06** becoming untrue.

**Section 6.14 Wrong Pocket.** Except as contemplated by the Transaction Documents, in the event that any Seller (or any Affiliate thereof) receives any payment related to any Purchased Asset after the Closing, the applicable Seller agrees to promptly remit (or cause to be promptly remitted) such funds to the applicable Buyer on a weekly basis. Except as contemplated by the Transaction Documents, in the event that any Buyer (or any Affiliate of thereof (including, for the avoidance of doubt, the Acquired Company)) receives any payment related to any Excluded Asset after the Closing, the applicable Buyer agrees to promptly remit (or cause to be promptly remitted) such funds to the applicable Seller on a weekly basis.

**Section 6.15 Excluded UPC Codes.** For a period of one year following the Closing Date, Buyers shall be permitted to use, on a non-exclusive basis and solely to the extent permitted by applicable Law, the Excluded UPC Codes with respect to any new products manufactured, distributed or sold to customers by the Business (such products using the Excluded UPC Codes, "**New Products**"); provided that Buyers shall use commercially reasonable efforts to discontinue use of the Excluded UPC Codes as soon as commercially practicable after the Closing; provided, further that Buyers shall not be required to recall or repackage any New Products or any Acquired Inventory containing the Excluded UPC Codes from customers or located in Buyers' distribution centers that have been manufactured, distributed or sold by the Business at any time prior to the twelve month anniversary of the Closing Date.

**Section 6.16 Certain Permits.** Promptly after the date hereof, the Acquired Company shall submit applications with each relevant Governmental Authority to obtain the following the Permits (or provisional authorization related thereto) with respect to Plant B: (i) Compressor Registration, (ii) Civil Protection Internal Program and (iii) provisional authorization with respect to Waste Water Discharge Permit.

## ARTICLE VII

### INDEMNIFICATION

**Section 7.01 Survival.** Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is eighteen (18) months from the Closing Date; provided, that the representations and warranties in (i) **Section 4.01, Section 4.03, Section 4.09, Section 4.19, Section 4.23, Section 5.01, Section 5.02 and Section 5.04** shall survive indefinitely and (ii) **Section 4.18, Section 4.20 and Section 4.22** shall survive for the full period of all applicable statutes of limitations (caducidad or prescripción in the case of Taxes) (giving effect to any waiver, mitigation or extension thereof) plus 60 days. All covenants and agreements of the parties contained herein shall survive for the period explicitly specified therein, and following the expiration of such survival periods, no action by any party may be brought with respect such representations, warranties or covenants. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (including a certification of the Losses that have been incurred as of such date) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved. For the avoidance of doubt, the parties hereby agree and acknowledge that the survival periods set forth in this **Section 7.01** are contractual statutes of limitations and, notwithstanding any state Law provision to the contrary, any claim brought by any Buyer Indemnitee or Seller Indemnitee pursuant to this **Article VII** must be brought or filed prior to the expiration of the applicable survival period.

**Section 7.02 Indemnification By Sellers.** Subject to the other terms and conditions of this **ARTICLE VII**, Sellers shall indemnify and defend each Buyer and its Affiliates and their respective directors, officers, employees, successors or assigns (collectively, the “**Buyer Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Sellers contained in this Agreement, the other Transaction Documents or in any certificate delivered by Sellers pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any material breach or non-fulfillment of any covenant, agreement or obligation to be performed by Sellers pursuant to this Agreement, the other Transaction Documents or any certificate delivered by Sellers pursuant to this Agreement;

(c) any Excluded Asset or any Excluded Liability; or

(d) any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of any Seller or any of its Affiliates (other than the Purchased Assets or Assumed Liabilities) conducted, existing or arising on or prior to the Closing Date.

**Section 7.03 Indemnification By Buyers.** Subject to the other terms and conditions of this **ARTICLE VII**, Buyers shall indemnify and defend each Seller and its Affiliates and their respective directors, officers, employees, successors or assigns (collectively, the “**Seller Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyers contained in this Agreement or in any certificate delivered by Buyers pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any material breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyers pursuant to this Agreement, the other Transaction Documents or any certificate delivered by Buyers pursuant to this Agreement;

(c) any Assumed Liability or Purchased Asset; or

(d) the operation of the Business or the Purchased Assets or actions taken by or on behalf of Buyers or any of their respective Affiliates (including the Acquired Company) after the Closing.

**Section 7.04 Certain Limitations.** The indemnification provided for in **Section 7.02** and **Section 7.03** shall be subject to the following limitations:

(a) Sellers shall not be liable to the Buyer Indemnitees for indemnification under **Section 7.02(a)** (i) for Losses that do not exceed \$15,000 (the “**Minimum Claim Amount**”), and (ii) until the aggregate amount of all Losses, which Losses individually exceed the Minimum Claim Amount, exceed five hundred thousand Dollars (\$500,000) (the “**Basket**”), in which event Sellers shall be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which Sellers shall be liable pursuant to **Section 7.02(a)** shall not exceed ten percent (10%) of the Purchase Price (the “**Cap**”).

(b) Buyers shall not be liable to the Seller Indemnitees for indemnification under **Section 7.03(a)** until the aggregate amount of all Losses in respect of indemnification under **Section 7.03(a)** exceeds the Basket, in which event Buyers shall be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which Buyers shall be liable pursuant to **Section 7.03(a)** shall not exceed the Cap.

(c) Notwithstanding the foregoing, the limitations set forth in **Section 7.04(a)** or **7.04(b)** shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in **Section 4.01**, **Section 4.03**, **Section 4.09**, **Section 4.16(a)(ii)**, **Section 4.19**, and **Sections 5.01** through **Section 5.06**.

(d) Solely for purposes of calculating the amount of Losses related to this **ARTICLE VII**, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty. For the avoidance of doubt, such qualifications shall not be disregarded for any other purposes, including for the purpose of determining whether there has been an inaccuracy in or breach of such representation or warranty.

(e) Sellers shall not be liable to the Buyer Indemnitees under **Section 7.02** for any Losses or alleged Losses related to any environmental investigation, monitoring, corrective, cleanup, removal or remedial action: (i) with respect to any condition of contamination identified through any environmental testing, sampling or analysis, or any report to any Governmental Authority, in either case unless (w) required to be performed or made by Buyers pursuant to Environmental Law, (x) expressly directed by a Governmental Authority, which direction shall be delivered to Sellers, (y) required by a contractual obligation, including without limitation, the Leases or (z) required in response to a Third Party Claim, in the case of (w), (y) and (z), as reasonably determined by counsel to Buyers (which may be internal counsel), which determination shall be communicated to Sellers in advance of any action (other than actions taken in response to any emergency); and (ii) except to the extent such action is performed in a reasonably cost effective manner in order to achieve compliance with Environmental Laws or as directed by a Governmental Authority assuming continued industrial use of the Leased Real Property and employing applicable risk based standards and institutional controls as permitted pursuant to Environmental Laws or as directed by a Governmental Authority.

(f) Payments by an Indemnifying Party (defined below) pursuant to **Section 7.02** or **Section 7.03** in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party (defined below) in respect of any such claim; provided, that, with respect to insurance proceeds, such deductions shall be net of any increase in insurance premiums of the Indemnified Party that are directly related to the Loss in question (as established in writing to the reasonable satisfaction of the Indemnifying Party); provided, further, that if any such insurance or similar proceeds are collected following an applicable payment by an Indemnifying Party

to an Indemnified Party, then the Indemnified Party shall promptly pay over such insurance or similar proceeds to the Indemnifying Party. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(g) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, unless if, in each case, awarded to a third party by a court of competent jurisdiction in a final and non-appealable judgment and actually paid by the Indemnified Party to the third-party claimant.

(h) The aggregate amount of all Losses for which Sellers shall be liable pursuant to this Agreement and the Transaction Documents shall not exceed the Purchase Price.

(i) Pursuant to **Section 2.05**, Sellers will retain, following the Closing, certain rights and obligations with respect to the Excluded Environmental Liabilities. As used herein, the term “**Excluded Environmental Liability**” means any Liability that (A) (i) arises under any Environmental Law or is related to Hazardous Materials and (ii) constitutes an Excluded Liability pursuant to the terms of this Agreement or (B) results from an inaccuracy in the representation and warranties set forth in **Section 4.18**. In furtherance of those rights and obligations, except as provided in **Section 7.05** with respect to Third Party Claims, Sellers are hereby authorized by Buyers to negotiate in good faith the settlement of any matter to the extent directly related to Sellers’ rights and obligations with respect to the Excluded Environmental Liabilities under this Agreement, provided that in so doing, Sellers consult with Buyers and include Buyer in communications with Governmental Authorities. With respect to any remedial action that is an Excluded Environmental Liability, to the extent such actions are permitted to be taken by the tenant (or its agent) pursuant to the terms of the applicable Lease:

(i) Sellers shall have the exclusive right (subject to the right of Buyers to consult with Sellers with respect to such matters) to manage, undertake and perform any investigation or cleanup action with respect to the Leased Real Property, including, if applicable, the right to (A) investigate any suspected contamination and to conduct and obtain any tests, reports, surveys and investigations, (B) contact, negotiate or otherwise deal with Governmental Authorities relating to such investigation or cleanup action, (C) prepare any plan for such action and (D) conduct or direct any such action in compliance with Environmental Laws, provided that if Sellers fail to perform such activities in a prompt manner and in compliance with all applicable Environmental Laws, Buyers shall have the right (at its own expense), but not the obligation, to assume control of all such activities at Seller’s cost and expense;

(ii) the parties shall enter into a mutually acceptable environmental access agreement setting forth the manner in which such actions shall be taken by Sellers with the purpose that Sellers' actions not unreasonably interfere with the operations of the Business (which shall not, for the avoidance of doubt, conflict with the terms of this Agreement);

(iii) notwithstanding anything herein to the contrary, any remedial action shall be performed in accordance with applicable governmental remediation standards and criteria that, based upon the industrial use classification of the Leased Real Property, are permitted under applicable Environmental Law, including risk-based remediation allowed by Environmental Law, provided that the same are reasonably acceptable to Buyer; and

(iv) Sellers shall not be responsible for Losses relating to any Excluded Environmental Liabilities to the extent such Losses are caused by (A) any negligent act of any Buyer subsequent to the Closing; (B) any changes in Environmental Law coming into effect subsequent to the Closing; or (C) a change in use-classification of the Leased Real Property, subsequent to the Closing.

**Section 7.05 Indemnification Procedures.** The party making a claim under this **ARTICLE VII** is referred to as the "Indemnified Party", and the party against whom such claims are asserted under this **ARTICLE VII** is referred to as the "Indemnifying Party".

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "Third Party Claim") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses, or otherwise is materially prejudiced, by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is a Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that (x) is asserted directly by or on behalf of a Person that is a supplier or customer of the Business and such Third Party Claim would reasonably be expected to have a material and adverse effect on the relationship between the Business and such Person, or (y) seeks an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party

assumes the defense of any Third Party Claim, subject to Section 7.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party and shall provide reasonable updates to the Indemnified Party with respect to the status of such actions. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnifying Party if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are inconsistent or contradictory to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the counsel engaged by the Indemnifying Party and the Indemnified Party that cannot be waived. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 7.05(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Sellers and Buyers shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which shall not be unreasonably withheld), except if a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for (A) the full and unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and (B) does not include a statement as to or admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(c) Direct Claims. Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure or is materially prejudiced thereby. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to

investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request in writing. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(d) **Customer Recalls.** Notwithstanding anything in this Section 7.05 to the contrary, in the event that a Third Party Claim relates to a recall of any of the products of the Business sold before the Closing Date and is an Excluded Liability (a "Pre-Closing Recall"), Sellers shall have the sole and exclusive control over the negotiation, settlement and resolution of any such Pre-Closing Recall. Notwithstanding anything in this Section 7.05 to the contrary, in the event that a Third Party Claim relates to a recall of any of the products of the Business sold on or following the Closing for which any Seller could be responsible for any of the costs of such recall pursuant to the indemnification provisions of this Agreement or the terms of any other Transaction Document (a "Post-Closing Recall"), Buyers and Sellers agree to cooperate with one another in good faith with respect to such Post-Closing Recall. Without limiting the foregoing, Buyers shall provide prompt notice to Sellers as soon as they are aware of a potential Post-Closing Recall. Sellers and Buyers shall equally participate in any discussions or negotiations with the applicable third party. Sellers shall have the option (which it may exercise, or not, in its sole discretion) to cure the defect or issue underlying the Post-Closing Recall in whatever manner Sellers see fit, so long as such proposed actions are acceptable to the third party that is initiating the Post-Closing Recall and such proposed actions do not result in material liabilities or material obligations to Buyers.

**Section 7.06 Payments.** Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this **ARTICLE VII**, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such fifteen (15) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to but excluding/and including the date such payment has been made at a rate per annum equal to ten percent (10%). Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed, without compounding.

**Section 7.07 Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

**Section 7.08 Exclusive Remedies.** Subject to **Section 6.02** and **Section 9.12**, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims including Environmental Claims (other than claims arising from Fraud or criminal misconduct) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **ARTICLE VII**. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **ARTICLE VII**. Nothing in this **Section 7.08** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraud or criminal misconduct.

## **ARTICLE VIII**

### **TERMINATION**

**Section 8.01 Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Sellers and Buyers;
- (b) by Buyers by written notice to Sellers if any of the conditions set forth in Section 3.03 or Section 3.04 shall not have been fulfilled by June 30, 2016, unless such failure shall be due to the failure of Buyers to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;
- (c) by Sellers by written notice to Buyers if any of the conditions set forth in Section 3.03 or Section 3.05 shall not have been fulfilled by June 30, 2016, unless such failure shall be due to the failure of Sellers to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or
- (d) by Buyers or Sellers in the event that (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

**Section 8.02 Effect of Termination.** In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

- (a) as set forth in this ARTICLE VIII and Section 6.02 and ARTICLE IX hereof; and
- (b) that nothing herein shall relieve any party hereto from liability for any Fraud or criminal misconduct.

**ARTICLE IX**

**MISCELLANEOUS**

**Section 9.01 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**Section 9.02 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 9.02**):

If to Sellers:	General Cable Corporation 4 Tesseneer Drive Highland Heights, KY 41076-9753 859-572-8000 (telephone) 859-572-8444 (facsimile) E-mail: legal@generalcable.com Attention: Emerson C. Moser, Senior Vice President, General Counsel and Corporate Secretary
with a copy to:	Winston & Strawn LLP 35 W. Wacker Drive Chicago, IL 60601-9703 312-558-5257 (telephone) 312-558-5700 (facsimile) E-mail: jjunewicz@winston.com Attention: James J. Junewicz

If to Buyers: Standard Motor Products, Inc.  
37-18 Northern Blvd.  
Long Island City, NY 11101  
718-392-0200 (telephone)  
718-784-3284 (facsimile)  
E-mail: cbroccole@smpcorp.com  
Attention: Carmine J. Broccole, Senior Vice President, General Counsel and Secretary

with a copy to: Withers Bergman LLP  
157 Church Street, 12th Floor  
New Haven, CT 06510  
203-789-1320 (telephone)  
203-785-8127 (facsimile)  
E-mail: clyde.tinnen@withersworldwide.com  
Attention: Clyde W. Tinnen

**Section 9.03 Interpretation.** For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**Section 9.04 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 9.05 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**Section 9.06 Entire Agreement.** This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control. In furtherance of the foregoing, the parties hereto acknowledge and agree that, as between the Mexico Asset Purchase Agreement and/or Mexico Stock Purchase Agreement, on the one hand, and this Agreement, on the other, this Agreement shall control in all respects, including without limitation the representations, warranties and indemnification procedures and limitations. For the avoidance of doubt, in the event that there are any representations and warranties relating to the same subject matter in any Mexico Asset Purchase Agreement and/or Mexico Stock Purchase Agreement, on the one hand, and this Agreement, on the other, then the representations and warranties in such Mexico Asset Purchase Agreement and/or Mexico Stock Purchase Agreement shall be disregarded in their entirety and the representations and warranties in this Agreement shall control. The parties acknowledge and agree that a breach of any representation or warranty in any Mexico Asset Purchase Agreement and/or Mexico Stock Purchase Agreement shall not result in any indemnification obligations on the part of any party thereto.

**Section 9.07 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that prior to the Closing Date, any Buyer may, without the prior written consent of Sellers, assign all or any portion of its rights under this Agreement to one or more of its direct or indirect wholly-owned subsidiaries; provided, further, that such assignment shall not relieve the assigning party of any liability or obligation under this Agreement and the assigning party shall execute any documents or undertakings reasonably requested by the non-assigning party to confirm and secure the foregoing. No assignment shall relieve the assigning party of any of its obligations hereunder.

**Section 9.08 No Third-party Beneficiaries.** Except as provided in **ARTICLE VII**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 9.09 Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and

whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**Section 9.10 Dispute Resolution.**

(a) The parties shall first attempt in good faith to resolve any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof (each, a “Dispute”) under the provisions of this Section 9.10 any Dispute that may arise from time to time by negotiation and consultation between themselves.

(b) In the event that such Dispute is not resolved on an informal basis within 20 Business Days after one party provides notice to the other parties of such Dispute (“Dispute Notice”), any party may, by written notice to the other parties (“Escalation to Executive Notice”), refer such dispute to the executives of the parties set forth below (or to such other person of equivalent or superior position designated by such party in a written notice to the other parties, “Executive(s)”).

Executive of Sellers:

**Greg Lampert, Executive Vice President, President and Chief Executive Officer,  
General Cable, The Americas**  
General Cable Corporation  
4 Tesseneer Drive  
Highland Heights, KY 41076-9753  
859-572-8000 (telephone)  
859-572-8444 (facsimile)  
E-mail: glampert@generalcable.com

Executive of Buyers:

**James J. Burke, Executive Vice President, Finance, and Chief Financial Officer**  
Standard Motor Products, Inc.  
37-18 Northern Blvd.  
Long Island City, NY 11101  
718-392-0200 (telephone)  
718-784-3284 (facsimile)  
E-mail: jburke@smpcorp.com

If the Executives cannot resolve any Dispute during the time period ending 20 Business Days after the date of the Escalation to Executive Notice, then either party may file suit in a court of competent jurisdiction in accordance with the provisions of **Section 9.11**.

**Section 9.11 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED EXCLUSIVELY IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN, OF THE CITY OF NEW YORK, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11(c).

**Section 9.12 Specific Performance.** The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the

terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

**Section 9.13 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Stock and Asset Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

GENERAL CABLE INDUSTRIES, INC.,

By: /s/ GREGORY J. LAMPERT

Name: Gregory J. Lampert

Title: Executive Vice President, President & CEO, the Americas

PRESTOLITE DE MÉXICO, S.A. DE C.V.

By: /s/ BRIAN J. ROBINSON

Name: Brian J. Robinson

Title: Vice President, CFO and Treasurer

GK TECHNOLOGIES, INC.

By: /s/ EMERSON C. MOSER

Name: Emerson C. Moser

Title: Vice President and Secretary

GENERAL CABLE DE MÉXICO, S.A. DE C.V.

By: /s/ GREGORY J. LAMPERT

Name: Gregory J. Lampert

Title: President

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GENERAL CABLE TECHNOLOGIES CORPORATION

By: /s/ EMERSON C. MOSER

Name: Emerson C. Moser

Title: Vice President and Secretary

SERVICIOS LATINOAMERICANOS

GC S.A. DE C.V.

By: /s/ GREGORY J. LAMPERT

Name: Gregory J. Lampert

Title: President

STANDARD MOTOR PRODUCTS, INC.

By: /s/ JAMES J. BURKE

Name: James J. Burke

Title: Chief Financial Officer

STANDARD MOTOR PRODUCTS DE MEXICO S. DE R.L.  
DE C.V.

By: /s/ JAMES J. BURKE

Name: James J. Burke

Title: Legal Representative

MOTORTRONICS, INC.

By: /s/ JAMES J. BURKE

Name: James J. Burke

Title: Vice President Finance

## GENERAL CABLE CORPORATION AND SUBSIDIARIES

Computation of Ratio of Earnings to Fixed Charges  
(in millions)

	Six months ended July 1, 2016	Year ended December 31,				
		2015	2014	2013	2012	2011
<b>EARNINGS AS DEFINED</b>						
Earnings (loss) from operations before income taxes and before adjustments for minority interests in consolidated subsidiaries and after eliminating undistributed earnings of equity method investees from continuing operations	\$ 37.5	\$ (139.3)	\$ (567.4)	\$ (6.9)	\$ 66.1	\$ 90.7
Preferred stock dividend (pre-tax equivalent)	—	—	—	(0.3)	(0.3)	(0.3)
Fixed charges	47.8	105.1	123.7	133.2	110.5	100.3
<b>TOTAL EARNINGS, AS DEFINED</b>	<b>\$ 85.3</b>	<b>\$ (34.2)</b>	<b>\$ (443.7)</b>	<b>\$ 126.0</b>	<b>\$ 176.3</b>	<b>\$ 190.7</b>
<b>FIXED CHARGES, AS DEFINED</b>						
Interest expense	\$ 42.2	\$ 90.6	\$ 109.6	\$ 118.2	\$ 100.4	\$ 91.4
Amortization of capitalized expenses related to debt	2.0	4.1	3.8	3.9	3.3	4.4
Preferred stock dividend (pre-tax equivalent)	—	—	—	0.3	0.3	0.3
Interest component of rent expense	3.6	10.4	10.3	10.8	6.5	4.2
<b>TOTAL FIXED CHARGES, AS DEFINED</b>	<b>\$ 47.8</b>	<b>\$ 105.1</b>	<b>\$ 123.7</b>	<b>\$ 133.2</b>	<b>\$ 110.5</b>	<b>\$ 100.3</b>
<b>RATIO OF EARNINGS TO FIXED CHARGES</b>	<b>1.8</b>	<b>(0.3)</b>	<b>(3.6)</b>	<b>0.9</b>	<b>1.6</b>	<b>1.9</b>

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Michael T. McDonnell, certify that:

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

Date: August 4, 2016

/s/ MICHAEL T. MCDONNELL

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Michael T. McDonnell  
President and Chief Executive Officer

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brian J. Robinson, certify that:

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

Date: August 4, 2016

/s/ BRIAN J. ROBINSON

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Brian J. Robinson

Executive Vice President and Chief Financial Officer

**GENERAL CABLE CORPORATION  
CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. § 1350,  
AS ADOPTED UNDER  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), each of the undersigned officers of General Cable Corporation (the "Company") individually hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the quarter ended July 1, 2016 (the "Report") that:

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

Date: August 4, 2016

/s/ MICHAEL T. MCDONNELL

Michael T. McDonnell  
President and Chief Executive Officer

Date: August 4, 2016

/s/ BRIAN J. ROBINSON

Brian J. Robinson  
Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.

