

Notice & Proxy
CIRCOR INTERNATIONAL, INC.
2017





30 Corporate Drive, Suite 200
Burlington, MA 01803
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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Wednesday, May 10, 2017

NOTICE IS HEREBY GIVEN that the Annual Meeting (the “Annual Meeting”) of Stockholders of CIRCOR International, Inc. (the “Company”) will be held on Wednesday, May 10, 2017, at 12:00 PM local time. The Annual Meeting will be held at the Company’s headquarters at CIRCOR International, Inc., 30 Corporate Drive, Suite 200, Burlington, MA 01803. The Annual Meeting is being called for the purpose of considering and voting upon the following proposals:

1. To elect two Class III directors for three-year terms, such terms to continue until the Annual Meeting of Stockholders in 2020 and until each such director’s successor is duly elected and qualified or until his earlier resignation or removal;
2. To ratify the selection by the Audit Committee of the Board of Directors of the Company of PricewaterhouseCoopers LLP as the Company’s independent auditors for the fiscal year ending December 31, 2017;
3. To consider an advisory resolution approving the compensation of the Company’s Named Executive Officers;
4. To consider and act upon an advisory vote on the frequency at which the Company should include an advisory vote regarding the compensation of the Company’s Named Executive Officers in its proxy statement for stockholder consideration; and
5. Such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 20, 2017 as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. Only holders of record of the Company’s common stock, par value \$0.01 per share, at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. In the event there are not sufficient shares to be voted in favor of any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

All stockholders are cordially invited to attend the Annual Meeting in person. To assure your representation at the Annual Meeting, we urge you to vote via the Internet or by telephone by following the instructions on the Notice of Internet Availability of Proxy Materials (the “Notice”) you received or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card in the enclosed envelope. For specific instructions on how to vote your shares, please review the instructions for each of these voting options that are detailed in your Notice and in the Company’s Proxy Statement. If you attend the Annual Meeting, you may vote in person even if you have previously voted via the Internet or by telephone or returned a proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on May 10, 2017: Our Proxy Statement, a form of proxy, a letter to stockholders from the Chairman of our Board of Directors, and a letter to stockholders from our President and Chief Executive Officer, together with our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, are available for viewing, printing and downloading at www.proxy.CIRCOR.com.

Directions to the Annual Meeting are included on the last page of the Company's Proxy Statement.



Scott Buckhout
President & CEO

Burlington, Massachusetts
March 31, 2017

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, YOU ARE REQUESTED TO COMPLETE YOUR PROXY AS INDICATED ABOVE. YOUR PROXY IS REVOCABLE UNTIL THE TIME SET FORTH IN THE COMPANY'S PROXY STATEMENT AND, IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE PREVIOUSLY COMPLETED YOUR PROXY.

If you have any questions or need assistance voting your shares, please contact MacKenzie Partners, Inc., the Company's proxy solicitor, at (800) 322-2885 or (212) 929-5500 or at proxy@mackenziepartners.com.

PROXY STATEMENT

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30 Corporate Drive, Suite 200

Burlington, MA 01803

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Wednesday, May 10, 2017

This Proxy Statement (the "Proxy Statement") is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of CIRCOR International, Inc. (the "Company") for use at the Annual Meeting of Stockholders of the Company to be held on Wednesday, May 10, 2017, at 12:00 PM local time, and any adjournments or postponements thereof (the "Annual Meeting"). The Annual Meeting will be held at the Company's headquarters at 30 Corporate Drive, Suite 200, Burlington, Massachusetts 01803.

At the Annual Meeting, the stockholders of the Company will be asked to consider and vote upon the following matters:

1. To elect two Class III directors for three-year terms, such terms to continue until the Annual Meeting of Stockholders in 2020 and until each such director's successor is duly elected and qualified or until his earlier resignation or removal;
2. To ratify the selection by the Audit Committee of the Board of Directors of the Company of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2017;
3. To consider an advisory resolution approving the compensation of the Company's Named Executive Officers;
4. To consider and act upon an advisory vote on the frequency at which the Company should include an advisory vote regarding the compensation of the Company's Named Executive Officers in its proxy statement for stockholder consideration; and
5. Such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

This Proxy Statement and the form of proxy were first made available to stockholders on or about March 31, 2017. The Board has fixed the close of business on March 20, 2017 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting (the "Record Date"). Only holders of record of the Company's common stock, par value \$0.01 per share (the "Common Stock"), at the close of business on the Record Date will be entitled to notice of, and to vote at, the Annual Meeting. As of the Record Date, there were 16,469,612 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Each holder of our outstanding Common Stock as of the close of business on the Record Date will be entitled to one vote for each share held of record with respect to each matter submitted at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. For Proposal 1, the election of two Class III directors, each nominee shall be elected as a director of the Company if such nominee receives the affirmative vote of a plurality of the votes cast. The approval of a majority of the votes cast is necessary to approve each of Proposal 2, the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2017, Proposal 3, the

consideration of an advisory resolution approving the compensation of the Company's Named Executive Officers, and Proposal 4, the consideration and approval of an advisory vote on the frequency at which the Company should include an advisory vote regarding the compensation of the Company's Named Executive Officers in its proxy statement for stockholder consideration. With respect to Proposal 4, however, if none of the frequency options receives a majority of the votes cast, because this vote is advisory and non-binding, the option receiving the greatest number of votes will be considered the frequency recommended by the Company's stockholders.

Shares that reflect abstentions or "broker non-votes" (i.e., shares represented at the meeting held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote such shares and with respect to which the broker or nominee does not have discretionary voting power to vote such shares) will be counted for purposes of determining whether a quorum is present for the transaction of business at the Annual Meeting. With respect to the election of the directors (Proposal 1), votes may be cast "for" or "withheld" from the nominees. Votes cast "for" the nominees will count as "yes" votes; votes that are "withheld" from the nominees will not be voted with respect to the election of the nominees. With respect to Proposal 2 and Proposal 3, votes may be cast "for," "against" or "abstain." With respect to Proposal 4, stockholders may either vote to recommend an advisory vote every one, two, or three years, or abstain from voting. In the case of Proposals 2, 3, and 4, abstentions are not considered votes cast on such matter and will have the effect of *reducing* the number of affirmative votes required to achieve a majority for such matters by *reducing* the total number of shares from which the majority is calculated. Proposals 1, 3, and 4, are each "non-discretionary" items and, therefore, brokers and nominees do not have discretionary voting power with respect to such matters. Broker non-votes will have no effect on Proposal 1, and with respect to Proposals 3 and 4, if you do not instruct your broker how to vote with respect to these matters, your broker may not vote with respect to these items and those non-votes will have the effect of *reducing* the number of affirmative votes required to achieve a majority for such matter by *reducing* the total number of shares from which the majority is calculated.

This year, pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have again elected to provide access to our proxy materials over the internet. Accordingly, we have sent a Notice Regarding the Availability of Proxy Materials (the "Notice") to certain of our stockholders (excluding those stockholders who previously have requested that they receive electronic or paper copies of our proxy materials). Stockholders have the ability to access our proxy materials on the website referred to in the Notice or request a printed set of our proxy materials. Instructions on how to access our proxy materials over the Internet and request a printed copy of our proxy materials may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We believe this process should expedite your receipt of our proxy materials and reduce the environmental impact of our Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 10, 2017: This Proxy Statement, a form of proxy, a letter to stockholders from the Chairman of our Board of Directors, a letter to stockholders from our President and Chief Executive Officer, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 ("Fiscal Year 2016"), are available for viewing, printing and downloading at www.proxy.CIRCOR.com.

Your vote is important. If you are a stockholder whose shares are registered in your name, you may vote your shares in person at the meeting or by one of the following methods:

1. **Vote by internet** by going to the web address www.voteproxy.com and following the instructions for internet voting on such website or on your Notice or proxy card;
2. **Vote by telephone** by dialing 1-800-PROXIES (776-9437) in the United States or 1-718-921-8500 from foreign countries and following the instructions; or
3. **Vote by proxy card** if you received a paper copy of these materials by completing, signing, dating, and mailing your proxy card in the envelope provided. **If you vote by internet or telephone, please do not mail your proxy card.**

In order to vote via the internet or by telephone, stockholders whose shares are registered in their name must have the stockholder identification number which is provided in the Notice.

If you hold your shares in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted.

Any properly completed proxy given by stockholders whose shares are registered in their name pursuant to this solicitation may be revoked by one of the following methods:

1. Filing with the Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy;
2. Properly casting a new vote via the internet or by telephone at any time before the closure of the internet or telephone voting facilities;
3. Duly completing a later-dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the Annual Meeting; or
4. Attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy).

To be effective, any written notice of revocation or subsequent proxy must be sent so as to be delivered to the Company's Secretary at the Company's corporate headquarters before the taking of the vote at the Annual Meeting.

Common Stock represented by properly executed proxies received by the Company and not revoked will be voted at the Annual Meeting in accordance with the instructions contained therein. **If instructions are not given therein, properly executed proxies will be voted "FOR" the election of the nominees for director listed in this Proxy Statement, "FOR" ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2017, and "FOR" approval of the resolution regarding compensation of the Company's Named Executive Officers, and "FOR" an annual stockholder vote on the compensation of the Company's Named Executive Officers.** It is not anticipated that any other matters will be presented at the Annual Meeting. However, if other matters are duly presented, proxies will be voted in accordance with the discretion of the proxy holders.

Except where otherwise incorporated by reference, none of the Annual Report, the letter from the Chairman of our Board of Directors to our stockholders, or the letter from our President and Chief Executive Officer to our stockholders is a part of the proxy solicitation material.

If you have any questions or need assistance voting your shares, please contact MacKenzie Partners, Inc., our proxy solicitor, at (800) 322-2885 or (212) 929-5500 or at proxy@mackenziepartners.com.

CORPORATE GOVERNANCE

Independence of Directors

The Board, upon consideration of all relevant facts and circumstances and upon recommendation of the Nominating and Corporate Governance Committee, has affirmatively determined that each director, other than our Chief Executive Officer Scott Buckhout, is independent of the Company. In evaluating the independence of each director, the Board applied the standards and guidelines set forth in the applicable SEC and New York Stock Exchange (“NYSE”) regulations in determining that each director has no material relationship with the Company, directly or as a partner, stockholder, or affiliate of an organization that has a relationship with the Company. The bases for the Board’s determination include, but are not limited to, the following:

- No director other than Mr. Buckhout is an employee of the Company or its subsidiaries or affiliates.
- No director has an immediate family member who is an officer of the Company or its subsidiaries or has any other current or past material relationship with the Company.
- No director other than Mr. Buckhout receives, or in the past three years, has received, any compensation from the Company other than compensation for services as a director.
- No director has a family member who has received any compensation during the past three years from the Company.
- No director, during the past three years, has been affiliated with, or had an immediate family member who has been affiliated with, a present or former internal or external auditor of the Company.
- No executive officer of the Company serves on the compensation committee or the board of directors of any corporation that employs a director or a member of any director’s immediate family.
- No director is an officer or employee (or has an immediate family member who is an officer or employee) of an organization that sells products and services to, or receives products and services from, the Company in excess of the greater of \$1 million or 2% of such organization’s consolidated gross revenues in any fiscal year.

Principles of Corporate Governance

The Nominating and Corporate Governance Committee of the Board has developed, and the full Board has adopted, a set of Principles of Corporate Governance. The Principles of Corporate Governance are available on the Company’s website at www.CIRCOR.com under the “Investors” sub link and a hardcopy will be provided by the Company free of charge to any stockholder who requests it by writing to the Company’s Secretary at the Company’s corporate headquarters.

Among other things, to align the interests of the directors and executive officers of the Company with the interests of the shareholders, the Principles of Corporate Governance include Stock Ownership Guidelines for directors and executive officers. An annual review is conducted by the Nominating and Corporate Governance Committee to assess compliance with the guidelines.

Code of Conduct & Business Ethics/Compliance Training/Reporting of Concerns

The Company has implemented and regularly monitors compliance with a comprehensive Code of Conduct & Business Ethics (the “Code of Conduct”), which applies uniformly to all directors, executive officers, and employees. Among other things, the Code of Conduct addresses conflicts of interest, confidentiality, fair dealing, protection and proper use of Company assets, compliance with applicable laws (including insider trading and anti-bribery laws), and reporting of illegal or unethical behavior. The Code of Conduct is available on the Company’s website at www.CIRCOR.com under the “Investors” sub link and a hardcopy will be provided by the Company free of charge to any stockholder who requests it by writing to the Company’s Secretary at the Company’s corporate headquarters.

The Company has undertaken a number of additional steps to further the tenets of the Code of Conduct. Through a third-party provider, the Company maintains an on-line training program pursuant to which all officers and all employees with company-issued email accounts must take a series of courses designed to demonstrate the ways in which certain activities might run afoul of the Code of Conduct. In addition, although all employees are encouraged to personally report any ethical concerns without fear of retribution, the Company, through a third-party provider,

maintains the Company's HelpLine (the "HelpLine"), a toll-free telephone and web-based system through which employees may report concerns confidentially and anonymously. The HelpLine facilitates the communication of ethical concerns and serves as the vehicle through which employees may communicate with the Audit Committee of the Board confidentially and anonymously regarding any concerns, including any accounting or auditing issues.

Nomination of Directors/Director Attendance at Annual Meetings

General Criteria

The Nominating and Corporate Governance Committee recognizes that the challenges and needs of the Company will vary over time and, accordingly, believes that the selection of director nominees should be based on skill sets most pertinent to the issues facing or likely to face the Company at the time of nomination. Accordingly, the Nominating and Corporate Governance Committee does not believe it is in the best interests of the Company to establish rigid criteria for the selection of nominees to the Board. When assessing nominees to serve as director, the Nominating and Corporate Governance Committee believes that the Company will benefit from a diversity of background and experience on the Board and, therefore, will consider and seek nominees who, in addition to general management experience and business knowledge, possess, among other attributes, an expertise in one or more of the following areas: finance, manufacturing technology, international business, investment banking, business law, corporate governance, risk assessment, business strategy, organizational development, and investor relations. The Nominating and Corporate Governance Committee also believes that the Company would benefit from greater gender and ethnic diversity. In addition, there are certain general attributes that the Nominating and Corporate Governance Committee believes all director candidates must possess, which include:

- A commitment to ethics and integrity;
- A commitment to personal and organizational accountability;
- A history of achievement that reflects superior standards for themselves and others; and
- A willingness to express alternate points of view while, at the same time, being respectful of the opinions of others and working collaboratively with colleagues.

Our Principles of Corporate Governance require that a majority of directors must be independent. The Nominating and Corporate Governance Committee, however, also believes that, absent special circumstances, all directors other than the Chief Executive Officer, if he or she is serving on the Board, should be independent. The Nominating and Corporate Governance Committee annually assesses the adequacy of the foregoing criteria for Board membership. We believe that, based on the background and experience of each director, as described below, the current Board reflects diversity in business and professional experience and skills.

As a matter of good corporate governance, the Company's Principles of Corporate Governance limit the number of public company directorships any director of the Company may hold to three, including that of the Company. We believe this policy assists the Board in continuing to focus on and carry out the Board activities of the Company efficiently.

Stockholder Nominations

The Nominating and Corporate Governance Committee will consider director nominations submitted by stockholders, provided that such nominations are submitted to the Company not less than 120 calendar days prior to the first anniversary date on which the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting.

Therefore, in order to be considered by the Nominating and Corporate Governance Committee for nomination and inclusion in the Company's proxy statement for its annual meeting to be held in 2018, stockholder recommendations for directors must be received by the Company's Secretary at the Company's corporate headquarters prior to December 1, 2017. Any such notice also must include (i) the name and address of record of the stockholder; (ii) a representation that the stockholder is a record holder of the Company's Common Stock or, if the stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (iii) the name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed director candidate; (iv) a description of the qualifications of the proposed director candidate which

address the general criteria for directors as expressed in the Company’s most recent proxy statement; (v) a description of all arrangements or understandings between the stockholder and the proposed director candidate; and (vi) the consent of the proposed director candidate to be named in the proxy statement and to serve as a director if elected at such meeting. Stockholders must also submit any other information regarding the proposed candidate that is required to be included in a proxy statement filed pursuant to the rules of the SEC. Potential nominations that meet the criteria described above will be forwarded to the Chairman of the Nominating and Corporate Governance Committee for further review and consideration by such committee. See “Submission of Stockholder Proposals for Annual Meeting in 2018” below in this Proxy Statement for further information regarding procedures that must be followed by stockholders in order to nominate candidates for director at the 2018 annual meeting.

Evaluation of Candidates

In evaluating candidates for director, the Nominating and Corporate Governance Committee applies the skills, experience, qualifications and demeanor of the individual against the general criteria set forth above, including the particular needs of and issues facing, or likely to face, the Company at the time of consideration of the individual. In addition, with regard to current directors, the Nominating and Corporate Governance Committee takes into consideration such individuals’ performance as directors. The Nominating and Corporate Governance Committee intends to evaluate any stockholder candidates in the same manner as candidates from any other sources.

Director Attendance at Annual Meetings

To date, our Board has not adopted a formal policy regarding director attendance at annual meetings of our stockholders. However, the Board typically schedules a meeting of the Board either on or the day before the date of the annual meeting of stockholders, and our directors, therefore, are encouraged to (and typically do) attend the annual meeting. At our last annual meeting of stockholders, which was held on May 12, 2016, all of our directors were in attendance.

Our Board and Committee Structure

The Board

Our Board currently consists of seven members who are divided into three classes, with three directors in Class I, two directors in Class II, and two directors in Class III. Directors serve for staggered three-year terms, with one class of directors being elected by the Company’s stockholders at each annual meeting. Our Board maintains three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

The table below sets forth the name, age, class, and committee membership for each of our directors as of March 31, 2017:

Director	Age	Director Class	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Non-Management Director
David F. Dietz ⁽¹⁾	67	I				X
Tina M. Donikowski ⁽²⁾	57	I	M			X
Douglas M. Hayes	73	I		C	M	X
Helmuth Ludwig	54	II	M		M	X
Peter M. Wilver	57	II	C			X
John (Andy) O’Donnell	68	III		M	C	X
Scott Buckhout	50	III				

C Chairman of Committee Director Class Term Expires at Annual Meeting: I = 2018
M Committee Member II = 2019
III = 2017

(1) Chairman of the Board of Directors
(2) Ms. Donikowski joined the Board as a Class I director effective March 30, 2017, succeeding Norman E. Johnson who retired from the Board in October 2016.

Director Qualifications

The biographies of each of the nominees and continuing directors below contain, among other things, information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that, among other things, led the Nominating and Corporate Governance Committee and the Board to the conclusion that such individual should serve as a director for the Company.

Scott Buckhout. Mr. Buckhout joined CIRCOR as President and Chief Executive Officer and was appointed to the Board in April 2013. Prior to joining CIRCOR, Mr. Buckhout served in a number of senior level positions at United Technologies Corporation (UTC) from 2007 to 2012, including President of UTC Fire & Security, President of Global Fire Products and President, Systems and Firefighting. Prior to joining UTC, Mr. Buckhout held a number of senior roles at Honeywell International Corporation in the Consumer Products and Friction Materials divisions. He spent five years in Europe for UTC and Honeywell, including as Vice President and General Manager, Consumer Products Group, Honeywell Europe, Middle East, Africa and Vice President and General Manager, Honeywell Friction Materials — Europe. He also previously worked in general management and strategy consulting roles at Booz Allen & Hamilton and The Boeing Company. Mr. Buckhout's qualifications to sit on our Board include his extensive experience in leading, improving the operational performance of, and profitably growing large, multi-national manufacturing businesses through both organic and acquisition-related growth.

David F. Dietz. Mr. Dietz has served as a member of the Board since its inception in 1999. Mr. Dietz was a partner of the law firm of Goodwin Procter from 1984 to his retirement from the firm in October 2016. Mr. Dietz is also a director and Chairman of the Independent Directors and Compensation Committee of the Andover Companies, a property and casualty insurance company, and High Liner Foods (USA), Inc., a frozen food company. Mr. Dietz' qualifications to sit on our Board include his experience in corporate governance and legal matters, including corporate acquisitions and corporate finance.

Tina Donikowski. Ms. Donikowski joined the Board on March 30, 2017. Ms. Donikowski retired from General Electric Company in 2015 after 38 years with the company. She served in a number of senior positions during her career at General Electric Company, including most recently as Vice President, Global Locomotive Business, GE Transportation. She currently also serves on the Board of Trustees, Gannon University, and the Board of Trustees, Boys & Girls Club of Erie, Pennsylvania. Ms. Donikowski's qualifications to sit on our Board include her extensive experience in leading technology businesses and her strong operations background.

Douglas M. Hayes. Mr. Hayes has served as a member of the Board since 2002. Since 1997, Mr. Hayes has been the President of Hayes Capital Corporation, a private investment firm. Mr. Hayes currently is a member of the board of directors of Reliance Steel & Aluminum Co. and, from 2004 through 2008, was a member of the board of directors of Sands Regent, Inc., at which time the company was sold. From 1997 through 2001, he also served as Chairman of Compass Aerospace Corporation, a privately held aerospace parts manufacturer, prior to the sale of the company. From 1986 through 1997, Mr. Hayes was a Managing Director of the investment firm Donaldson, Lufkin & Jenrette. Mr. Hayes' qualifications to sit on our Board include his record of success as an investment banker and private investor, as well as the related expertise he possesses in capital markets, corporate acquisitions, corporate finance, executive compensation, and the energy and aerospace industries.

Helmuth Ludwig. Dr. Ludwig was appointed to the Company's Board in January 2016. He currently serves as Global Head of Information Technology for Siemens. In his former roles as Executive of Siemens PLM Software and CEO of the Siemens Industry Sector in North America, he led several major initiatives to introduce the "Digital Enterprise" within Siemens and its industrial customers. Dr. Ludwig is a known expert and regular speaker at industry conferences on the Internet of Things and "Industry 4.0". When Siemens acquired PLM Software in 2007, Dr. Ludwig was appointed President and is credited for having successfully led the integration of the organization's 50 legal entities and multiple facilities across 26 countries. Earlier in his career, Dr. Ludwig held a number of international assignments at Siemens in Europe, Latin America, and Asia. He teaches as adjunct professor for International Strategy at SMU's Cox School of Business in Dallas. Dr. Ludwig's qualifications to sit on our Board include his proven manufacturing leadership skills, extensive international experience, and his success in leading the integration and simplification of a complex global enterprise.

John (Andy) O'Donnell. Mr. O'Donnell has served as a member of the Company's Board since 2011. Until his January 2014 retirement, Mr. O'Donnell had worked at Baker Hughes since 1975. He served as Vice President of Baker Hughes since 1998 and was appointed to Vice President, Office of the Chief Executive Officer in 2012. From 2009 to 2011, Mr. O'Donnell was President, Western Hemisphere Operations of Baker Hughes. He was President of Baker Petrolite Corporation from 2005 to 2009 and President of Baker Hughes Drilling Fluids from 2004 to 2005. He served as Vice President, Business Process Development at Baker Hughes from 1998 to 2002 and as Vice President of Manufacturing at Baker Oil Tools from 1990 to 1998. Mr. O'Donnell also serves as a director of Cactus Wellhead, LLC, a privately held oil field manufacturer based in Houston, Texas. Mr. O'Donnell's qualifications to sit on the Board include his expertise in international energy markets and extensive experience leading multi-national manufacturing operations.

Peter M. Wilver. Mr. Wilver has served as a member of the Company's Board since 2010. Mr. Wilver was Executive Vice President and Chief Administrative Officer of Thermo Fisher Scientific Inc. ("Thermo Fisher"), a publicly-traded leading provider of laboratory products and services, prior to his retirement from Thermo Fisher in March 2017. He had previously spent 11 years as Senior Vice President and Chief Financial Officer of Thermo Fisher. Before joining Thermo Fisher in 2000, Mr. Wilver worked for General Electric, Grimes Aerospace Company, and Honeywell International (formerly AlliedSignal), where he most recently served as Vice President and Chief Financial Officer of the electronic materials business. Mr. Wilver is a certified public accountant. Mr. Wilver's qualifications to sit on the Board include his experience in strategic planning and expertise in leading the financial, accounting and investor relations functions of large, multi-national manufacturing companies.

Committees

Audit Committee. The Audit Committee, which consists of Messrs. Wilver and Ludwig and Ms. Donikowski (each of whom has been affirmatively determined by the full Board to be an independent director), is directly responsible for overseeing the integrity of the Company's financial statements and for the appointment, compensation, retention and oversight of the work of the firm of independent auditors (the "Auditors") that audits the Company's financial statements and performs services related to the audit. Ms. Donikowski was appointed to the Audit Committee in March 2017. Prior to Ms. Donikowski's appointment, Mr. O'Donnell had served as a member of the Audit Committee. Among other responsibilities, the Audit Committee reviews the scope and results of the audit with the Auditors, reviews with management and the Auditors the Company's annual and quarterly operating results, considers the adequacy of the Company's internal accounting procedures and controls, and considers the effect of such procedures on the Auditors' independence. The Audit Committee also is responsible for overseeing the Company's internal audit function and the Company's compliance with legal and regulatory requirements. To satisfy these oversight responsibilities, the Audit Committee separately meets regularly with the Company's Chief Financial Officer; Director of Internal Audit; Auditors; and management. Pursuant to the requirements of the NYSE, the Audit Committee operates in accordance with a charter (the "Audit Committee Charter"), which is available on the Company's website at www.CIRCOR.com under the "Investors" sub link. The Company will provide a hardcopy of the Audit Committee Charter to stockholders free of charge upon written request to the Company's Secretary at the Company's corporate headquarters. Each member of the Audit Committee is "independent," as that term is defined in both the applicable NYSE listing standards and the rules of the SEC. Each member also meets the financial literacy requirements of the NYSE and, in addition, the Board has determined that at least one of the Committee's members, Mr. Wilver, is an "audit committee financial expert" under the disclosure standards adopted by the SEC.

Compensation Committee. The Compensation Committee, which consists of Messrs. Hayes and O'Donnell (each of whom has been affirmatively determined by the full Board to be an independent director, as well as meeting the stricter independence standards applicable to compensation committee members under NYSE listing standards), reviews and determines the compensation arrangements for the Company's Chief Executive Officer; reviews the recommendations of the Chief Executive Officer and approves the compensation arrangements for all other officers and senior level employees; reviews general compensation levels for other employees as a group; determines the awards to be granted to eligible persons under the Company's 2014 Stock Option and Incentive Plan (the "Equity Incentive Plan"); and takes such other action as may be required in connection with the Company's compensation and incentive plans, including with respect to compensation and risk-management issues. The Compensation Committee has the sole authority from the Board for the appointment, compensation and oversight of the Company's outside compensation consultant.

Since early 2012, the Committee has engaged Pearl Meyer & Partners (“Pearl Meyer”) as its compensation consultant. In so doing, the Compensation Committee has affirmatively determined that Pearl Meyer is independent and has no conflict of interest as contemplated under NYSE listing standards. The executive compensation services provided by Pearl Meyer include assisting in defining the Company’s executive compensation strategy, providing market benchmark information, recommending the composition of the compensation peer group used as a benchmark by the Compensation Committee, supporting the design of both short-term and long-term incentive compensation plans, and summarizing regulatory and governance guidelines. In making its compensation decisions, the Compensation Committee relies significantly on the information provided by Pearl Meyer. The Committee annually reviews the independence of the consultant’s work under rules adopted by the SEC and NYSE and found no conflicts.

The independent consultant spoke with the chair of the Compensation Committee, as well as with management, in preparing for Committee meetings, regularly attended Committee meetings, and met from time to time in executive session with the Compensation Committee without the presence of management.

The Compensation Committee also receives reports and recommendations from management. Throughout 2016, Mr. Buckhout provided input regarding the compensation of those executives who reported directly to him. In connection with these recommendations, Mr. Buckhout consulted with the Company’s Chief Human Resources Officer and met periodically with the Compensation Committee’s independent compensation consultant to review the market reference data. In addition, Mr. Buckhout provided recommendations, to the Compensation Committee related to the performance measures used in the Company’s short-term and long-term incentive plans. These recommendations directly aligned with the Company’s operating strategy.

Although Mr. Buckhout regularly attended Compensation Committee meetings, any discussions concerning his compensation package were held by the Committee in executive sessions without him present. The Compensation Committee also met regularly in executive session without the presence of Mr. Buckhout or any other members of management, to consider, among other things, the compensation recommendations proposed by Mr. Buckhout.

The Compensation Committee operates in accordance with a charter (the “Compensation Committee Charter”), which is available on the Company’s website at www.CIRCOR.com under the “Investors” sub link. The Company also will provide a hardcopy of the Compensation Committee Charter to stockholders free of charge upon written request to the Company’s Secretary at the Company’s corporate headquarters.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, which consists of Messrs. O’Donnell, Hayes and Ludwig (each of whom has been affirmatively determined by the full Board to be an independent director), is responsible for establishing criteria for selection of new directors, identifying individuals qualified to become directors, and recommending candidates to the Board for nomination as directors. In addition, the Nominating and Corporate Governance Committee is responsible for recommending to the Board a set of corporate governance principles applicable to the Company, overseeing the evaluation of the Board and its committees, recommending to the Board appropriate levels of director compensation and, together with the Audit Committee, monitoring compliance with the Company’s Code of Conduct. The Nominating and Corporate Governance Committee operates in accordance with a charter (the “Nominating and Corporate Governance Charter”), which is available on the Company’s website at www.CIRCOR.com under the “Investors” sub link. The Company also will provide a hardcopy of the Nominating and Corporate Governance Charter to stockholders free of charge upon written request to the Company’s Secretary at the Company’s corporate headquarters.

Except for the availability of this Proxy Statement and the Form of Proxy for the Annual Meeting of stockholders, which are available for viewing, printing and downloading at www.proxy.CIRCOR.com, the information on the Company’s website is not part of this Proxy Statement.

Board and Committee Meetings

The following table sets forth the number of meetings held during the year ended December 31, 2016 by the Board and by each committee thereof. Each of the directors attended at least 75% of the total number of meetings of the Board and of the committees of which such director was a member.

	Number of Meetings
Board of Directors	5
Audit Committee	7
Compensation Committee	6
Nominating and Corporate Governance Committee	4

Board Leadership Structure and Role in Risk Oversight: Chairman of the Board; Communications with Independent Directors

The Board has concluded that having a separate Chairman of the Board and Chief Executive Officer is the most appropriate and effective leadership structure. In reaching this conclusion, the Board considered that separating the roles of Chairman and Chief Executive Officer would most effectively provide the Company access to the judgments and experience of Mr. Dietz, as Chairman of the Board, and Mr. Buckhout, as Chief Executive Officer, while providing a mechanism for the Board's independent oversight of management. As Chairman of the Board, Mr. Dietz presides over the meetings of the Board and the stockholders, utilizing his extensive experience in corporate governance and legal matters and familiarity with the Company, including his service as a member of the Board of Directors since the Company's inception and as the lead independent director from 2004 until he was appointed Chairman of the Board in December 2012. Among his responsibilities as Chairman, in addition to presiding over Board meetings, Mr. Dietz approves Board agendas and schedules, monitors activity of the Board's committees, communicates regularly with the Chief Executive Officer and other management on behalf of the Board, monitors and participates in communication with major stockholders, leads the annual performance evaluations of the Board and the Chief Executive Officer, and is responsible for the Company's Chief Executive Officer succession planning process. Mr. Buckhout, in turn, is able to focus more attention to management of the Company's business in his capacity as Chief Executive Officer.

The Board has established a process through which interested parties, including stockholders, may communicate with the independent directors. Specifically, communications may be sent directly to the Chairman of the Board, who, as discussed above, is an independent director, at the following address: P.O. Box 772, Burlington, Massachusetts 01803.

Board Risk Oversight

We believe that our current Board leadership structure fosters appropriate risk oversight for the Company for a number of reasons, the most significant of which are discussed below. The Board is actively involved in oversight of risks that could affect the Company. This administration is coordinated primarily through the committees of the Board, as disclosed in the descriptions of each of the committees above and in the charters of each of the committees (which are available on the Company's website at www.CIRCOR.com under the "Investors" sub link). The full Board, however, retains responsibility for the general oversight of risk. The Board satisfies this responsibility through full reports from each committee chair regarding the committee's considerations and actions under its purview, as well as through regular reports directly from personnel of the Company responsible for oversight of particular risks within the Company. This process enables the Board and its committees to coordinate and supervise risk oversight, particularly with respect to risks that are overseen by different committees of the Board and different personnel within the Company. Executive sessions of the Board without any management present allow the independent directors to review key decisions and discuss matters in a manner that is independent of the Chief Executive Officer and, where necessary, critical of the Chief Executive Officer and senior management. The Chairman of the board leads all such executive sessions. In addition, all key committees of the Board are comprised solely of, and chaired by, independent directors.

PROPOSAL 1

ELECTION OF DIRECTORS

At the Annual Meeting, two Class III directors will be elected to serve until the annual meeting of stockholders in 2020 and until each such director's successor is duly elected and qualified or until each such director's earlier death or resignation. The Nominating and Corporate Governance Committee has recommended, and the full Board has nominated, Scott A. Buckhout and John (Andy) O'Donnell, the current Class III directors, for election at the Annual Meeting. Messrs. Buckhout and O'Donnell have served as Class III directors since April 2013 and November 2011, respectively; in each of their cases, the appointments resulted from extensive searches conducted by the Board utilizing the assistance of independent third-party retained search firms. Unless otherwise specified in the proxy, it is the intention of the persons named in the proxy to vote the shares represented by each properly executed proxy for the election of Messrs. Buckhout and O'Donnell as directors. Messrs. Buckhout and O'Donnell each have agreed to stand for election and to serve, if elected, as directors. If, however, either of Messrs. Buckhout or O'Donnell fails to stand for election or is unable to accept election, the proxies will be voted for the election of such other person as the Board may recommend.

Board Recommendation

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEES OF THE BOARD AS DIRECTORS OF THE COMPANY.

UNLESS OTHERWISE INSTRUCTED, PROXIES SOLICITED BY THE BOARD WILL BE VOTED "FOR" THE ELECTION OF THE NOMINEES OF THE BOARD.

Vote Required For Approval

A quorum being present, each nominee shall be elected as a director of the Company if he receives the affirmative vote of a plurality of the votes cast.

MANAGEMENT

Executive Officers and Key Employees

Our executive officers and key employees, and their respective ages and positions as of March 31, 2017, are as follows:

Name	Age	Position
Scott Buckhout	50	President and Chief Executive Officer, and Director
Rajeev Bhalla	54	Executive Vice President and Chief Financial Officer
Erik Wiik	53	President, Energy Group
Sumit Mehrotra	41	President, Advanced Flow Solutions Group
Jennifer Allen	45	Senior Vice President, General Counsel, and Secretary
Andrew Farnsworth	58	Senior Vice President and Chief Human Resources Officer
Arjun Sharma	40	Senior Vice President, Business Development
David Mullen	48	Vice President, Finance and Corporate Controller
Tanya Dawkins	56	Corporate Treasurer

Scott Buckhout. Mr. Buckhout joined CIRCOR as President and Chief Executive Officer and was appointed to the Board in April 2013. Prior to joining CIRCOR, Mr. Buckhout served in a number of senior level positions at United Technologies Corporation (UTC) from 2007 to 2012, including President of UTC Fire & Security, President of Global Fire Products and President, Systems and Firefighting. Prior to joining UTC, Mr. Buckhout held a number of senior roles at Honeywell International Corporation in the Consumer Products and Friction Materials divisions. He spent five years in Europe for UTC and Honeywell, including as Vice President and General Manager, Consumer Products Group, Honeywell EMEA and Vice President and General Manager, Honeywell Friction Materials — Europe. He also previously worked in general management and strategy consulting roles at Booz Allen & Hamilton and The Boeing Company. Mr. Buckhout earned a Master of Business Administration in Operations & Finance from the J.L. Kellogg Graduate School of Management at Northwestern University, and a Bachelor of Science in Aerospace Engineering from Texas A&M University.

Rajeev Bhalla. Mr. Bhalla joined CIRCOR as Executive Vice President and Chief Financial Officer in December 2013. Prior to joining CIRCOR, Mr. Bhalla served as Vice President, Finance and Chief Financial Officer for Sikorsky Aircraft Corporation since May 2012. He joined Sikorsky from United Technologies' Pratt & Whitney division where he had served as Vice President and Chief Financial Officer since 2005 and was responsible for all financial operations worldwide. Prior to that, Mr. Bhalla served as Vice President and Corporate Controller for Lockheed Martin Corporation and as a partner with PricewaterhouseCoopers, serving large multi-national, technology and middle-market clients in a variety of industries. He holds a Bachelors of Business Administration — Magna Cum Laude from the University of Massachusetts Amherst, and is a Certified Public Accountant.

Erik Wiik. Mr. Wiik joined CIRCOR as President, Energy Group in March 2015. Prior to joining CIRCOR, he was employed by Aker Solutions in the United Kingdom, Norway, and the United States. He most recently served as the Executive Vice President and Regional President of Aker Solutions, North America. Mr. Wiik had previously served as president of Aker business units including subsea, well services, and floating production. He has an engineering degree from Texas A&M University.

Sumit Mehrotra. Mr. Mehrotra was named President, Advanced Flow Solutions Group in October 2016. Before assuming his current role, he had served as Senior Vice President, Global Supply Chain & Product Management from June 2015 to October 2016. Mr. Mehrotra joined CIRCOR in 2013 as Vice President, Global Supply Chain, a role in which he was responsible for developing the global supply chain function for CIRCOR, including material planning, strategic sourcing, purchasing, and logistics. He had also assumed additional responsibilities for the Company's engineering and product management functions beginning in June 2015. Mr. Mehrotra joined CIRCOR from Honeywell International, where he was responsible for strategic sourcing transformation strategies. He holds a Masters of Business Administration from Arizona State University, a Master of Science in Aerospace Engineering from the University of Cincinnati, and a Bachelor of Aeronautical Engineering from Punjab Engineering College, India.

Jennifer Allen. Ms. Allen joined CIRCOR as Senior Vice President, General Counsel, and Secretary in November 2016. Ms. Allen has over 20 years of experience in advising businesses on a variety of corporate, antitrust, intellectual property, litigation, and other general legal matters. She also has worked extensively in structuring, managing, and negotiating mergers, acquisitions, dispositions, and joint ventures. Prior to joining CIRCOR, Ms. Allen was most recently Vice President and Associate General Counsel, Corporate and M&A for BAE Systems, Inc. She previously had served in senior legal positions at Jones Day, Wyeth/Pfizer, and Morgan Lewis. Ms. Allen is a graduate of the University of Pennsylvania Law School and she received a bachelor's degree in English and political science from the University of Delaware.

Andrew Farnsworth. Mr. Farnsworth was appointed Senior Vice President and Chief Human Resources Officer in June 2015. Prior to joining CIRCOR, Mr. Farnsworth was the Group HR Director of Unibail-Rodamco based in Paris, France. He previously served as International HR Director for Brocade Communications, Group HR Director at Temenos, and Emerging Markets HR Director for HP/Compaq covering Eastern Europe, Middle East and Africa. Before that, Mr. Farnsworth held a variety of senior operations and finance positions at Compaq and Digital Equipment Corporation in Europe and the United States. He holds a BA in Psychology and Social Relations from Harvard University and an MBA from the Tuck School of Business at Dartmouth College.

Arjun Sharma. Mr. Sharma has served as Senior Vice President, Business Development of the Company since joining the Company in 2009, overseeing the Company's mergers and acquisitions and strategic planning functions. Prior to joining the Company, Mr. Sharma served as managing director at Global Equity Partners from January 2009 to September 2009, a venture capital and strategy consulting firm, where he was responsible for executing equity investments and leading client engagements on acquisitions, divestitures, and growth strategy. From 2007 to 2008, he was Director of Mergers and Acquisitions at Textron Inc., a multi-industry company with a global network of aircraft, defense, industrial and finance businesses, where he was responsible for developing the company's M&A strategy and leading acquisition and divestiture transactions. From 2002 to 2007, Mr. Sharma held various positions of increasing responsibility at SPX Corporation, a Fortune 500 multi-industry company, culminating in his appointment as Director of Corporate Development. Mr. Sharma holds a Master of Science degree in Finance from Drexel University and a Bachelor of Commerce degree from Delhi University.

David Mullen. Mr. Mullen was promoted to Vice President, Finance and Corporate Controller in September 2015 after joining the Company in April 2015 as Vice President for Finance Operations. Prior to joining CIRCOR, Mr. Mullen held a number of senior finance positions at Thermo Fisher Scientific Inc. He started his career as an auditor with Deloitte & Touche and is a Certified Public Accountant. He continues to oversee the company's Financial Planning & Analysis function and supports Investor Relations and strategy activities. Mr. Mullen brings over 20 years of financial management experience and technical accounting expertise to the role. He holds a Bachelor of Science degree in Accounting from Fairfield University.

Tanya Dawkins. Tanya Dawkins joined CIRCOR in 2001 as part of the Corporate Finance team. She has held a variety of roles at CIRCOR including Corporate Accounting Manager and External Reporting and Treasury Manager before being promoted to Corporate Treasurer in September 2015. Prior to joining CIRCOR, Ms. Dawkins served as Director of Finance for GenRad Corporation (now part of Teradyne). Ms. Dawkins previously had spent 10 years at Digital Equipment Corporation in a variety of senior finance positions. She holds a Bachelor of Business Administration in Finance from the University of Texas at Austin, an MBA from Simmons Graduate School of Management in Boston, and is a Certified Treasury Professional.

Under the Company's bylaws, each of the officers of the Company holds office until the regular annual meeting of the Board of Directors following the next annual meeting of stockholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review and Approval of Related Person Transactions

The Company's Code of Conduct includes our written policy that any proposed transaction, involving the Company or a subsidiary of the Company, in which a director has direct economic or beneficial interest shall be analyzed and reviewed first by the Nominating and Corporate Governance Committee of the Board for potential conflicts, and then by all of the members of the Board.

Related Person Transactions

During Fiscal Year 2016, the Company was not a party to any other transaction in which the amount involved exceeded \$120,000 and in which an executive officer, director, director nominee or 5% stockholder (or their immediate family members) had a material direct or indirect interest, and no such person was indebted to the Company.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of the Company's Compensation Committee. In addition, none of the Company's executive officers serves as a member of the compensation committee of any entity that has one or more of its executive officers serving as a member of the Board.

Risk Considerations in Our Compensation Program

The Compensation Committee reviewed the elements of our executive compensation program to consider whether our program encourages our executives to prudently manage enterprise risk and concluded:

- our executive compensation is principally comprised of a mix of base salary, annual cash incentives, and long-term equity grants, with an emphasis on long-term compensation that delivers rewards based on sustained performance over time;
- performance targets used in determining performance-based annual incentive compensation are set to avoid creating incentives for excessive risk-taking with caps on the maximum awards;
- performance-based annual incentive compensation is based on a balance of performance targets to mitigate the risk that an executive focuses solely on one measure of success of the Company;
- our performance-based annual incentive compensation program includes the Management Stock Purchase Plan ("MSP") which is designed to encourage long-term investment and discourage short-term risk taking by aligning the interests of our executives with those of our stockholders;
- incentive plan payout opportunities are capped;
- vesting schedules for stock options and Restricted Stock Units ("RSUs") cause our executives to have a significant amount of unvested awards at any given time;
- share ownership guidelines set expectations for our directors and executive officers to hold a certain amount of our stock, such that an appropriate portion of each such person's personal wealth is aligned with our long-term performance;
- the structure of the performance-based inducement stock option awards granted to Mr. Buckhout and Mr. Bhalla in connection with the commencement of their employment incentivizes them to drive sustained improvement in shareholder value; and
- our clawback policy, discussed below, mitigates risk.

For the foregoing reasons, the Compensation Committee has concluded that the programs by which our executives are compensated strike an appropriate balance between short-term and long-term compensation and incentivize our executives to act in a manner that prudently manages enterprise risk. For more information regarding our compensation program, see the section of this Proxy Statement titled "Compensation Discussion and Analysis".

COMPENSATION DISCUSSION AND ANALYSIS

Overview

In this section, we describe the executive compensation program for our named executive officers (the “Named Executive Officers”). Our intent is to help shareholders understand the framework of our overall program, its objectives, and the rationale for the Compensation Committee’s compensation decisions. Our Named Executive Officers for Fiscal Year 2016 were as follows:

Named Executive Officer	Title
Scott Buckhout	President and Chief Executive Officer (“CEO”)
Rajeev Bhalla	Executive Vice President, Chief Financial Officer (“CFO”)
Erik Wiik	President, Energy Group
Arjun Sharma	Senior Vice President, Business Development
Sumit Mehrotra	President, Advanced Flow Solutions Group

In addition, the following executive officer departed the Company in October 2016 and is also a Named Executive Officer for Fiscal Year 2016:

Named Executive Officer	Title
Vincent Sandoval	President, Aerospace & Defense Group

Messrs. Buckhout, Bhalla, Wiik, Sharma, and Mehrotra are referred to herein as our “Current Named Executive Officers”. Mr. Sandoval’s role was eliminated during 2016 as part of the restructuring described in the *Our Performance* section below, and we anticipate having only two Group Presidents, Messrs. Wiik and Mehrotra, during 2017.

Executive Summary

Our Business

CIRCOR designs, manufactures, and markets flow control solutions and other highly engineered products and sub-systems for the oil & gas, power generation, industrial, and aerospace & defense markets. We have a diversified product portfolio with recognized, market-leading brands that fulfill our customers’ unique application needs. We are a global company with operations in North America, Western Europe, Morocco and India, among other locations. Our products are sold through over 800 distributors or representatives and directly to end-use customers. Our strategic goals include growing both organically and through complementary acquisitions; simplifying our operations; achieving world class operational excellence; and attracting and retaining top industry talent.

Our global businesses are cyclical in nature and changes in market conditions can affect our business performance. 2016 was the third year of the oil & gas market downturn, with low oil prices, producing significant declines in spending on exploration and production.

Our Performance

In 2016, we reorganized our business to drive top line growth and better align our business with end markets, completed a strategically important acquisition, significantly reduced costs through simplification and restructuring actions, and improved our working capital and cash flow performance. Our new organizational structure consists of:

- Our Energy Group, which serves the oil & gas market and includes our recently acquired Critical Flow Solutions (“CFS”) business; and
- Our Advanced Flow Solutions (“AFS”) Group, which includes our aerospace & defense businesses as well as our businesses that serve the power, process, and industrial markets.

Our streamlined groups better align our commercial teams with customers and channels to market. The addition of the CFS business to our Energy Group helps to diversify our revenue base while also providing us with differentiated technologies, close customer relationships, and cost synergies. The AFS Group offers a diversified flow control technology platform with clear commercial alignment and serves as a platform to acquire and integrate innovative technologies in adjacent and converging flow control markets.

In the course of navigating the downturn in the energy markets, we have streamlined our cost and support structure, continued to drive efficiency and productivity, especially in our sourcing organization, and made two strategic acquisitions. Since 2014, our actions to simplify the organization and expand operating margins have resulted in the consolidation of 24 manufacturing facilities into 15, reduction of our number of suppliers by 49%, reduction in our number of ERP systems from 24 to 16, and improvement of our customer on-time delivery from 73% to 91%, in each case, excluding the operations of the acquisitions made during the period. In total, the simplification and restructuring actions have contributed \$55 million in annualized savings to date. These savings have allowed us to invest our resources to strengthen our market position.

In our Energy Group, our sales practices encouraged margin protection and we benefited from continued productivity, sourcing, and restructuring savings. We achieved higher midstream and downstream market sales, but were impacted by a significant decline in oil & gas drilling activity. In our AFS Group, we achieved higher aerospace & defense sales, but were adversely impacted by declines in power, process, and industrial markets. Our restructuring actions and sales discipline significantly contributed to our mitigation of the impact of lower sales.

Highlights of our 2016 performance are set forth below.

2016 Performance Highlights

	Sales (millions)	Adjusted* Operating Income (millions)	Adjusted* Operating Margin
CIRCOR	\$590	\$42	7.2%
Energy Group	\$322	\$35	10.7%
AFS Group	\$268	\$33	12.5%

* Adjusted Operating Income is defined as GAAP operating income excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, the impact of the 2015 Brazil restatement, the impact of restructuring related inventory, impairment, and special charges/gains. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in CIRCOR's fourth-quarter 2016 news release available on its website www.CIRCOR.com. The sum total of Adjusted Operating Income for the Energy Group and the AFS Group exceeds CIRCOR Adjusted Operating Income due to corporate expenses totaling \$26 million for 2016.

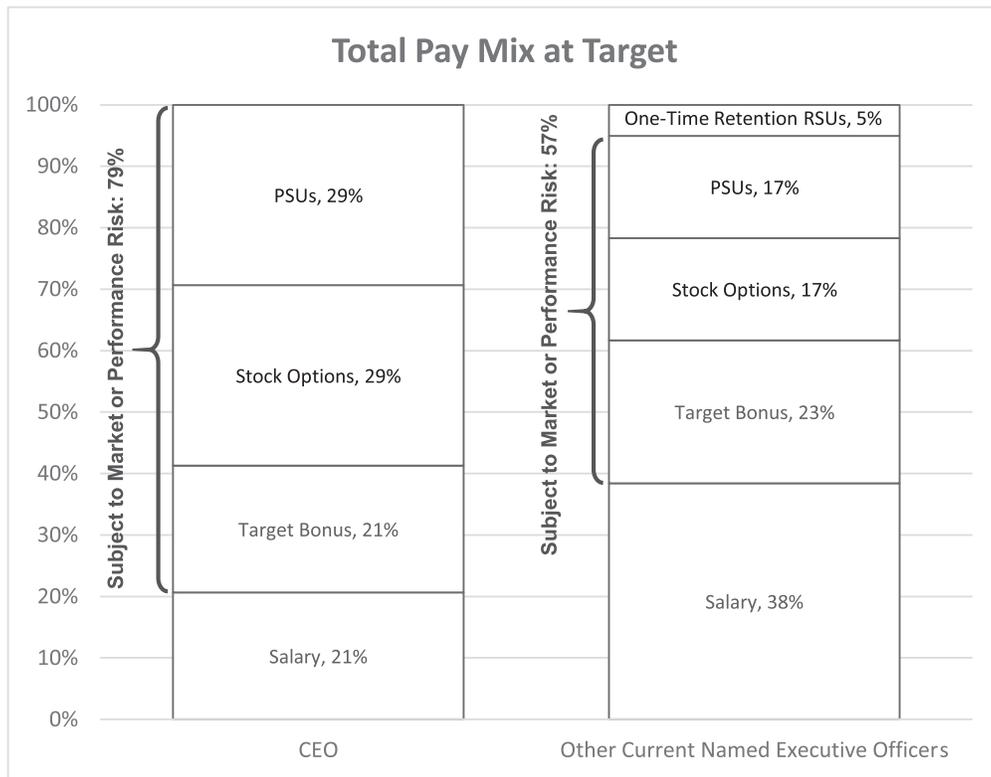
The Company's results and overall business environment were considered when determining compensation paid for 2016, as discussed below. Please see *Management's Discussion and Analysis of Financial Condition and Results of Operations* in the Company's Annual Report on Form 10-K for a more detailed description of the Company's financial results.

Overview of Our Compensation Programs

The Company rewards its executive officers for their collective efforts to maintain and increase enterprise value. We have designed our compensation program to align with this objective. To promote a collaborative culture, the Compensation Committee considers internal pay equity in setting compensation levels for the Company's executive officers. We believe that managing for the achievement of operating goals increases collaboration among our executives. Attracting and retaining a team of outstanding executives with complementary skills is one of the Company's constant goals.

In this regard, we believe that the most effective compensation program is one that rewards the achievement of specific annual, long-term, and strategic goals that promote the profitable growth of the Company and enhance shareholder value. Our pay-for-performance approach is a critical element in aligning the compensation program with the maximization of value for stockholders. We also believe that a significant portion of our Named Executive Officers' compensation should be "at risk," subject to the attainment of specific and measurable performance goals and objectives. For example, 79% of the total direct compensation of our CEO and 57% of the total direct compensation of our other Current Named Executive Officers is based on achievement of financial and operating metrics or requires increases in the Company's stock price to generate value for the recipients. We compensate our Named Executive Officers using a balanced combination of compensation elements. Metrics for financial and

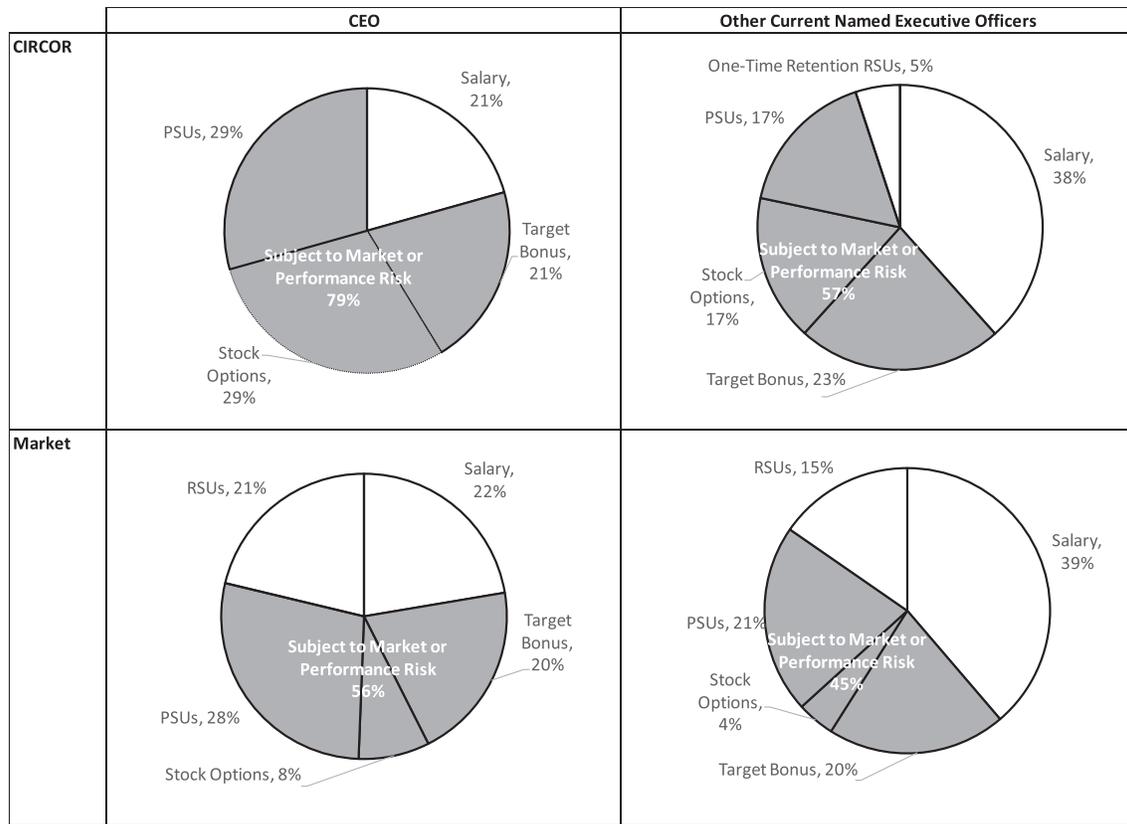
operating goals are selected with a view toward those that most enhance the enterprise value of the Company over time. We seek to recruit and retain executives who invest themselves in the long-term future of the Company and the interests of the stockholders.



The above chart includes 2016 annualized base salaries, 2016 bonus amounts assuming target performance under our annual incentive plan, and the grant date fair value of stock options, performance-based restricted stock units (“PSUs”) and one-time 2016 retention restricted stock units (“RSUs”) granted in 2016 to our executive officers.

As indicated in the charts below, our evaluation of Total Target Direct Compensation (comprised of base salary, annual target bonus and the grant date fair value of long-term incentive awards) for 2016 demonstrated that CIRCOR places a substantial portion of pay “at risk” above that of our compensation peers. “At risk” elements (shaded below in grey) include annual target bonus, stock options, and PSUs.

Elements of Total Target Direct Compensation



The percentages in each box above have been rounded, and accordingly, may not total 100%.

Elements of Compensation

This section describes 2016 compensation and benefit programs for the Named Executive Officers. Our compensation philosophy emphasizes performance-based pay with the main elements summarized below. The majority of target compensation (79% in the case of Mr. Buckhout) is delivered through incentives.

- **Base Salary:** The Named Executive Officers received modest increases in base salary. Merit increases averaged 2.9% for the Current Named Executive Officers. Mr. Mehrotra received an additional base salary increase of 17.4% in connection with his promotion in October 2016 and Mr. Sharma received an additional base salary increase of 18.8% in connection with his promotion in October 2016. The increases associated with promotions were determined to be appropriate for the level of responsibility and complexity of the positions compared to the market and other executives within the Company.
- **Annual Incentive Plan:** The Named Executive Officers participated in an annual incentive plan that provided for a contingent bonus paid in cash. Targeted amounts were set as a percentage of base salary for each Named Executive Officer and were tied to achievement of performance factors defined by the Company's 2016 operating plan. With respect to each metric, the plan was not funded to the extent performance fell below a threshold level. No changes were made to the performance goals for the 2016 annual incentive plan despite the Company's reorganization into the Energy Group and the AFS Group in the fourth quarter of 2016. The metrics for each of the Named Executive Officers were as follows:
 - **Metrics for Named Executive Officers Other Than President, Energy Group and President, Aerospace & Defense Group:**
 - 35% — Energy segment Operating Margin and Operating Income score
 - 25% — Aerospace & Defense segment Net Sales and Operating Income score
 - 40% — Adjusted EPS
 - **Metrics for President, Energy Group:**
 - 25% Adjusted EPS
 - 35% Energy segment Operating Margin
 - 40% Energy segment Operating Income
 - **Metrics for President, Aerospace & Defense Group:**
 - 25% Adjusted EPS
 - 35% Aerospace & Defense segment Net Sales
 - 40% Aerospace & Defense segment Operating Income

For 2016, the plan funded at 60.9% of Target for the Named Executive Officers other than President, Energy Group and President, Aerospace & Defense Group and at 59.1% of Target for the President, Energy Group. Because Mr. Sandoval departed the Company prior to year end, he was not paid through the annual incentive plan.

Adjusted EPS, Operating Margin, Net Sales, and Operating Income are defined consistently with reported results under Generally Accepted Accounting Principles (GAAP), subject to any exceptions or adjustments as may be appropriate to account for the impact of any divestitures, any special charges, impairment charges, or fluctuations in currency exchange rates.

- **Long-Term Incentives ("LTI"):** The Named Executive Officers participated in the LTI plan under which they were eligible to receive stock options (50% of target LTI value) and performance-based restricted stock units ("PSUs") (50% of target LTI value). The stock options vest in 33% increments annually and have a seven-year term. The PSUs will be earned only if pre-established financial goals are met. No PSUs will be earned if performance falls below threshold and maximum units will be capped at 200%. Half of the PSUs are linked to 2016 – 2018 average adjusted return on invested capital ("Adjusted ROIC") and half are

linked to 2016 – 2018 average adjusted operating margin (“Adjusted Operating Margin”). Earned PSUs vest on the third anniversary of grant. Goals are set at the time of grant for “Threshold” (0.01% funding), “Target” (100% funding), and “Stretch” (200% of funding) levels of performance.

With respect to PSUs granted in 2014 under the LTI, the Company’s performance fell below threshold levels for the 2016 performance measures associated with them at the time they were granted, and accordingly, 0% of the PSUs granted in 2014 were earned.

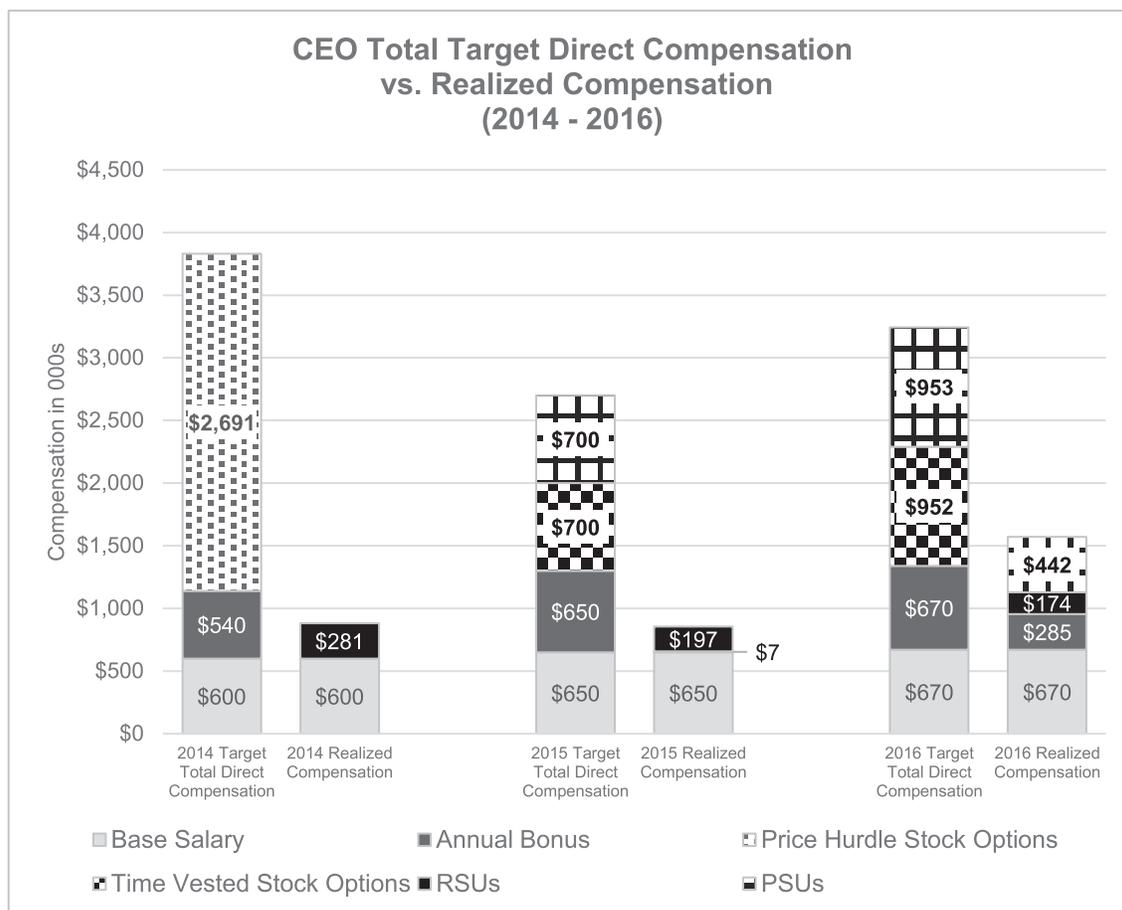
- **Management Stock Purchase Plan (“MSP”):** The Named Executive Officers participated in the MSP, which permitted them to allocate up to 100% of their earned annual cash bonus to purchase restricted stock units (“RSUs”) at a discount of 33% from the closing sale price of the Company’s stock on the grant date. RSUs purchased under the MSP vest in whole after a three-year period. Any Named Executive Officer who departs the Company prior to vesting will, under certain conditions, lose the benefits associated with the discounted purchase price of RSUs purchased under the MSP, as well as any further appreciation in stock price and accrued dividends associated with such RSUs.
- **One-Time 2016 Retention Awards:** The Compensation Committee believes that performance targets should be achievable with superior performance to provide appropriate motivation to management. In 2015, however, performance criteria thought to be achievable was made unachievable by events external to the Company. In recognition of management’s performance during 2015 in restructuring operations, maintaining market share, and managing margins, particularly relative to the Company’s peers and against the backdrop of dramatically lower drilling activity and capital expenditures by customers of the Energy group, the Compensation Committee awarded modest retention bonuses in the form of RSUs with an estimated value at grant date of \$210,199 in the aggregate to the Named Executive Officers, in addition to certain other executives identified as key employees throughout the Company. The Compensation Committee was motivated by the goals of maintaining the management structure of the Company and preserving long-term value for the stockholders, believing that the retention of a core of high-performing executives is a critical requirement for future progress toward stockholder value creation. These RSUs vest in $\frac{1}{3}$ increments annually. The Compensation Committee accepted Mr. Buckhout’s recommendation that he not receive any retention awards.

No retention awards have been made to date in 2017 and none currently are contemplated as part of the Company’s future compensation programs.

Base salaries, target short-term incentives and the grant date value of LTI for Named Executive Officers in 2016 in aggregate approximated the market median, although there was variation in market position by executive due to factors including tenure, individual performance, and consideration of past awards.

Realized Compensation for CEO

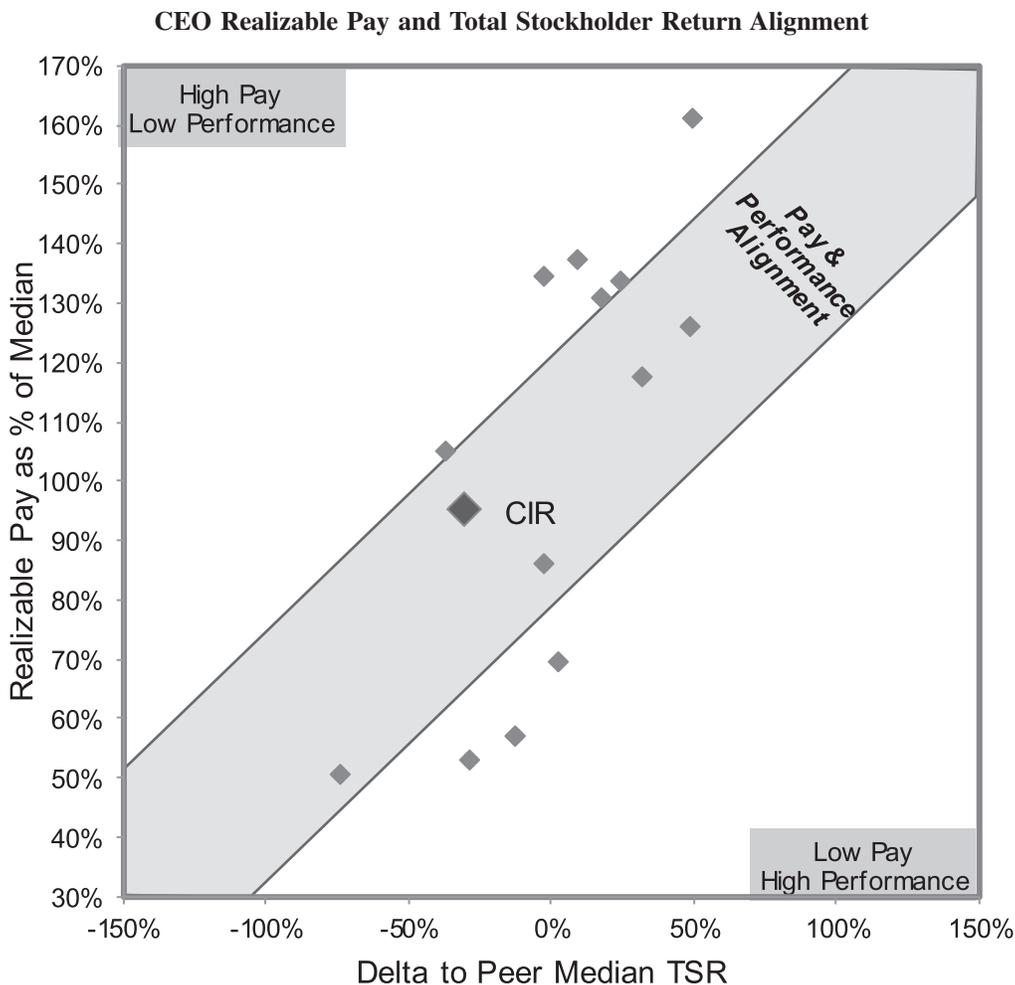
The chart below shows 2014 – 2016 target and realized compensation for Mr. Buckhout. Total target direct compensation represents base salary, target annual bonus, and grant date fair value of LTI awards for each year. Realized compensation represents base salary, annual bonus actually paid in cash, and the value realized on exercise (in the case of stock options) or vesting (in the case of RSUs or PSUs) of LTI awards or MSP RSUs during each year. Realized compensation has trailed target compensation in each year, reflecting the rigor of our goal-setting process for annual bonus and PSU awards and the pay for performance nature of our LTI design.



Alignment Between CEO Realizable Pay to Total Stockholder Return

Below we show alignment of CEO realizable pay and total stockholder return (TSR) over a three-year period (2014 – 2016 for CIRCOR, and generally 2013 – 2015 for peers given the timing of compensation disclosures) for CIRCOR compared to our peer group companies, determined as described below in *Market References — Peer Group Companies* (the “Peer Group Companies”). CEO realizable pay incorporates the CEO’s base salary, annual bonus paid, and the value of stock options, RSUs and PSUs granted during this period, as measured using the fiscal year end stock price (2016 for CIRCOR, generally 2015 for peers). Stock options are valued based on in-the-money value on date of exercise (where applicable) or fiscal year end. PSUs are valued on date of vest (where applicable) and reflecting actual shares earned, or fiscal year end (if not yet vested) and assuming target performance. RSUs are at fiscal year end. Differences in realized, realizable and Summary Compensation Table reported pay reflect changes in stock price since the date of grant and the degree to which actual bonus payouts and PSUs earned align with the target amounts. Realizable pay and TSR for the Peer Group Companies was calculated by our independent compensation consultant based on publicly available information found in SEC filings.

We have depicted CEO realizable pay as a percent of median for each company. For example, CIRCOR three-year total realizable pay of \$8,388,703 represented 95% of the peer median value of \$8,818,226. Our strong 2016 stock performance contributed significantly to our realizable pay results, with \$2,078,602 of CIRCOR realizable pay attributable to stock options granted on February 23, 2016 with an exercise price of \$38.89. Our stock price rose significantly between February 23 and the end of the year, closing at \$64.88 on December 30, 2016.



We believe that this analysis shows appropriate alignment of CIRCOR compensation with our performance over the last three years. We believe this is a fair depiction of our pay-for-performance alignment for the following reasons:

- It takes into account stock price movement after the grant date (as opposed to grant date fair value reported in the Summary Compensation Table).
- For performance-based equity such as our PSUs, the number of shares or units actually vesting is used for time periods after the performance period has been completed.
- It excludes Other Compensation reported in the Summary Compensation Table which includes items that are not part of total direct compensation. For the Company, Other Compensation is typically a small portion (i.e. 1 – 3%) of Summary Compensation Table pay for executives with the Company for the entire year. However, items related to executive turnover such as severance payments to former executives and relocation payments are reported as Other Compensation; these items can be significant and can skew pay levels.
- The analysis is based on the Peer Group Companies, which the Company considers most relevant for executive compensation benchmarking purposes.

Good Governance Practices

The Compensation Committee continually evaluates the Company's compensation policies and practices to ensure that they are consistent with good governance principles. Towards that end, below are highlights of:

What We Do	What We Don't Do
<ul style="list-style-type: none">* Our executive compensation program reflects strong pay for performance plan design — approximately 79% of our CEO's and 57% of our other Named Executive Officer's target level total direct compensation is tied to performance metrics.* We target total direct compensation for our CEO and other Named Executive Officers at approximately the market median for our peer group, but only if targeted performance levels are achieved.* Our PSUs for Named Executive Officers are tied to performance targets measurable over a three-year period.* We benchmark executive compensation against peers of comparable size, complexity, and industry.* Our Compensation Committee seeks advice from an independent compensation consultant.* We cap annual bonus payouts to eliminate potential windfalls for executives.* We maintain stock ownership guidelines for our directors and our executives, including our CEO and other Named Executive Officers.* We maintain a clawback policy with respect to incentive-based cash and equity compensation.* Our MSP encourages our executives, including our Named Executive Officers, to use cash incentives to invest in the Company, but any executive who departs the Company prior to vesting will, under certain conditions, lose the benefits of the discounted purchase price as well as any further appreciation in stock price and accrued dividends associated with such RSUs.* We hold an annual "say on pay" advisory vote.* We maintain a Compensation Committee comprised of only independent directors.* We have double-trigger vesting of cash severance payments upon a change of control.* We have a separate Chairman of the Board of Directors and Chief Executive Officer.	<ul style="list-style-type: none">* We do not provide any compensation-related tax gross-ups.* We do not provide significant perquisites.* We do not allow officers or directors to hedge Company stock.* We do not allow officers or directors to pledge Company stock.* We do not reprice or replace out-of-the-money stock options.* We do not have contracts that guarantee employment with any executives (all employment is terminable-at-will).* We do not pay dividends on unvested PSUs; dividends accrue and are paid only if and when applicable performance criteria are achieved.

Stockholder Feedback

The Company regularly evaluates its compensation programs and considers the results of its most recent stockholder advisory vote on executive compensation (“say-on-pay”) as well as feedback received directly from stockholders through our ongoing engagement. At the May 2016 annual meeting, we received say-on-pay support of approximately 87%.

While this indicated support for our programs and is above the 78% support we received at our 2015 annual meeting, our say-on-pay approval had historically been higher (above 96% from 2012 – 2014) and we are carefully considering the valuable feedback received during this process. The Company has undertaken a holistic approach to maintaining and improving say-on-pay support which includes revamping our Compensation Discussion & Analysis to improve transparency and presentation as well as consideration of stockholder feedback on issues including those outlined the table below.

What We Heard

PSU payouts are predicated on performance over a single year (third and final year of performance period); would prefer a multi-year measurement period.

LTI performance goals are not prospectively disclosed.

Single-trigger vesting of equity awards in the event of a change of control may result in economic windfalls to executives without accompanying termination of employment.

Going forward, we plan to continue to engage with our stockholders and consider their perspectives regarding compensation and governance matters.

What We Have Done or Are Doing

For 2016, we shifted our assessment of goal achievement for PSUs to a three-year average instead of the third and final year in isolation to better accommodate performance volatility in our industry.

We have disclosed performance goals retroactively, but prospective disclosure (prior to conclusion of performance cycle) is not provided due to concern about the potential harm to the Company. It is not a market practice to disclose performance goals that represent confidential, commercially sensitive information that could cause competitive harm in the marketplace. The Company has a track record of rigorous goal-setting as demonstrated by our payout history and alignment of realizable pay with total stockholder return.

If a change of control transaction were under consideration, executives naturally would be faced with personal uncertainties and distractions about how any transaction might affect their continued role with the Company. Single-trigger equity vesting focuses executives’ full attention and dedication on stockholders’ best interests, despite any potential change of control, and encourages executives to stay with the Company through any period of uncertainty. Double-trigger vesting provides less certainty and is therefore less effective in maintaining executive focus throughout any change of control.

How We Set Pay

We believe that the most effective executive compensation program is one that is designed to attract, retain, and motivate highly qualified and talented executives and reward the achievement of specific annual, long-term and strategic goals that promote the profitable growth of the Company and enhance stockholder value. When making decisions regarding the compensation of the Named Executive Officers, the Compensation Committee considers information from a variety of sources. The Compensation Committee also regularly assesses our incentive plan measures in light of current business context, relevance to stockholders, and alignment with peer company practices. The Compensation Committee analyzes both individual elements and total compensation for each of the Named Executive Officers.

In setting performance goals for both our annual bonus program and PSUs, a number of factors are considered including the general economic and industry climate, anticipated customer spending, projected revenue from current contracts and renewals, and deals in the pipeline. Based on these factors, a range of performance scenarios is developed. Goals are then set at the threshold, target, and maximum performance levels with the target goals aligning with the Company’s operating plan.

The following principles guide the structure of our program:

- **Link to business priorities and performance.** We believe that a significant portion of an executive’s total compensation should be “at risk,” subject to the attainment of certain specific and measurable performance goals and objectives. We select metrics that we believe are most directly tied to the creation of enterprise value and that our management team can meaningfully influence. As performance goals are met or exceeded, executives are rewarded commensurately; conversely, if goals are not met, actual earned compensation is lower. We have strong pay-for-performance correlation with approximately 79% of our CEO’s Total Target Direct Compensation and approximately 57% of our other Current Named Executive Officers’ Total Target Direct Compensation “at risk” and subject to achievement of certain specific and measurable performance goals and objectives or requiring increases in CIRCOR’s stock price in order to generate value for the recipient.
- **Alignment of executives with stockholders’ interests.** We believe that, to align the interests of our executives with those of our stockholders, our compensation program should encourage our executives to hold a meaningful amount of equity. In addition, we believe compensation to our executives should be based on a balance of short-term and long-term financial performance factors. This approach also supports our retention strategy and promotes our achievement-oriented culture.
- **Competitiveness.** We believe executives’ target total compensation should be competitive with that being offered to individuals holding comparable positions at other public companies with which we compete for executive talent. Excluding modest 2016 one-time retention awards of RSUs to certain Named Executive Officers, long-term compensation for our executives other than base salary is “at-risk”.
- **Maintenance of Governance Standards.** We believe that maintaining best-practice executive compensation governance standards is in the best interests of our stockholders and executives and critical to the ability to manage risk.

While actual compensation reflects the Company performance, the Company’s goal is for total target compensation, as well as each element of total target compensation, to be at or around the median target compensation for executives with similar positions at our Peer Group Companies. The Company incorporates flexibility into its compensation programs and into the assessment process to respond to changing business needs, and to take into consideration individual performance, including the relative complexity and strategic importance of specific roles.

The 2016 compensation program included the following performance-based elements:

Performance-Based Elements	Annual Incentive Plan	Stock Options	PSUs
Tied to achievement of targets relating to Adjusted EPS, Adjusted Operating Margin, Adjusted Operating Income and Net Sales.	x		
No payouts for performance below threshold.	x		x
Tied to achievement of targets relating to Adjusted Operating Margin and Adjusted ROIC.			x
Cash payout is capped at 200% or 300% of target value, depending on the financial measure.	x		
Number of shares is capped at 200% of target.			x
Earned over a three-year period based on average three-year performance.			x
Payout subject to stock price fluctuations until vesting.		x	x
In absence of positive stockholder returns from date of grant, award provides no value to recipient.		x	

As shown above in *Alignment Between CEO Realizable Pay to Total Stockholder Return*, CEO realizable pay is aligned with our performance relative to our peers. We believe this demonstrates that performance-based elements of our program are serving to align pay with performance.

How We Measure Performance and Set Goals

Our incentive plans pay out to participants based on levels of performance against rigorous metrics established by the Board. Our track record of past payouts demonstrates that the metrics established for executives are meaningful targets that in many instances have not been met.

Annual Incentive Plan: As described above, the Named Executive Officers participated in an annual incentive plan that provided for a contingent bonus paid in cash. Targeted amounts were set as a percentage of base salary for each Named Executive Officer and were tied to achievement of performance factors defined by the Company's 2016 operating plan. The plan was not funded on a metric if performance fell below a threshold level.

The metrics for each of the Named Executive Officers were as follows:

- **Metrics for Named Executive Officers Other Than President, Energy Group and President, Aerospace & Defense Group:**
 - 35% – Energy segment Operating Margin and Operating Income score
 - 25% – Aerospace & Defense segment Net Sales and Operating Income score
 - 40% – Adjusted EPS
- **Metrics for President, Energy Group:**
 - 25% Adjusted EPS
 - 35% Energy segment Operating Margin
 - 40% Energy segment Operating Income
- **Metrics for President, Aerospace & Defense Group:**
 - 25% Adjusted EPS
 - 35% Aerospace & Defense segment Net Sales
 - 40% Aerospace & Defense segment Operating Income

Adjusted EPS, Operating Margin, Net Sales, and Operating Income are defined consistently with reported results under Generally Accepted Accounting Principles (GAAP), subject to any exceptions or adjustments as may be appropriate to account for the impact of any divestitures, any special charges, impairment charges, or fluctuations in currency exchange rates.

Payout was made based on pre-defined "Threshold," "Target," "Stretch," and "Above Stretch" levels of performance as follows:

Performance Level	Payout
Above Stretch*	300% of Target
Stretch	200% of Target
Target	100% of Target
Threshold	0.01% of Target
Below Threshold	0% of Target

* Above Stretch level of performance was not applicable for Aerospace & Defense segment Net Sales, for which payout was capped at 200% of Target if Stretch levels of performance were met.

LTI Plan: As described above, the Named Executive Officers participated in the LTI plan under which they were eligible to receive stock options (50% of target LTI value) and PSUs. The stock options vest in 33% increments annually and have a seven-year term. The PSUs will be earned if pre-established financial goals are met. Half of the PSUs are linked to 2016 – 2018 Adjusted ROIC and half are linked to 2016 – 2018 Adjusted Operating Margin. Earned PSUs vest on the third anniversary of grant.

We believe that having PSUs linked to Adjusted ROIC is consistent with having management use the Company's capital and assets efficiently. We also believe that there is a correlation between Adjusted Operating Margin and

higher enterprise value across business cycles and that this measure motivates management to use price discipline when cyclical demand declines. Finally, we believe that the measures incorporated into our LTI plan are important to our stockholders and commonly are used by our peers.

PSUs will be earned based on pre-defined “Threshold,” “Target,” and “Stretch,” levels of performance as follows:

Performance Level	Payout
Stretch	200% of Target
Target	100% of Target
Threshold	0.01% of Target
Below Threshold	0% of Target

Additional detail regarding specific performance ranges for 2016 as well as our performance against the targets is discussed below in *Principal Components of Executive Compensation*.

Market References — Peer Group Companies

Our executive compensation program takes into account the compensation practices of companies with which the Company competes or could compete for executive talent. In its review of 2016 executive compensation, the Compensation Committee compared the Company’s overall compensation structure (mix of pay) and levels for the Named Executive Officers (total annual compensation, as well as each component of their total compensation) with the Peer Group Companies.

The list of Peer Group Companies set forth below was developed with input from the Committee’s consultant after applying the following guidelines:

1. Identify the universe of potential publicly-traded peer companies in the broader Machinery and Building Products industries including companies identified by Institutional Shareholder Services (ISS) and Glass Lewis as peers, companies that name CIRCOR as a peer, and companies considered key product competitors.
2. Target companies within comparable size ranges (e.g., market capitalization of 50% – 200% of CIRCOR’s, revenue of 50% – 200% of CIRCOR’s).
3. Select companies having generally similar business models:
 - Multiple product lines
 - Significant concentration of international sales
 - Exposure to the energy sector
 - Manufacturing operations.
4. Give preference to prior peers in an effort to reduce year-over-year turnover.

These guidelines are not applied in a rigid manner and may be relaxed for strong business competitors. The demographics of the peer companies as a group are compared to the Company.

The following list of Peer Group Companies, used in connection with determining 2016 compensation, was developed using the above methodology:

2015 Peer Group		
Albany International Corp.	Columbus McKinnon Corporation	Mueller Water Products, Inc.
Altra Industrial Motion Corp.	EnPro Industries Inc.	Standex International Corporation
Barnes Group Inc.	ESCO Technologies Inc.	Tennant Company
Blount Industries Inc.	Lindsay Corporation	TriMas Corporation
Chart Industries Inc.	Lydall Inc.	Watts Water Technologies, Inc.

In the course of determining 2016 compensation for its Named Executive Officers, the committee also considered information compiled by its consultant from the 2016 Towers Watson General Industry Top Management Compensation Survey. This survey aggregated compensation data across a broad spectrum of manufacturing

companies and was used to inform the Compensation Committee regarding market executive compensation levels, particularly for positions other than the CEO, EVP and CFO, and Group Presidents.

Risk Assessment and Mitigation of Compensation Policies and Practices

With the assistance of Pearl Meyer, the Compensation Committee reviewed the elements of our executive compensation program to consider whether our program encourages our executives to prudently manage enterprise risk and concluded:

- Our executive compensation is principally comprised of a mix of base salary, annual cash incentives and long-term equity grants, with an emphasis on long-term compensation that delivers rewards based on sustained performance over time;
- Performance targets used in determining performance-based annual incentive compensation are set to avoid creating incentives for excessive risk-taking with caps on the maximum awards;
- Performance metrics are developed based on the Company’s operating plan, which aligns executives’ incentives with stockholder interests rather than encouraging executives to take undue risks;
- Performance-based annual incentive compensation is based on a balance of performance targets to mitigate the risk that an executive focuses solely on one measure of success of the Company;
- Our performance-based annual incentive compensation program includes the MSP which, together with the Company’s stock ownership guidelines, is designed to encourage long-term investment and discourage short-term risk taking by aligning the interests of our executives with those of our long-term stockholders;
- Vesting schedules for stock options and RSUs cause our executives to have a significant amount of unvested awards at any given time;
- Share ownership guidelines set expectations for our directors and executive officers to hold a certain amount of our stock, such that an appropriate portion of each such person’s personal wealth is aligned with our long-term performance;
- The structure of the performance-based inducement stock option awards granted to Mr. Buckhout and Mr. Bhalla in connection with the commencement of their employment incentivizes them to drive sustained improvement in stockholder value; and
- Our clawback policy, discussed below, mitigates risk.

For the foregoing reasons, the Compensation Committee has concluded that the programs by which our executives are compensated strike an appropriate balance between short-term and long-term compensation and incentivize our executives to act in a manner that prudently manages enterprise risk.

Stock Ownership Guidelines

To further align the interests of the executive officers of the Company with the interests of the stockholders, the Company has adopted Stock Ownership Guidelines for executive officers. These guidelines establish an expectation that, within a five-year period, each executive officer shall achieve and maintain an equity interest in the Company at least equal to a specified multiple of such individual’s annual base salary. The applicable multiples are as follows:

Position	Target
Chief Executive Officer	5x annual base salary
Chief Financial Officer	3x annual base salary
Other Named Executive Officers	2x annual base salary

In calculating an individual’s equity interest, credit is given for (i) the value of actual shares of common stock owned beneficially, (ii) the before-tax value of all vested stock options, and (iii) the before-tax value of all outstanding RSU awards (including those which the individual has received in lieu of either bonus compensation or an annual director’s retainer, as applicable). The calculation of an individual’s equity interest, however, does not include the value of any outstanding equity awards subject to risk of forfeiture by virtue of performance.

An annual review is conducted by our Compensation Committee to assess compliance with the guidelines. As of February 8, 2017, our Named Executive Officers met their applicable ownership guidelines, or were on track to achieve their ownership guidelines by the applicable target compliance date.

Clawback Policy

Under our clawback policy, if our Board of Directors determines that an officer engaged in fraud or willful misconduct that resulted in a restatement of the Company’s financial results, then the Board may review all performance-based compensation awarded to or earned by that officer on the basis of performance during the fiscal periods materially affected by the restatement. If, in the view of our Board of Directors, the performance-based compensation would have been lower if it had been based on the restated financial results, the Board of Directors may, to the extent permitted by applicable law, seek recoupment from that officer of any portion of such performance-based compensation as it deems appropriate after a review of all relevant facts and circumstances. Any recoupment under this policy may be in addition to, and shall not otherwise limit, any other remedies that may be available to the Company under applicable law, including disciplinary actions up to and including termination of employment.

Transactions in Company Securities

We maintain an insider trading policy which prohibits hedging the economic risk of ownership of our stock. No person who is considered an “insider” of the Company, which includes each of our Named Executive Officers and directors, may directly or indirectly sell any securities of the Company that are not owned by the person at the time of the sale (short sale). Such persons also may not purchase or sell puts, calls, options or other derivative instruments in respect of our securities at any time without the approval of the Company’s Clearance Officer.

Principal Components of Executive Compensation

As set forth above, the principal elements of the Company’s executive program consist of base salary, annual cash bonus, MSP, and long-term incentive compensation.

Base Salary

Named Executive Officers’ base salaries are determined by evaluating factors such as the responsibilities and complexity of the position, the experience and performance of the individual, market data for similar roles, overall company performance, and internal equity within the Company. At the beginning of each fiscal year, the Compensation Committee generally reviews and adjusted the base salaries for each of the Company’s executives, with any adjustments to become effective on April 1st of the fiscal year. Additional increases were provided to Messrs. Mehrotra and Sharma following their promotions. Base salaries for each Current Named Executive Officer are shown below:

Name	2015 Base Salary	2016 Base Salary	% Change	Rationale
Buckhout, Scott	\$650,000	\$669,500	3.0%	Merit
Bhalla, Rajeev	\$486,000	\$495,644	2.0%	Merit
Wiik, Erik	\$400,000	\$410,000	2.5%	Merit
Mehrotra, Sumit	\$220,000	\$270,000	4.5% effective April; subsequent increase of 17.4% effective October	Merit & Promotion
Sharma, AJ	\$219,000	\$270,000	3.8% effective April; subsequent increase of 18.8% effective November	Merit & Promotion

Mr. Sandoval also received a merit increase effective April 1st, increasing his base salary from \$288,000 to \$294,168.

Annual Cash Bonus

During 2016, the Company’s Named Executive Officers were eligible to receive an annual cash incentive through the annual cash bonus plan. Compensation under the annual bonus plan is “at-risk” and intended to motivate and hold executives accountable for the attainment of short-term performance goals. The Compensation Committee has the discretion to determine the criteria applicable to incentive payments and the amounts of such payouts. For 2016, the amount of incentive compensation awards paid to the Named Executive Officers under the plan depended upon (a) the officer’s target annual bonus amount and (b) the degree to which Company or Segment performance goals were met.

Performance measures are as follows:

CEO and Named Executive Officers other than President, Energy Group and President, Aerospace & Defense Group		President, Energy Group		President, Aerospace & Defense Group	
Measure	Weight	Measure	Weight	Measure	Weight
Energy Segment Score*	35%	Energy Segment Operating Income	40%	Aerospace & Defense Segment Operating Income	40%
Aerospace & Defense Segment Score*	25%	Energy Segment Operating Margin	35%	Aerospace & Defense Segment Net Sales	35%
Adjusted EPS	40%	Adjusted EPS	25%	Adjusted EPS	25%

* For purposes of calculating the Energy Segment Score, only Energy Segment Operating Income and Energy Segment Operating Margin are considered, and for purposes of calculating the Aerospace & Defense Segment Score, only Aerospace & Defense Segment Operating Income and Aerospace & Defense Segment Net Sales are considered.

Payout was made based on pre-defined “Threshold,” “Target,” “Stretch,” and “Above Stretch” levels of performance as follows:

Performance Level	Payout
Above Stretch*	300% of Target
Stretch	200% of Target
Target	100% of Target
Threshold	0.01% of Target
Below Threshold	0% of Target

* Above Stretch level of performance was not applicable for Aerospace & Defense segment Net Sales, for which payout was capped at 200% of Target if Stretch levels of performance were met.

Target annual bonus amounts for Named Executive Officers are approved by the Committee and are intended to be competitive in the market in which the Company competes for talent and reflect the level of responsibility of the role. They are therefore set at or around the median for comparable positions in the market. For 2016, target bonus amounts, which are stated as a percentage of base salary, were as follows:

Current Named Executive	Annual Cash Bonus as a Percent of Base Salary
Buckhout, Scott	100%
Bhalla, Rajeev	70%
Wiik, Erik	60%
Mehrotra, Sumit	55%*
Sharma, AJ	50%**

* Mr. Mehrotra’s target annual cash bonus amount as a percentage of base salary changed to 55% upon his promotion in October 2016. Prior to October 2016, his target annual cash bonus amount was 35% of his base salary. His ultimate annual incentive payout for 2016 was prorated by using a target of 35% of his then-effective base salary through October 23, 2016 and 55% of his increased base salary from October 24, 2016 through year end, in each case subject to the performance metrics described above.

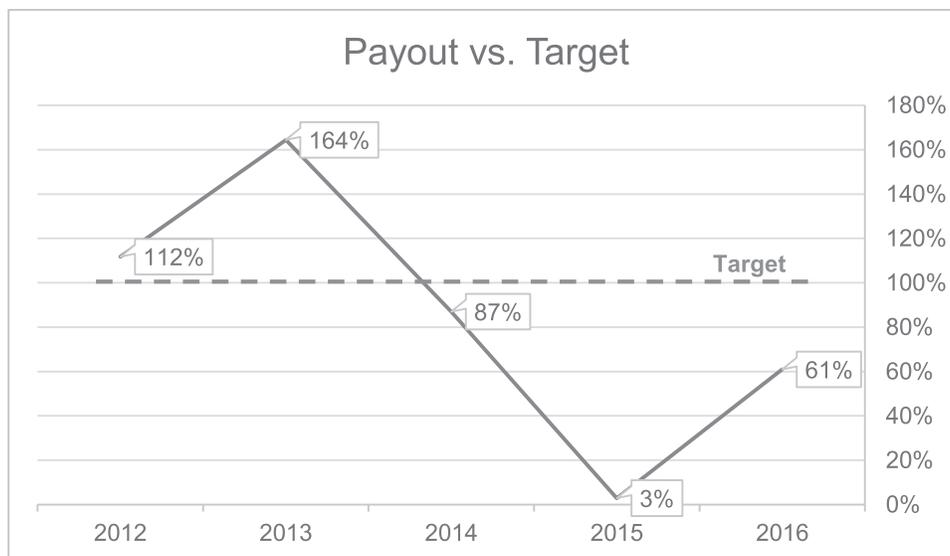
** Mr. Sharma’s target annual cash bonus amount as a percentage of base salary changed to 50% upon his promotion in November 2016. Prior to November 2016, his target annual cash bonus amount was 45% of his base salary. His ultimate annual incentive payout for 2016 was prorated by using a target of 45% of his then-effective base salary through October 31, 2016 and 50% of his increased base salary from November 1, 2016 through year end, in each case subject to the performance metrics described above.

Mr. Sandoval also had a target bonus amount set at 55% of his base salary.

The annual cash bonus plan performance goals were set to reward strong management performance, given the Company’s strategic objectives and the economic conditions at the time the goals were set, which are described more fully above in *Our Performance*. The Committee considered probability of achievement of different levels of performance as well as the uncertainty concerning the Company’s performance in 2016. The Company’s goal setting process is described in more detail above in *How We Measure Performance and Set Goals*.

Based on the outlook at the time the goals were set and with input from the outside consultant, the Committee concluded these performance goals struck an appropriate balance in providing both a reasonable probability of attainment and sufficient rigor and motivation of superior performance.

Over the last five years, total payouts under the plan based on corporate performance have averaged 85% of target:



The table below summarizes the threshold, target, stretch and above stretch performance levels and the actual results for each performance measure for 2016.

Measure	Threshold	Target	Stretch	Above Stretch	Achievement
Adjusted EPS	\$ 1.50	\$ 2.15	\$ 2.79	\$ 3.44	\$ 2.06
CIRCOR Energy Segment Operating Income	\$ 46.3M	\$ 66.1M	\$ 85.9M	\$105.8M	\$ 54.5M
CIRCOR Energy Segment Operating Margin	9.8%	14.1%	18.3%	22.5%	12.4%
Aerospace & Defense Segment Operating Income . . .	\$ 14.4M	\$ 18.0M	\$ 21.6M	\$ 25.2M	\$ 15.1M
Aerospace & Defense Segment Net Sales	\$144.9M	\$161.0M	\$177.1M	N/A	\$153.2M

The above performance measures include non-GAAP financial measures and will differ from amounts shown in the Company’s financial statements. Additional information is described above in *How We Measure Performance and Set Goals*.

The following table shows incentives paid to the Current Named Executive Officers under the annual cash bonus plan. Total target amounts for each executive represent the percentage of base salary referred to above in this section. The annual cash bonus plan gives the Compensation Committee discretion to consider individual performance and to adjust awards accordingly. Bonus awards to the Named Executive Officers for 2016 were determined by formula based on Company performance relative to performance goals.

Executive	Total Target Amount	Total Actual Amount Paid	Amount Paid as Percent of Target
Buckhout, Scott	\$669,500	\$408,045	60.9%
Bhalla, Rajeev	\$346,951	\$211,459	60.9%
Wiik, Erik	\$246,000	\$145,283	59.1%
Mehrotra, Sumit*	\$ 93,291	\$ 56,859	60.9%
Sharma, AJ**	\$107,759	\$ 65,676	60.9%

* As described above, Mr. Mehrotra’s annual incentive compensation paid was prorated by using a target of 35% of his then-effective base salary through October 23, 2016 and 55% of his increased base salary from October 24, 2016 through year end, in each case subject to the performance metrics.

** As described above, Mr. Sharma’s annual incentive compensation paid was prorated by using a target of 45% of his then-effective base salary through October 31, 2016 and 50% of his increased base salary from November 1, 2016 through year end, in each case subject to the performance metrics.

One-Time 2016 Retention Awards

As described above, the Compensation approved modest one-time retention awards in 2016 in the form of three-year, time-vested RSUs, viewing them in the best interests of the Company and its stockholders as detailed below. The Committee accepted Mr. Buckhout’s request that he not be included in these retention awards. These awards are described further above in *Elements of Compensation*.

Executive	RSUs Granted	Grant Date Fair Value of Award
Buckhout, Scott	0	\$ 0
Bhalla, Rajeev	2,190	\$85,132
Wiik, Erik	774	\$30,000
Mehrotra, Sumit	900	\$35,000
Sharma, AJ	1,029	\$40,000

Mr. Sandoval received 516 RSUs with a grant date fair value of \$20,000 as part of the one-time 2016 retention award. These RSUs were forfeited by Mr. Sandoval upon his departure from the Company.

Management Stock Purchase Plan (MSP)

In order to more closely align the interests of our executives with those of our stockholders, our Named Executive Officers are also eligible to participate in our MSP, which is designed to encourage our Named Executive Officers to invest their own earned incentive compensation in equity of the Company. The Compensation Committee approves the participants in the MSP. For 2016, participants were entitled to purchase RSUs under the MSP at a discount of 33% to the closing price of the Company’s common stock two trading days after the announcement of our annual results using all or a portion of their pre-tax annual cash bonus. RSUs purchased under the MSP vest in whole after a three-year period. Any Named Executive Officer who departs the Company prior to vesting may lose the benefits associated with the discounted purchase price of RSUs purchased under the MSP, as well as any further appreciation in stock price and accrued dividends associated with such RSUs.

As a group, the Current Named Executive Officers deferred 68% of their annual cash incentives for the purchase of RSUs through the MSP. The following table shows elections made by our Named Executive Officers for 2016.

Executive	Percentage of Annual Cash Bonus Deferred
Buckhout, Scott	70%
Bhalla, Rajeev	20%
Wiik, Erik	50%
Mehrotra, Sumit	100%
Sharma, AJ	100%

The above amounts were subject to tax withholding. The Compensation Committee believes that the MSP has been an effective mechanism for fostering stock ownership by our executives, which promotes long-term alignment with stockholder value creation. The Compensation Committee also believes it has proven to be an effective retention vehicle. Departing executives, under certain conditions, will lose the benefits associated with the discounted purchase price of such awards, as well as any further appreciation in stock price and accrued dividends.

Long-Term Incentive Awards

Long-term incentives (LTI) are intended to provide executives with a continuing stake in the long-term success of the Company and to align their interests with those of stockholders. LTI awards are also used to attract, retain and motivate executives responsible for the Company’s long-term success.

The Committee evaluates the LTI program annually relative to its objectives as well as practices within the Peer Group Companies. The 2016 program included a combination of stock options and PSUs. The Committee believes that using different types of awards provides balance to the Company’s LTI program and mitigates risk.

Target LTI awarded to each of our Named Executive Officers in 2016 was expressed in dollar amounts based on grant date fair value and vary based on consideration of factors such as role, level of responsibility, performance and past award history:

Executive	Equity Award Grant Date Fair Value
Buckhout, Scott	\$1,905,000
Bhalla, Rajeev	\$ 751,704
Wiik, Erik	\$ 200,000
Mehrotra, Sumit	\$ 100,000
Sharma, AJ	\$ 200,167

Mr. Sandoval also received equity awards in 2016, with a grant date fair value of \$158,620. These equity awards were forfeited by Mr. Sandoval upon his departure from the Company.

The 2016 LTI program is outlined in the table below:

Vehicle	Proportion of Target LTI Value	Payout	Metric	Performance Period	Design
Stock Options	50%	100%	N/A	N/A	Vest 1/3 annually
PSUs	50%	Below Threshold: 0% of Target Threshold: 0.01% of Target Target: 100% of Target Stretch: 200% of Target	Average Adjusted ROIC (50%); Average Adjusted Operating Margin (50%)	2016 – 2018	Vesting per achievement of specific performance objectives for each measure

The above performance measures include non-GAAP financial measures and will differ from amounts shown in the Company’s financial statements. Additional information is above in *How We Measure Performance and Set Goals*.

The Company uses Adjusted Operating Margin as a consistent factor leading to higher enterprise values across business cycles. When cyclical demand for our products declines, management is motivated to use price discipline so

that when demand recovers, earnings are maximized. We use Adjusted ROIC as a metric to promote efficient use of our capital and assets. Strict management of working capital, attractive returns from capital expenditures and efficient use of fixed assets are all critical components for ensuring long-term enterprise value. The use of ROIC as a metric incorporates all of these factors.

The PSU design outlined in the table above represents a change to the Company’s 2015 program. Beginning with the 2016 – 2018 cycle (granted in February 2016), the Company assesses three-year average performance relative to three-year average performance targets. Our prior practice assessed performance based on achievement relative to targets specific to the third and final year in the three-year performance cycle (for example, the performance goals for our PSUs granted in 2016 are specific to 2018 performance). We made this change in order to better accommodate performance volatility in our industry, so that results from no single year’s performance will have undue impact on ultimate compensation received.

The following table outlines our performance targets and degree of achievement specific our PSUs granted in 2014, for which the performance goals consisted of Fiscal Year 2016 Adjusted ROIC and Fiscal Year 2016 Adjusted Operating Margin, each weighted 50%. We did not achieve our Fiscal Year 2016 threshold performance levels, and none of the 2014 PSUs were earned or vested.

Performance Metrics	Performance Range			Actual Performance	Payout Factor	Shares Earned and Vested as % of Target
	Threshold	Target	Stretch			
Fiscal Year 2016 Adjusted ROIC	14.5%	15.5%	16.5%	6.9%	0%	0
Fiscal Year 2016 Adjusted Operating Margin	11.0%	12.0%	13.0%	7.2%	0%	0

Long-Term Incentive Granting Practices

Most awards are granted at the time of the annual grant in the first quarter of the year, although awards may be granted as part of the hiring process or in connection with a change in responsibility. Annual grants are approved at a specified, regularly scheduled meeting of the Compensation Committee. The Compensation Committee approves the type and number of awards to be granted and the performance criteria for PSUs.

LTI awards granted during the year have a grant date no earlier than the date of approval. Grants that require the approval of the Compensation Committee are typically reviewed and approved at a regularly scheduled Compensation Committee meeting or by written consent in advance of the individual’s employment commencement or promotion date. For these awards, the grant date is the date of the meeting if the individual receiving the grant has already commenced employment. If the individual has not yet commenced employment, the date of grant is the business day following the individual’s first day of employment.

Other Benefits

The Company maintains a defined contribution 401(k) plan in which substantially all of our U.S. employees, including our Named Executive Officers, are eligible to participate. We also have implemented a nonqualified 401(k) excess plan to provide benefits that would otherwise be provided under the qualified 401(k) plan to certain participants but for the imposition of certain maximum statutory limits imposed on qualified plan benefits (for example, annual limits on eligible pay and contributions). Company employees, including the Named Executive Officers, who reach the maximum limits in the qualified 401(k) plan will generally be eligible for the 401(k) excess plan. In addition, our employees receive enhanced benefits under our 401(k) plan. Annually, the Company typically makes a discretionary contribution on behalf of each participant equal to a percentage of the participant’s compensation during the recently concluded fiscal year (regardless of whether the participant contributes to the plan). In February 2016, the amount of this discretionary contribution was 1.5%. In addition, the Company makes an additional matching contribution on behalf of each participant equal to 50% of the first 5% of compensation contributed to the plan by the participant.

We also provide our executive officers with a limited number of perquisites as part of their compensation arrangements, which we consider to be reasonable and consistent with competitive practice. These perquisites include annual car allowances and financial counseling/tax preparation services, which, in total, comprise a de minimis part of the Named Executive Officer’s target total direct compensation.

In order to attract and retain key executives, the Company has entered into severance and change of control agreements with our executive officers. The agreements are intended to support management continuity and align with market practice. The change of control agreements are intended to maintain focus on stockholder value creation in the event of an actual or threatened change of control. Pursuant to Company policy, the Company does not provide tax gross-ups in connection with any compensatory arrangements. As a result, we do not have any change of control agreements that provide for tax gross-ups. More detail is provided below in *Severance and Other Benefits Upon Termination of Employment or Change of Control*.

Compensation Associated with 2016 Executive Departure

Upon his departure from the Company, Mr. Sandoval received a lump sum equal to 12 months of base salary plus target annual bonus in effect in 2016 as per the terms of his severance agreement. He was also provided COBRA coverage for medical and dental insurance throughout 2016. The cost of the severance benefits provided to Mr. Sandoval is reported in the *All Other Compensation Column* of the *Summary Compensation Table*.

Deductibility of Executive Compensation

In making compensation decisions, the Compensation Committee considers the potential effects of Section 162(m) of the Internal Revenue Code on the Compensation paid to our executives. Section 162(m) disallows an income tax deduction to any publicly-held corporation for compensation paid to certain executive officers that exceeds \$1 million in any taxable year unless the remuneration meets certain requirements to be considered “performance-based.” Compensation paid to our Named Executive Officers may or may not be deductible under Section 162(m). While stock options are structured in a manner that is intended to qualify as “performance based” and thus exempt from the \$1 million deduction limitation, other elements of our executive compensation program, such as time-based restricted stock units and certain bonus payments, can potentially be limited by the Section 162(m) deduction limitation. The Compensation Committee believes that it is important to retain the flexibility to have programs that do not meet all of the requirements of Section 162(m). The Compensation Committee will continue to review the deductibility of different types of compensation, and adjust our executive compensation program as appropriate consistent with the principles underlying our executive compensation philosophy. There is no guarantee that payments made to our Named Executive Officers will be tax deductible.

**SUMMARY OF CASH AND CERTAIN OTHER COMPENSATION AND
OTHER PAYMENTS TO THE NAMED EXECUTIVE OFFICERS**

The following sections provide a summary of cash and certain other amounts for Fiscal Year 2016 (and the preceding two fiscal years) to the Named Executive Officers. Except where noted, the information in the Summary Compensation Table generally pertains to compensation to the Named Executive Officers for Fiscal Year 2016. Therefore, we encourage you to read the following tables closely. The narratives preceding the tables and the footnotes accompanying each table are important parts of each table. Also, we encourage you to read this section in conjunction with the Compensation Discussion and Analysis above.

2016 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus \$(⁽¹⁾)	Stock Awards \$(⁽²⁾⁽³⁾)	Option Awards \$(⁽⁴⁾)	Non-Equity Incentive Plan Compensation \$(⁽⁵⁾)	All Other Compensation \$(⁽⁶⁾)	Total \$(⁽⁷⁾⁽⁸⁾)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Scott Buckhout ⁽⁷⁾⁽⁸⁾ <i>President and Chief Executive Officer</i>	2016	664,250	—	1,093,184	952,500	408,045	16,251	3,134,230
	2015	636,542	—	703,207	700,000	9,302	26,999	2,076,050
	2014	600,000	—	232,262	2,690,995	471,563	18,716	4,013,536
Rajeev Bhalla ⁽⁷⁾⁽⁸⁾ <i>Executive Vice President, Chief Financial Officer</i>	2016	493,027	—	481,814	375,852	211,459	21,846	1,583,998
	2015	480,291	—	400,480	400,000	4,868	36,855	1,322,494
	2014	465,000	—	333,090	302,500	310,533	110,370	1,521,493
Vincent Sandoval ⁽⁷⁾⁽⁸⁾ <i>President, Aerospace & Defense Group</i>	2016	253,016	—	99,310	79,310	—	501,860	933,496
	2015	286,139	—	102,485	77,000	30,234	24,789	520,647
	2014	213,231	75,000	219,701	—	80,000	115,348	703,280
Erik Wiik ⁽⁷⁾ <i>President, Energy Group</i>	2016	407,308	—	165,779	100,000	145,283	20,160	838,530
	2015	318,462	200,000	212,305	—	49,966	10,877	791,610
Arjun Sharma ⁽⁷⁾⁽⁸⁾ <i>Senior Vice President, Business Development</i>	2016	229,922	—	172,431	100,083	65,676	18,782	586,894
	2015	217,457	—	96,204	65,500	1,408	22,240	402,809
	2014	214,325	—	117,833	80,500	75,798	24,442	512,898
Sumit Mehrotra ⁽⁷⁾ <i>President, Advanced Flow Solutions Group</i>	2016	233,095	—	110,485	50,000	56,859	77,878	528,317

(1) Reflects sign-on bonus payments.

- (2) Reflects the grant date fair value of performance-based restricted stock units (PSUs), the grant date fair value of time-based restricted stock units (Time RSUs), the grant date fair value of the 33% discount on restricted stock units (MSP RSUs) purchased under our Management Stock Purchase Plan (MSP) determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. For PSUs and Time RSUs, a discussion of the assumptions used in calculating the amounts in this column may be found in Note 11 (“Share-Based Compensation”) to our audited consolidated financial statements for the year ended December 31, 2016 included in our Annual Report on Form 10-K filed with the SEC on February 21, 2017. For MSP RSUs, the grant date fair value of the discount purchased by each of our named executive officers on February 27, 2017 was based on a 33% discount from the closing price of our common stock on February 24, 2017 (the date preceding our annual grant). The grant date fair values of PSUs, MSP RSUs, and Time RSUs granted to each of our named executive officers are shown in the table below:

<u>Named Executive Officer</u>	<u>Grant Date Fair Value of PSUs</u>	<u>Grant Date Fair Value of MSP RSUs</u>	<u>Grant Date Fair Value of Time RSUs</u>	<u>Total</u>
Scott Buckhout	\$952,500	\$140,684	—	\$1,093,184
Rajeev Bhalla	\$375,852	\$ 20,830	\$85,132	\$ 481,814
Vincent Sandoval	\$ 79,310	—	\$20,000	\$ 99,310
Erik Wiik	\$100,000	\$ 35,779	\$30,000	\$ 165,779
Arjun Sharma	\$100,083	\$ 32,348	\$40,000	\$ 172,431
Sumit Mehrotra	—	\$ 25,485	\$85,000	\$ 110,485

The Time RSUs include retention awards for all of our Named Executive Officers (except Mr. Buckhout) and a management level RSU award that was made to Mr. Mehrotra prior to his promotion in October 2016.

- (3) Included in this column is the fair value of the target number of PSUs granted to each named executive officer, which we consider to be the probable outcome of the performance conditions as of the grant date. The following table shows for each named executive officer the grant date fair value of the target number of PSUs, (which are also referred to as PSUs) granted to each such officer that is included in the Summary Compensation Table and the potential maximum grant date fair value of each such PSU.

<u>Named Executive Officer</u>	<u>Target Number of PSUs</u>	<u>Grant Date Fair Value of Target Number of Performance RSUs</u>	<u>Maximum Number of PSUs</u>	<u>Grant Date Fair Value of Maximum Number of Performance RSUs</u>
Scott Buckhout	24,493	\$952,500	48,896	\$1,905,000
Rajeev Bhalla	9,665	\$375,852	19,330	\$ 751,704
Vincent Sandoval	2,040	\$ 79,310	4,080	\$ 156,820
Erik Wiik	2,572	\$100,000	5,144	\$ 200,000
Arjun Sharma	2,574	\$100,083	5,148	\$ 200,166
Sumit Mehrotra	—	—	—	—

The target value of PSUs awarded in 2016 is earned if our ROIC and AOM goals are achieved for the three-year average of fiscal years 2016 – 2018, as described in “Long Term Equity Incentives”. The maximum value of PSUs is two times the Target value, as described above in “Long Term Equity Incentives”. Maximum value of Performance RSUs is earned if our actual ROIC and AOM achievement exceeds the maximum percentages set by the Compensation Committee for the three-year average of fiscal years 2016 – 2018.

- (4) Reflects the aggregate grant date fair value of stock options granted under the Equity Incentive Plan. For a discussion of the assumptions related to the calculation of the amounts in this column, please refer to Note 11 (“Share-Based Compensation”) to the Company’s audited consolidated financial statements for the year ended December 31, 2016 included in our Annual Report on Form 10-K filed with the SEC on February 21, 2017. The stock options granted in Fiscal Year 2016 and 2015 were granted on February 23, 2016 and February 23, 2015, respectively. For Fiscal Year 2014, Mr. Buckhout received a performance based stock option award on March 5, 2014. The stock options granted to the other Named Executive Officers in Fiscal Year 2014 were granted on March 3, 2014.

- (5) Reflects the amounts earned under our annual cash incentive program by each named executive officer, whether received in cash or restricted stock units (RSUs). Our named executive officers elected to use all or a portion of their annual cash incentive to purchase RSUs under our MSP. The number of MSP RSUs purchased by each named executive officer is as follows:

Named Executive Officer	Year	Percentage of Annual Incentive Used to Purchase RSUs	Amount of Bonus for Year	Amount of Bonus Used to Purchase RSUs	Number of Purchased RSUs
Scott Buckhout	2016	70%	\$408,045	\$122,414	6,989
	2015	70%	\$ 9,302	\$ 6,512	249
	2014	100%	\$471,563	\$452,700	13,033
Rajeev Bhalla	2016	20%	\$211,459	\$ 42,292	1,034
	2015	20%	\$ 4,868	\$ 974	37
	2014	20%	\$310,553	\$ 62,111	1,788
Vincent Sandoval	2016	—%	\$ 0	\$ 0	—
	2015	50%	\$ 30,234	\$ 15,117	580
	2014	50%	\$ 80,000	\$ 40,000	1,151
Erik Wiik	2016	50%	\$145,283	\$ 72,642	1,777
	2015	50%	\$ 49,966	\$ 24,983	958
Arjun Sharma	2016	100%	\$ 65,676	\$ 65,676	1,607
	2015	100%	\$ 1,408	\$ 1,408	54
	2014	100%	\$ 75,798	\$ 68,218	1,964
Sumit Mehrotra	2016	100%	\$ 56,859	\$ 51,742	1,266

Under our MSP, the purchase price for RSUs is 67% of the closing price of our common stock on the day prior to the date of grant. The grant date fair value of the 33% discount is referred to as MSP RSUs, and the MSP RSUs have been included under the Stock Awards column as additional compensation to the named executive officers. The total number of RSUs purchased was determined by dividing the dollar amount of bonus used in the above table by \$40.86 for 2016, \$26.06 for 2015 and \$34.73 for 2014, which is 67% of the closing price of our common stock on February 24, 2017, February 22, 2016 and February 20, 2015, respectively. The actual number of RSUs purchased under the MSP may be reduced to pay for tax withholding.

- (6) See “2016 All Other Compensation Table” for specific items in this category.
- (7) The amounts in this column reflect the total of the following columns: Salary, Bonus Stock Awards, Option Awards, Non-Equity Incentive Plan Compensation, and All Other Compensation.
- (8) The amounts reported for 2014 and 2015 have been revised to reflect the number of RSUs actually awarded to named executive officers for those years. Prior proxy filings reported the target value of the total number of RSUs eligible to be purchased and awarded as a discount under MSP in the Stock Awards column. Only a small percentage of the annual incentive was, in fact, earned during the 2015 and 2014 performance periods. Consistent with Compliance & Disclosure Interpretations (“C&DI”) issued by the Securities and Exchange Commission, the actual annual incentive earned by a named executive officer for the applicable fiscal year, whether paid in cash or RSUs, is now disclosed in the Nonequity Incentive Plan Compensation column — see footnote 5 above. The MSP RSUs that represent the actual discounted purchase under MSP are disclosed in the Stock Awards column — see footnote 2 above. For 2015, this revision consistent with the C&DI reduced the amount in the Total column for the named executive officers as follows: Mr. Buckhout (\$672,782); Mr. Bhalla (\$100,590); Mr. Sandoval (\$78,363), and Mr. Sharma (\$145,451). For 2014, this revision consistent with the C&DI reduced the amount in the Total column for the named executive officers as follows: Mr. Buckhout (\$106,175), Mr. Bhalla (\$4,953), Mr. Sandoval (\$55,799) and Mr. Sharma (\$31,538).

2016 All Other Compensation Table

Name	Perquisites and Other Personal Benefits (\$) ⁽¹⁾	Tax Preparation and Financial Planning (\$)	Insurance Premiums (\$) ⁽²⁾	Severance Payment (\$) ⁽³⁾	Relocation Payments (\$) ⁽⁴⁾	Payments Relating to Employee Savings Plan (\$) ⁽⁵⁾	Other (\$) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Total (\$)
Scott Buckhout	—	2,348	1,346	—	—	6,625	5,932	16,251
Rajeev Bhalla	12,000	1,875	1,346	—	—	6,625	—	21,846
Vincent Sandoval	10,615	—	1,111	455,960	—	3,355	30,819	501,860
Arjun Sharma	8,400	2,902	644	—	—	4,532	2,304	18,782
Erik Wiik	12,000	—	1,346	—	—	6,625	189	20,160
Sumit Mehrotra	1,292	5,778	644	—	28,215	5,213	36,736	77,878

- (1) The amounts shown in this column reflect each Named Executive Officer's annual car allowance.
- (2) The amounts shown in this column reflect group term life insurance premiums paid on behalf of each Named Executive Officer.
- (3) The amounts shown in this column reflect a lump sum payment equal to Mr. Sandoval's base salary plus target bonus in effect during the fiscal year. The lump sum payment for salary was \$294,168 and for bonus was \$161,792.
- (4) The amounts shown in this column reflect taxable relocation payments paid on behalf of Mr. Mehrotra in the amount of \$28,215.
- (5) The amounts shown in this column reflect Company matching contributions to each Named Executive Officer's 401(k) savings account of up to 2.5% of base pay subject to the limits imposed by IRS regulations.
- (6) Amounts for each Named Executive Officer reflect dividend equivalents paid on vested RSUs. The amounts for Mr. Buckhout in 2016 is \$5,932, for Mr. Sandoval is \$271, for Mr. Sharma is \$2,304, for Mr. Wiik is \$189, and Mr. Mehrotra \$233.
- (7) The amounts shown in this column reflect a lump sum payment of \$30,548 for the vacation balance due Mr. Sandoval upon termination.
- (8) The amounts shown in this column reflect cash retention payments to Mr. Mehrotra in the amount of \$36,503.

2016 Grants of Plan-Based Awards

The following table summarizes the grant of plan-based awards made to our Named Executive Officers in 2016.

Name	Type of Award ⁽¹⁾	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽²⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽³⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽⁴⁾	All Other Option Awards: Number of Securities Underlying Options (#) ⁽⁵⁾	Exercise or base Prices of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁶⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
Scott Buckhout	Options	02/23/16	—	—	—	—	—	—	79,977	38.89	952,500	
	PSU	02/23/16	—	—	—	—	24,493	48,986	—	—	952,500	
	MBP		—	468,650	937,300	—	—	—	—	—	—	
Rajeev Bhalla	Time RSU	02/23/16	—	—	—	—	—	—	2,190	—	85,132	
	Options	02/23/16	—	—	—	—	—	—	31,560	38.89	375,852	
	PSU	02/23/16	—	—	—	—	9,665	19,330	—	—	375,852	
	MBP		—	69,390	138,780	—	—	—	—	—	—	
Sumit Mehrotra	Time RSU	02/23/16	—	—	—	—	—	—	2,187	—	85,000	
	Options	02/23/16	—	—	—	—	—	—	4,200	38.89	50,000	
	MBP		—	148,500	297,000	—	—	—	—	—	—	
Vincent Sandoval	Time RSU	02/23/16	—	—	—	—	—	—	516	—	20,000	
	Options	02/23/16	—	—	—	—	—	—	6,660	38.89	79,310	
	PSU	02/23/16	—	—	—	—	2,040	4,080	—	—	79,310	
	MBP		—	—	—	—	—	—	—	—	—	
Arjun Sharma	Time RSU	02/23/16	—	—	—	—	—	—	1,029	—	40,000	
	Options	02/23/16	—	—	—	—	—	—	3,663	38.89	100,083	
	PSU	02/23/16	—	—	—	—	2,574	5,148	—	—	100,083	
	MBP		—	135,000	270,000	—	—	—	—	—	—	
Erik Wiik	Time RSU	02/23/16	—	—	—	—	—	—	774	—	30,000	
	Options	02/23/16	—	—	—	—	—	—	8,397	38.89	100,000	
	PSU	02/23/16	—	—	—	—	2,572	5,144	—	—	100,000	
	MBP		—	123,000	246,000	—	—	—	—	—	—	

(1) Type of Award:

Time RSU = RSU award subject to time-based vesting only

PSU = RSU award subject to performance conditions

Options = Stock option subject to time based vesting

MBP = Cash award subject to performance conditions under management bonus plan

Each of these RSU, PSU, and Option awards was granted under our Equity Incentive Plan. See Summary Compensation Table and the footnotes thereto for additional information on these types of awards.

- (2) The amounts in these columns indicate the threshold, target and maximum performance bonus amounts payable under our management bonus plan *prior to* deducting any amounts the named executive officer elected to use to purchase RSUs under the MSP. Each of our named executive officers elected to use a portion of his performance bonus to purchase RSUs under our MSP. See footnote (5) to the “Summary Compensation Table” for a description of the actual amount of performance bonus earned by each of the named executive officers for 2016, the amount of each named executive officer’s bonus that was used to purchase RSUs and the number of purchased RSUs. The potential performance bonus amounts payable under the Executive Incentive Bonus Plan are based on the achievement of specific financial performance metrics and the achievement of individual strategic goals. The named executive officers would receive a bonus payout equal to 0.1% of their target bonus

at the threshold level of performance and 300% of their target bonus at the maximum level of performance. If none of the threshold performance metrics are met, no performance bonus would be payable to the named executive officers.

- (3) The amounts in these columns indicate the threshold, target and maximum number of shares that the named executive officer could receive if an award payout is achieved under the PSUs. These potential share amounts are based on achievement of specific performance goals. The named executive officer would receive 0.1% of the target number of shares at the threshold level of performance and 200% of the target number of shares at the maximum level of performance. If none of the threshold performance targets are met, then our named executive officers will not receive any shares.
- (4) RSU-Time awards were awarded on February 23, 2016, to Messrs. Bhalla, Mehrotra, Sandoval, Sharma, and Wiik as special awards for retention. An additional management level Time RSU award was granted to Mr. Mehrotra prior to his promotion in 2016.
- (5) The exercise price of options is equal to the closing price of our Common Stock on the business day before the Grant Date. For more details, see footnote (3) under Outstanding Equity Awards at 2016 Fiscal Year-End.
- (6) The amounts in this column reflect the aggregate grant date fair values of the PSUs reflected in column (g) and Time RSUs reflected in column (i), each calculated in accordance with accounting guidance, as well as the aggregate fair value of the Option awards reflected in column (j) as determined using the Black Scholes option pricing model.

**Outstanding Equity Awards at 2016
Fiscal Year-End**

Name	Type of Award ⁽¹⁾	Option Awards				Stock Awards				
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#) ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽³⁾	Equity Incentive Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽³⁾
(a)		(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Scott Buckhout	Perf Option	150,000	50,000 ⁽⁴⁾	41.17	4/9/2023	—	—	—	—	—
	Perf Option	—	100,000 ⁽⁵⁾	70.42	3/5/2024	—	—	—	—	—
	Option	13,047	26,094	51.84	2/23/2022	—	—	—	—	—
	Option	—	79,977	38.89	2/23/2023	—	—	—	—	—
	MSP RSU	—	—	—	—	3/3/2014	10,880	705,894 ⁽⁶⁾	—	—
	PSU	—	—	—	—	2/23/2015	—	—	13,504	876,140 ⁽⁷⁾
	MSP RSU	—	—	—	—	2/23/2015	13,033	845,581 ⁽⁶⁾	—	—
	PSU	—	—	—	—	2/23/2016	—	—	24,493	1,589,106 ⁽⁸⁾
MSP RSU	—	—	—	—	2/23/2016	249	16,155 ⁽⁶⁾	—	—	
Rajeev Bhalla	Perf Option	—	100,000 ⁽⁴⁾	79.33	12/2/2023	—	—	—	—	—
	Option	7,934	3,967	71.56	3/3/2021	—	—	—	—	—
	Option	7,456	14,192	51.84	2/23/2022	—	—	—	—	—
	Option	—	31,560	38.89	2/23/2023	—	—	—	—	—
	PSU	—	—	—	—	2/23/2015	—	—	7,717	500,679 ⁽⁷⁾
	MSP RSU	—	—	—	—	2/23/2015	1,788	116,005 ⁽⁶⁾	—	—
	Time RSU	—	—	—	—	2/23/2016	2,190	142,087 ⁽⁹⁾	—	—
	PSU	—	—	—	—	2/23/2016	—	—	9,665	627,065 ⁽⁸⁾
MSP RSU	—	—	—	—	2/23/2016	37	2,401 ⁽⁶⁾	—	—	
Sumit Mehrotra	Option	656	328	71.56	3/03/2021	—	—	—	—	—
	Option	653	1,306	51.84	2/23/2022	—	—	—	—	—
	Option	—	4,200	38.89	2/23/2023	—	—	—	—	—
	Time RSU	—	—	—	—	3/03/2014	117	7,591 ⁽⁹⁾	—	—
	Time RSU	—	—	—	—	11/04/2014	313	20,307 ⁽⁹⁾	—	—
	Time RSU	—	—	—	—	2/23/2015	452	29,326 ⁽⁹⁾	—	—
	MSP RSU	—	—	—	—	2/23/2015	1,851	120,093 ⁽⁶⁾	—	—
	Time RSU	—	—	—	—	2/23/2016	2,187	141,893 ⁽⁹⁾	—	—
MSP RSU	—	—	—	—	2/23/2016	42	2,725 ⁽⁶⁾	—	—	
Vincent Sandoval	Option	1,436	—	51.84	2/23/2022	—	—	—	—	—
	MSP RSU	—	—	—	—	2/23/2015	384	24,914 ⁽⁶⁾	—	—
Arjun Sharma	Option	1,954	—	30.91	3/1/2020	—	—	—	—	—
	Option	3,212	—	39.00	2/28/2021	—	—	—	—	—
	Option	2,799	—	32.76	3/5/2022	—	—	—	—	—
	Option	2,112	1,056	71.56	3/3/2021	—	—	—	—	—
	Option	1,221	2,442	51.84	2/23/2022	—	—	—	—	—
	Option	—	8,406	38.89	2/23/2023	—	—	—	—	—
	MSP RSU	—	—	—	—	3/03/2014	2,226	144,423 ⁽⁶⁾	—	—
	PSU	—	—	—	—	2/23/2015	—	—	1,264	82,008 ⁽⁷⁾
	MSP RSU	—	—	—	—	2/23/2015	1,964	127,424 ⁽⁶⁾	—	—
	Time RSU	—	—	—	—	7/30/2015	412	26,731 ⁽⁹⁾	—	—
	PSU	—	—	—	—	2/23/2016	—	—	2,574	167,001 ⁽⁸⁾
MSP RSU	—	—	—	—	2/23/2016	54	3,504 ⁽⁶⁾	—	—	
Time RSU	—	—	—	—	2/23/2016	1,029	66,762 ⁽⁹⁾	—	—	

Name	Type of Award ⁽¹⁾	Option Awards				Stock Awards				
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#) ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽³⁾	Equity Incentive Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽³⁾
(a)		(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Erik Wiik	Time RSU	—	—	—	—	3/05/2015	2,516	163,238 ⁽⁹⁾	—	—
	Option	—	8,397	38.89	2/23/2023	—	—	—	—	—
	PSU	—	—	—	—	2/23/2016	—	—	2,572	166,871 ⁽⁸⁾
	MSP RSU	—	—	—	—	2/23/2016	958	62,155 ⁽⁶⁾	—	—
	Time RSU	—	—	—	—	2/23/2016	774	50,217 ⁽⁹⁾	—	—

(1) Type of Award:

Time RSU = RSU award subject to time-based vesting only

PSU = RSU award subject to performance conditions

Perf Options = Inducement stock option subject to a service period and a market vesting condition

Options = Stock option subject to time based vesting

MSP RSU = MSP RSU awards subject to performance conditions under management bonus plan

With the exception of the Performance Option awards to Messrs. Buckhout and Bhalla on April 9, 2013 and December 2, 2013, respectively (which were granted as special inducement awards under the NYSE regulations), each of these RSU and Option awards was granted under our Equity Incentive Plan.

- (2) The stock options listed in this column were granted pursuant to our Equity Incentive Plan. The stock option grants on March 1, 2010, and February 28, 2011 vested three years from such date and have a ten year term. The stock option grants on March 5, 2012 vested ratably 33% per year generally beginning on the first anniversary from such date and have a ten year term. The stock option grants on March 3, 2014, February 23, 2015, and February 23, 2016 vest ratably 33% per year generally beginning on the first anniversary from such date and have a seven-year term.
- (3) The amounts shown in these columns reflect the market value of unvested RSUs calculated by multiplying the number of such unvested RSUs by \$64.88, the closing price of our Common Stock on December 30, 2016, the last trading day in 2016.
- (4) On April 9, 2013 and December 2, 2013 inducement stock options were granted to Messrs. Buckhout and Bhalla, respectively. These inducement stock option awards were granted pursuant to the inducement award exemption under Section 303A.08 of the NYSE Listed Company Manual. Both of these inducement stock option grants include both a service period and a market vesting condition. The inducement stock options will vest if the following stock price targets are met based on the stock closing at or above these targets for 60 consecutive trading days: Mr. Buckhout — \$50.00 (50,000 cumulative vested shares); \$60.00 (100,000 cumulative vested shares); \$70.00 (150,000 cumulative vested shares); \$80.00 (200,000 cumulative vested shares) Mr. Bhalla — \$87.50 (25,000 cumulative vested shares); \$100.00 (50,000 cumulative vested shares); \$112.50 (75,000 cumulative vested shares); \$125.00 (100,000 cumulative vested shares). Vested options for both inducement stock option grants for Messrs. Buckhout and Bhalla may be exercised 25% at the time of vesting, 50% one year from the date of vesting and 100% two years from the date of vesting. These two stock option grants have a ten-year term but to the extent that the market conditions (stock price targets shown above) are not met within five years from the grant date, these options will not vest and will forfeit. For further detail see “Inducement Option Awards Granted to Mr. Buckhout and Mr. Bhalla in 2013” on page 41.
- (5) On March 5, 2014 Mr. Buckhout received a stock option award that includes both a service period and a market vesting condition. The stock options will vest if the following stock price targets are met based on the stock closing at or above these targets for 60 consecutive trading days: \$87.50 (25,000 cumulative vested shares); \$100.00 (50,000 cumulative vested shares); \$112.50 (75,000 cumulative vested shares); \$125.00 (100,000 cumulative vested shares). Vested options may be exercised 25% at the time of vesting, 50% one year from the date of vesting and 100% two years from the date of vesting and have a ten-year term but to the extent that the

market conditions (stock price targets shown above) are not met within five years from the grant date, these options will not vest and will forfeit. For further detail see “Long-Term Equity Incentive Program: For the CEO Only” on page 41.

- (6) The amounts reflect the unvested portion of MSP RSUs pursuant to the MSP provisions allowing executives to receive MSP RSUs in lieu of a specified percentage or dollar amount of their annual incentive cash bonus. Such MSP RSUs vest in whole on the date that is three years from the date of the grant, provided that the named executive officer is then employed with the Company, at which time they convert into shares of Common Stock and are issued to the executive unless the executive has selected a longer deferral period. For example, awards with a grant date of February 23, 2016 vest on February 23, 2019.
- (7) The amounts reflect the unvested portion of long term grants in the form of PSUs pursuant to our Equity Incentive Plan. Such grants are subject to financial performance conditions for the year ended December 31, 2017 and reflect the target amount of the award.
- (8) The amounts reflect the unvested portion of long term grants in the form of PSUs pursuant to our Equity Incentive Plan. Such grants are subject to financial performance conditions for the three years ended December 31, 2016 through December 31, 2018 and reflect the target amount of the award.
- (9) The amounts reflect the unvested portion of long-term incentive grants in the form of Time RSUs pursuant to our Equity Incentive Plan. Such grants generally vest ratably over a three-year period, beginning on the first anniversary of the date of grant, subject to any longer deferral period selected by the executive.

2016 Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ^{(1),(2)}	Value Realized on Vesting (\$) ⁽³⁾
(a)	(b)	(c)	(d)	(e)
Scott Buckhout ⁽⁴⁾	—	—	13,182	606,372
Rajeev Bhalla ⁽⁵⁾	—	—	—	—
Sumit Mehrotra ⁽⁶⁾	—	—	812	39,628
Vincent Sandoval ⁽⁷⁾	—	—	903	40,969
Arjun Sharma ⁽⁸⁾	—	—	5,258	223,475
Erik Wiik ⁽⁹⁾	—	—	1,258	57,855

- (1) With respect to shares acquired upon vesting of RSUs, Named Executive Officers have shares withheld to pay associated income taxes. The number of shares reported represents the gross number prior to withholding of such shares.
- (2) In certain cases, the actual receipt of shares underlying vested RSUs may have been deferred pursuant to a previous election made by the Named Executive Officer. This table reports the number of shares vested regardless of whether distribution actually was made.
- (3) The amounts shown in this column reflect the value realized upon vesting of Time RSUs, PSUs, and MSP RSUs as follows: (i) for Time RSUs, and PSUs, the value realized upon vesting is determined by multiplying the number of RSUs vested (prior to withholding of any shares to pay associated income taxes) and the closing price of our Common Stock on the day prior to vesting and (ii) for MSP RSUs, the value realized upon vesting is determined by multiplying (a) the number of MSP RSUs vested (prior to withholding of any shares to pay associated income taxes) and (b) the difference between the closing price of our Common Stock on the day prior to vesting and the purchase price of the MSP RSUs.
- (4) Mr. Buckhout had RSUs vest during 2016 as follows: 3,563 Time RSUs and 9,619 PSUs with a price of \$46.00 on April 9, 2016.
- (5) Mr. Bhalla had no stock awards vest during 2016.
- (6) Mr. Mehrotra had Time RSUs vest during 2016 as follows: 117 Time RSUs with a price of \$41.38 on March 3, 2016, 226 Time RSUs with a price of \$46.03 on March 23, 2016, and 469 Time RSUs with a price of \$51.99 on November 4, 2016.
- (7) Mr. Sandoval had Time RSUs vest during 2016 as follows: 903 RSUs with a price of \$45.37 on March 20, 2016.

- (8) Mr. Sharma had Time RSUs, MSP RSUs, and PSUs vest during 2016 as follows: 490 Time RSUs, 3,241 MSP RSUs, and 1,321 PSUs with a price of \$41.77 on March 4, 2016; 206 Time RSUs with a price of \$60.45 on August 30, 2016.
- (9) Mr. Wiik had Time RSUs vest during 2016 as follows: 1,258 RSUs with a price of \$45.99 on April 5, 2016.

2016 Nonqualified Deferred Compensation

In 2007, we implemented a nonqualified 401(k) excess plan to provide benefits that would have otherwise been provided to participants in our 401(k) plan but for the imposition of certain maximum statutory limits imposed on qualified plans, such as annual limits on eligible pay and contributions. Under the 401(k) plan, the Company makes matching contribution on behalf of each participant equal to 50% of the first 5% of compensation contributed to the plan by the participant. In addition under the 401(k) plan, the Company has the option to make core contributions on behalf of each participant (regardless of whether the participant contributes to the plan). The Company also may, in its discretion, make the same contributions to the nonqualified 401(k) excess plan but only with respect to compensation in excess of the annual limit on eligible pay. In 2016 the Company elected not to make core contributions to the 401(k) plan or the nonqualified 401(k) excess plan. In 2016, the annual limit on eligible pay was \$265,000 and the annual limit on contributions was \$53,000. Any contribution credits that we provide to participants under the nonqualified 401(k) plan are invested, at the discretion of plan participants, in one or more mutual funds selected by the plan participants. The same twenty-four mutual funds that we make available under our 401(k) plan are also available under the nonqualified 401(k) excess plan and there are no minimum or guaranteed rates of return to the participants on such investments. Distributions from the nonqualified 401(k) excess plan are made in a lump sum in connection with a participant's separation from service.

As discussed above, our MSP allows our Named Executive Officers to defer the payment of their annual incentive compensation in the form of RSUs. We also permit the grantees of our RSUs to defer the settlement of RSUs beyond the vesting date. The deferral period is a stated period of years selected in advance by the grantee. In general, if the grantee's employment terminates before the end of the deferral period for reasons other than retirement, the RSUs will be settled in shares of our Common Stock upon termination of employment. If the grantee retires before the end of the deferral period, the RSUs will be settled in shares of our Common Stock at the end of the deferral period. During the deferral period, any dividends that would otherwise be paid on the deferred RSUs accumulate in cash and will be paid out at the same time that the deferred RSUs are settled.

Under either deferred compensation arrangement, if distribution is made on account of separation from service, the distribution will be delayed by six months if the participant is considered a specified employee within the meaning of Section 409A of the Internal Revenue Code.

The following table outlines employee and employer contributions to each deferred compensation arrangement for Fiscal Year 2016. The table also includes earnings or losses during Fiscal Year 2016, and the aggregate balances as of December 31, 2016.

2016 Nonqualified Deferred Compensation

Name (a)	Item	Executive Contributions in Last FY (\$) (b)	Registrant Contributions in Last FY (\$) (c) ⁽¹⁾	Aggregate Earnings/(Loss) in Last FY (\$) (d)	Aggregate Withdrawals/ Distributions (e)	Aggregate Balance at Last FYE (\$) (f) ⁽²⁾
Scott Buckhout	Excess 401K	—	12,646	2,353	—	31,875
Rajeev Bhalla	Excess 401K	—	7,888	1,102	—	15,342
Vincent Sandoval	Excess 401K	—	1,517	45	-1,562	—
Arjun Sharma	Excess 401K	—	1,023	755	—	9,581
Erik Wiik	Excess 401K	—	802	26	—	828
Sumit Mehrotra ⁽³⁾	Excess 401K	—	965	50	—	1,015

- (1) These amounts are disclosed in the Summary Compensation Table under “All Other Compensation.” In 2016, the Company elected not to contribute to the nonqualified 401(k) excess plan.
- (2) These amounts include employer contributions that have been reflected in the Summary Compensation Table above and all earnings on such contributions.
- (3) Mr. Mehrotra joined the company in 2013 and did not receive any nonqualified deferred compensation prior to 2016.

SEVERANCE AND OTHER BENEFITS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

To achieve our compensation objective of attracting, retaining and motivating qualified executives, we believe that we need to provide our executive officers with severance and change of control protections that are competitive with the protections offered by our Peer Group Companies. Offering our executive officers these payments and benefits facilitates the operation of our business, allows them to better focus their time, attention and capabilities on our business, assists us in recruiting and motivating executive officers, provides for a clear and consistent approach to managing involuntary departures with mutually understood separation benefits, and aligns with market practice.

Severance Agreements

Each of Messrs. Buckhout, Bhalla, Mehrotra, and Wiik has entered into an agreement providing severance benefits (the “Severance Agreements”) if he resigns from the Company for good reason or the Company terminates him other than for cause. In such circumstances, each of Messrs. Buckhout’s and Bhalla’s Severance Agreement entitles him to a lump sum payment equal to (i) his then-current base salary and (ii) his target incentive compensation in effect during the fiscal year in which the termination occurs. In the same circumstances, each of Messrs. Mehrotra’s and Wiik’s Severance Agreement entitles him to a lump sum payment equal to his then-current base salary and annual incentive compensation for the fiscal year in which the termination occurs, to the extent that performance goals are met for that year, prorated based on the date of resignation or termination.

In addition, the severance benefit for each of Messrs. Buckhout, Bhalla, Mehrotra, and Wiik includes the Company continuing to pay for medical coverage (if COBRA coverage is elected) in the same proportion it did on the date of termination for up to one year following termination.

To receive the benefits described above, the Current Named Executive Officer must execute a general release of claims in a manner satisfactory to the Company within 21 days of the termination of employment. Each of the Current Named Executive Officers listed above also has agreed to comply with non-competition and non-solicitation obligations lasting for the term of employment and one year following termination as consideration for the severance benefits.

The Severance Agreements continue to apply after a change in control. No benefits, however, are payable under the Severance Agreements if severance benefits become payable under the Change in Control Agreements as described below.

Mr. Sandoval terminated employment with the Company in October 2016 and received payments pursuant to a severance agreement. The amount of severance paid to Mr. Sandoval is described in detail in the All Other Compensation column of the Summary Compensation Table.

Change of Control Agreements

Each of the Current Named Executive Officers has entered into an agreement providing benefits in the event of a change of control of the Company (the “Change of Control Agreements”). The term of each Change of Control Agreement is one year subject to annual one-year extensions unless there is a notice of non-renewal. Each of the Change of Control Agreements provides enhanced severance benefits if, within one year following a change of control, the Current Named Executive Officer’s employment is terminated by the Company without cause or he resigns from the Company for good reason. In such circumstances, the cash benefit to a Current Named Executive Officer will be a lump sum payment equal to two times (i) his then-current base salary and (ii) his target annual incentive compensation in effect during the fiscal year in which the termination occurs (or, in the case of Mr. Sharma, the highest annual incentive compensation received by him in any of the three immediately preceding fiscal years).

In addition, the severance benefit for each Current Named Executive Officer includes the Company continuing to pay for medical coverage (if COBRA coverage is elected) in the same proportion it did on the date of termination for up to two years following termination.

Upon the occurrence of a change of control, irrespective of whether his employment with the Company terminates, each Current Named Executive Officer’s stock options and stock-based awards (including RSUs and PSUs) will immediately vest. In some circumstances, immediate vesting will not apply to performance stock options granted in connection with commencing employment.

A “change of control” for purposes of the Change of Control Agreements means any of the following: (i) acquisition of 25% or more of the voting power or economic value of the Company’s then outstanding securities; (ii) failure of incumbent directors (including any director nominated for election by a vote of at least a majority of the incumbent directors other than in connection with a proxy contest) to constitute at least a majority of the Board; (iii) stockholder approval of (A) consolidation or merger of the Company that results in stockholders owning less than 50% voting shares of the consolidated or merge entity (or its ultimate parent corporation, if any), (B) any sale or similar transaction of substantially all of the assets of the Company, or (C) entry of the Company into a plan of liquidation.

As noted above, the Current Named Executive Officers would not be entitled to benefits under the Severance Agreements in connection with any termination from the Company with respect to which benefits under the Change of Control Agreements would be payable. Each of the Current Named Executive Officers also has agreed to comply with non-competition and non-solicitation provisions lasting for the term of employment and one year following termination as consideration for the change of control benefits.

The following tables list the estimated amounts that each Current Named Executive Officer would have become entitled to in the event of a termination from the Company or change of control of the Company had such termination or change of control occurred on December 31, 2016. Assumptions used in preparing these estimates are set forth in the footnotes to each table. These tables do not include amounts that are otherwise earned and vested prior to a termination of employment or a change in control, such as vested stock options or nonqualified deferred compensation, or the annual incentive bonus which was actually earned for 2016.

Scott Buckhout

Severance and Other Benefits

	Involuntary Without Cause or Voluntary Resignation With Good Reason Within One Year Following Change of Control	Involuntary Other Than For Cause or Voluntary Resignation With Good Reason at Any Other Time	Involuntary For Cause or Voluntary Resignation Without Good Reason	Change of Control (Irrespective of Whether Termination or Resignation Occurs)	Death or Disability ⁽⁸⁾
	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Cash Severance	\$2,678,000 ⁽¹⁾	\$1,339,000 ⁽⁴⁾			
Health Benefits	\$ 45,043 ⁽²⁾	\$ 22,522 ⁽⁵⁾			
Long-Term Incentives					
Gain on accelerated stock options	—	—	—	\$2,418,868 ⁽⁶⁾	\$2,418,868 ⁽⁶⁾
Value of accelerated restricted stock units . .	—	—	—	\$4,032,876 ⁽⁷⁾	\$4,032,876 ⁽⁷⁾
Total Long-Term Incentives	\$ —	\$ —	\$—	\$6,451,744	\$6,451,744
TOTAL Value:	\$2,723,043⁽³⁾	\$1,361,522	\$—	\$6,451,744	\$6,451,744

- (1) This amount reflects payment to Mr. Buckhout that would equal two times his (i) then-current base salary and (ii) then-effective target annual incentive compensation.
- (2) This amount reflects payments to Mr. Buckhout that would equal the cost of the health insurance premiums necessary to allow Mr. Buckhout and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of two years following the date of termination.
- (3) These amounts do not reflect a 20% excise tax under Section 4999 of the Internal Revenue Code that may apply depending upon the facts and circumstances in the event of a change of control.
- (4) This amount reflects payment to Mr. Buckhout that would equal his (i) then-current base salary and (ii) his then-effective target annual incentive compensation.
- (5) This amount reflects payments to Mr. Buckhout that would equal the cost of the health insurance premiums necessary to allow Mr. Buckhout and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of one year following the date of termination.

- (6) This amount reflects the incremental value to which Mr. Buckhout would be entitled due to the immediate vesting of all unvested stock options, subject to accelerated vesting on change of control, using the closing stock price of \$64.88 on December 31, 2016.
- (7) This amount reflects the total value to which Mr. Buckhout would be entitled due to the immediate vesting of all unvested RSUs including PSUs at Target and MSP RSUs using the closing stock price of \$64.88 on December 31, 2016. The amount attributable to MSP RSU vesting includes the prior incentive bonus that was earned and used to purchase MSP RSUs.
- (8) “Disability” for this purpose means qualifying for receipt of long-term disability benefits under the Company’s long-term disability plan as in effect from time to time.

Rajeev Bhalla

Severance and Other Benefits

	Involuntary Without Cause or Voluntary Resignation With Good Reason Within One Year Following Change of Control	Involuntary Other Than For Cause or Voluntary Resignation With Good Reason at Any Other Time	Involuntary For Cause or Voluntary Resignation Without Good Reason	Change of Control Without Termination (Irrespective of Whether Termination or Resignation Occurs)	Death or Disability ⁽⁸⁾
	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Cash Severance	\$1,685,190 ⁽¹⁾	\$842,595 ⁽⁴⁾			
Health Benefits	\$ 45,043 ⁽²⁾	\$ 22,522 ⁽⁵⁾			
Long-Term Incentives					
Gain on accelerated stock options	—	—	—	\$1,014,697 ⁽⁶⁾	\$1,014,697 ⁽⁶⁾
Value of accelerated restricted stock units . .	—	—	—	\$1,662,550 ⁽⁷⁾	\$1,662,550 ⁽⁷⁾
Total Long-Term Incentives	\$ —	\$ —	\$—	\$2,677,247	\$2,677,247
TOTAL Value:	\$1,730,233⁽³⁾	\$865,117	\$—	\$2,677,247	\$2,677,247

- (1) This amount reflects payment to Mr. Bhalla that would equal two times his (i) then-current base salary and (ii) then-effective target annual incentive compensation.
- (2) This amount reflects payments to Mr. Bhalla that would equal the cost of the health insurance premiums necessary to allow Mr. Bhalla and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of two years following the date of termination.
- (3) These amounts do not reflect a 20% excise tax under Section 4999 of the Internal Revenue Code that may apply depending upon the facts and circumstances in the event of a change of control.
- (4) This amount reflects payment to Mr. Bhalla that would equal his (i) then-current base salary and (ii) then-effective target annual incentive compensation.
- (5) This amount reflects payments to Mr. Bhalla that would equal the cost of the health insurance premiums necessary to allow Mr. Bhalla and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of one year following the date of termination.
- (6) This amount reflects the incremental value to which Mr. Bhalla would be entitled due to the immediate vesting of all unvested stock options subject to accelerated vesting on change of control using the closing stock price of \$64.88 on December 31, 2016.
- (7) This amount reflects the total value to which Mr. Bhalla would be entitled due to the immediate vesting of all unvested RSUs including Time RSUs, PSUs at Target, and MSP RSUs using the closing stock price of \$64.88 on December 31, 2016. The amount attributable to MSP RSU vesting includes the prior incentive bonus that was earned and used to purchase MSP RSUs.
- (8) “Disability” for this purpose means qualifying for receipt of long-term disability benefits under the Company’s long-term disability plan as in effect from time to time.

Sumit Mehrotra

Severance and Other Benefits

	Involuntary Without Cause or Voluntary Resignation With Good Reason Within One Year Following Change of Control	Involuntary Other Than For Cause or Voluntary Resignation With Good Reason at Any Other Time	Involuntary For Cause or Voluntary Resignation Without Good Reason	Change of Control Without Termination (Irrespective of Whether Termination or Resignation Occurs)	Death or Disability ⁽⁸⁾
	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
<i>Cash Severance</i>	\$837,000 ⁽¹⁾	\$326,859 ⁽⁴⁾			
<i>Health Benefits</i>	\$ 45,043 ⁽²⁾	\$ 22,522 ⁽⁵⁾			
Long-Term Incentives					
Gain on accelerated stock options	—	—	—	\$126,188 ⁽⁶⁾	\$126,188 ⁽⁶⁾
Value of accelerated restricted stock units . .	—	—	—	\$321,935 ⁽⁷⁾	\$321,935 ⁽⁷⁾
Total Long-Term Incentives	\$ —	\$ —	\$—	\$448,123	\$448,123
TOTAL Value:	\$882,043⁽³⁾	\$349,381	\$—	\$448,123	\$448,123

- (1) This amount reflects payment to Mr. Mehrotra that would equal two times his (i) then-current base salary and (ii) then-effective target annual incentive compensation.
- (2) This amount reflects payments to Mr. Mehrotra that would equal the cost of the health insurance premiums necessary to allow Mr. Mehrotra and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of two years following the date of termination.
- (3) These amounts do not reflect a 20% excise tax under Section 4999 of the Internal Revenue Code that may apply depending upon the facts and circumstances in the event of a change of control.
- (4) This amount reflects payment to Mr. Mehrotra that would equal his (i) then-current base salary and (ii) then-effective target annual incentive compensation, to the extent that performance goals were met, prorated based on the date of resignation or termination (no proration in this example since the assumed date of termination is December 31, 2016).
- (5) This amount reflects payments to Mr. Mehrotra that would equal the cost of the health insurance premiums necessary to allow Mr. Mehrotra and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of one year following the date of termination.
- (6) This amount reflects the incremental value to which Mr. Mehrotra would be entitled due to the immediate vesting of all unvested stock options using the closing stock price of \$64.88 on December 31, 2016.
- (7) This amount reflects the total value to which Mr. Mehrotra would be entitled due to the immediate vesting of all unvested RSUs including Time RSUs and MSP RSUs using the closing stock price of \$64.88 on December 31, 2016. The amount attributable to MSP RSU vesting includes the prior incentive bonus that was earned and used to purchase MSP RSUs.
- (8) “Disability” for this purpose means qualifying for receipt of long-term disability benefits under the Company’s long-term disability plan as in effect from time to time.

Arjun Sharma

Severance and Other Benefits

	Involuntary Without Cause or Voluntary Resignation with Good Reason With One Year Following Change of Control	Involuntary Other Than For Cause or Voluntary Resignation With Good Reason at Any Other Time	Involuntary For Cause or Voluntary Resignation Without Good Reason	Change of Control Without Termination (Irrespective of Whether Termination or Resignation Occurs)	Death or Disability ⁽⁶⁾
	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
<i>Cash Severance</i>	\$691,596 ⁽¹⁾				
<i>Health Benefits</i>	\$ 15,303 ⁽²⁾				
Long-Term Incentives					
Gain on accelerated stock options	—	—	—	\$250,316 ⁽⁴⁾	\$250,316 ⁽⁴⁾
Value of accelerated restricted stock units . .	—	—	—	\$690,842 ⁽⁵⁾	\$690,842 ⁽⁵⁾
Total Long-Term Incentives	\$ —	\$—	\$—	\$941,158	\$941,158
TOTAL Value:	\$706,899⁽³⁾	\$—	\$—	\$941,158	\$941,158

- (1) This amount reflects payment to Mr. Sharma that would equal two times his (i) then-current base salary and (ii) the highest short-term incentive amount he received in any of the immediately preceding three years.
- (2) This amount reflects payments to Mr. Sharma that would equal the cost of the health insurance premiums necessary to allow Mr. Sharma and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of two years following the date of termination.
- (3) These amounts do not reflect a 20% excise tax under Section 4999 of the Internal Revenue Code that may apply depending upon the facts and circumstances in the event of a change of control.
- (4) This amount reflects the incremental value to which Mr. Sharma would be entitled due to the immediate vesting of all unvested stock options using the closing stock price of \$64.88 on December 31, 2016.
- (5) This amount reflects the total value to which Mr. Sharma would be entitled due to the immediate vesting of all unvested RSUs including Time RSUs, PSUs at Target and MSP RSUs using the closing stock price of \$64.88 on December 31, 2016. The amount attributable to MSP RSU vesting includes the prior incentive bonus that was earned and used to purchase MSP RSUs.
- (6) “Disability” for this purpose means qualifying for receipt of long-term disability benefits under the Company’s long-term disability plan as in effect from time to time.

Erik Wiik

Severance and Other Benefits

	Involuntary Without Cause or Voluntary Resignation With Good Reason Within One Year Following Change of Control	Involuntary Other Than For Cause or Voluntary Resignation With Good Reason at Any Other Time	Involuntary For Cause or Voluntary Resignation Without Good Reason	Change of Control Without Termination (Irrespective of Whether Termination or Resignation Occurs)	Death or Disability ⁽⁸⁾
	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
<i>Cash Severance</i>	\$1,312,000 ⁽¹⁾	\$555,283 ⁽⁴⁾	—	—	—
<i>Health Benefits</i>	\$ 45,043 ⁽²⁾	\$ 22,522 ⁽⁵⁾	—	—	—
Long-Term Incentives					
Gain on accelerated stock options	—	—	—	\$218,238 ⁽⁶⁾	\$218,238 ⁽⁶⁾
Value of accelerated restricted stock units . .	—	—	—	\$442,482 ⁽⁷⁾	\$442,482 ⁽⁷⁾
Total Long-Term Incentives	\$ —	\$ —	\$—	\$660,720	\$660,720
TOTAL Value:	\$1,357,043⁽³⁾	\$577,805	\$—	\$660,720	\$660,720

- (1) This amount reflects payment to Mr. Wiik that would equal two times his (i) then-current base salary and (ii) then-effective target annual incentive compensation.
- (2) This amount reflects payments to Mr. Wiik that would equal the cost of the health insurance premiums necessary to allow Mr. Wiik and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of two years following the date of termination.
- (3) These amounts do not reflect a 20% excise tax under Section 4999 of the Internal Revenue Code that may apply depending upon the facts and circumstances in the event of a change of control.
- (4) This amount reflects payment to Mr. Wiik that would equal his (i) then-current base salary and (ii) then-effective target annual incentive compensation, to the extent that performance goals were met, prorated based on the date of resignation or termination (no proration in this example since the assumed date of termination is December 31, 2016).
- (5) This amount reflects payments to Mr. Wiik that would be equal the cost of the health insurance premiums necessary to allow Mr. Wiik and his spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination for a period of one year following the date of termination.
- (6) This amount reflects the incremental value to which Mr. Wiik would be entitled due to the immediate vesting of all unvested stock options using the closing stock price of \$64.88 on December 31, 2016.
- (7) This amount reflects the incremental value to which Mr. Wiik would be entitled due to the immediate vesting of all unvested RSUs using the closing stock price of \$64.88 on December 31, 2016, less the applicable basis with respect to MSP RSUs. The amount attributable to MSP RSU vesting includes the prior incentive bonus that was earned and used to purchase MSP RSUs.
- (8) “Disability” for this purpose means qualifying for receipt of long-term disability benefits under the Company’s long-term disability plan as in effect from time to time.

DIRECTOR COMPENSATION

The form and amount of director compensation is reviewed and assessed periodically by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee reviews our Peer Group Companies' data and broad survey data concerning director compensation practices, levels, and trends for companies comparable to the Company in revenue, business, and complexity, which data is requested by or on behalf of the Nominating and Corporate Governance Committee. It also considers the significant amount of time that our non-employee directors spend in fulfilling their duties to the Company as well as the required level of skill to serve on our Board. The Nominating and Corporate Governance Committee recommends changes, if any, to the Board for action. Employee directors do not receive separate compensation for service as directors.

The Company uses a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve as non-employee directors on the Board. For 2016, our non-employee directors will receive cash compensation as follows, on an annual basis, unless otherwise noted:

Annual Retainer (Board Member)	\$ 60,000
Annual Retainer (Chairman of the Board)	\$135,000
Chairman Fee (Audit Committee)	\$ 20,000
Chairman Fee (Compensation Committee)	\$ 15,000
Chairman Fee (Nominating and Corporate Governance Committee)	\$ 10,000
Committee Membership (per committee)	\$ 5,000

Each of our non-employee directors are also reimbursed for reasonable travel and other expenses incurred in attending meetings.

Annual Equity Grant

Our non-employee directors also are eligible to receive an annual equity incentive grant under our Equity Incentive Plan. Currently, the targeted value of such grant is \$85,000. On February 23, 2016, each director received a grant of 2,186 RSUs which becomes vested and settles in shares of Common Stock on a one-for-one basis thirteen months from the date of grant, provided the non-employee director is still providing services on the Board. The number of RSUs was determined by dividing \$85,000 by the closing price of our Common Stock on the trading day immediately preceding the award date.

MSP RSUs

Non-employee directors may purchase RSUs with all or a portion of their annual cash retainer on a pre-tax basis at a 33% discount from the closing price of our Common Stock on the date preceding our annual grant on a basis similar to our Named Executive Officers. MSP RSUs generally are fully vested at the end of three years, at which time they are converted into shares of our Common Stock unless the non-employee director has previously elected a longer deferral period. A non-employee director will vest in a third of the MSP RSUs upon completing a full year of service after the grant date. MSP RSUs that are not vested as of a non-employee's resignation from the Board are generally settled with a cash payment to the non-employee director equal to the amount of fees applied to purchase the MSP RSUs (with interest) or, if less, the fair market value of the shares of stock subject to the MSP RSUs. This payment results in forfeiture of the purchase discount as well as any stock price appreciation and accrued dividends on the MSP RSUs.

Stock Ownership Guidelines

The Company has adopted Stock Ownership Guidelines for non-employee directors to further align their interests with the interests of the stockholders. These guidelines establish an expectation that, within a five-year period, each director shall achieve and maintain an equity interest in the Company at least equal to 5 times such director's annual retainer fee. In calculating an individual's equity interest, credit is given for (i) the value of actual shares of common stock owned beneficially, (ii) the before-tax value of all vested stock options, and (iii) the before-tax value of all outstanding RSU awards (including those which the individual has received in lieu of either bonus compensation or an annual director's retainer, as applicable). The calculation of an individual's equity interest, however, does not include the value of any outstanding equity awards subject to risk of forfeiture by virtue of performance. An annual

review is conducted by our Compensation Committee to assess compliance with the guidelines. As of February 8, 2017, our directors met their applicable ownership guidelines, or were on track to achieve their ownership guidelines by the applicable target compliance date.

The table below summarizes the compensation paid by the Company to non-employee directors for Fiscal Year 2016.

2016 Director Compensation

Name	Director and Committee Fees (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	Total (\$)
David F. Dietz	135,000	151,493	286,493
Douglas M. Hayes	80,000	114,552	194,552
Norman E. Johnson ⁽⁴⁾	70,000	114,552	184,552
Helmuth Ludwig	70,000	114,552	184,552
John (Andy) O'Donnell	75,000	114,552	189,552
Peter M. Wilver	80,000	104,209	184,209

(1) The amounts shown in this column reflect the fees paid in Fiscal Year 2016 for Board and committee service. All non-employee directors elected to purchase MSP RSUs with either all or a portion of their annual retainer fee. The number of RSUs purchased by Mr. Dietz under MSP was 5,182 with his annual retainer of \$135,000. The number of RSUs purchased by Mr. Wilver under MSP was 1,497 with \$39,000 of his \$60,000 annual retainer. The number of RSUs purchased under MSP by all other non-employee directors was 2,303 each with their annual retainer fee of \$60,000. The total number of purchased RSUs set forth in this footnote was determined by dividing the amount of fees elected by the non-employee for participation in the MSP by \$26.06 which is 67% of the closing price of our common stock on February 22, 2016.

(2) Reflects the grant date fair value of the annual equity grant made in time-based restricted stock units (Time RSUs) and the grant date fair value of the discount on the restricted stock units (MSP RSUs) purchased under our MSP determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. A discussion of the assumptions used in calculating the amounts in this column may be found in Note 11 ("Share-Based Compensation") to our audited consolidated financial statements for the year ended December 31, 2016 included in our Annual Report on Form 10-K filed with the SEC on February 21, 2017. The grant date fair value of the Time RSUs granted to each of our non-employee directors and the grant date fair value of the discount on the MSP RSUs purchased by each of our non-employee directors on February 23, 2016 were as follows:

Name	Grant Date Fair Value of Time RSUs (\$)	Grant Date Fair Value of MSP RSUs (\$)	Total (\$)
David F. Dietz	85,000	66,493	151,493
Douglas M. Hayes	85,000	29,552	114,552
Norman E. Johnson	85,000	29,552	114,552
Helmuth Ludwig	85,000	29,552	114,552
John (Andy) O'Donnell	85,000	29,552	114,552
Peter M. Wilver	85,000	19,209	104,209

(3) All of the outstanding RSUs held by each non-employee director and issued in connection with the MSP as of December 31, 2016 were as follows: Mr. Dietz — 11,677, Mr. Hayes — 5,074, Mr. Ludwig — 2,303, Mr. O'Donnell — 5,074, and Mr. Wilver — 3,225 MSP RSUs. The total number of Time RSUs held by each non-employee director as of December 31, 2016 was as follows: Mr. Dietz — 3,236, Mr. Hayes — 2,536, Mr. Ludwig — 2,186, Mr. O'Donnell — 4,876, and Mr. Wilver — 2,536 Time RSUs. Mr. Johnson had no outstanding equity awards as of December 31, 2016.

(4) Mr. Johnson resigned from the Board effective October 14, 2016. The Board took action in its sole discretion to vest all of his Time RSUs and MSP RSUs on an accelerated basis.

COMMITTEE REPORTS

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis for Fiscal Year 2016 with management. Based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board

*Douglas M. Hayes
John (Andy) O'Donnell*

Audit Committee Report

The Audit Committee has furnished the following report on Audit Committee matters:

The Audit Committee acts pursuant to a written charter which initially was adopted by the Board on May 24, 2000. During the fiscal years ended December 31, 2003 and December 31, 2004, in March 2012, and in December 2016, minor revisions were made to the Audit Committee Charter to ensure compliance with revised NYSE and SEC requirements and to more clearly delineate the delegation of certain Board functions between the Audit Committee and the Nominating and Corporate Governance Committee. Pursuant to this Charter, the Audit Committee is primarily responsible for overseeing and monitoring the accounting, financial reporting, and internal controls practices of the Company and its subsidiaries. Its primary objective is to promote and preserve the integrity of the Company's financial statements and the independence and performance of the Company's independent auditors. The Audit Committee also oversees the performance of the Company's internal audit function and the Company's compliance with legal and regulatory requirements.

It is important to note, however, that the role of the Audit Committee is one of oversight, and the Audit Committee relies, without independent verification, on the information provided to it and the representations made by management, the internal auditors, and the independent auditors. Management retains direct responsibility for the financial reporting process, the system of internal controls, and the system of disclosure controls and procedures.

In furtherance of its role, the Audit Committee has an annual agenda which includes quarterly reviews of the Company's internal controls and of areas of potential exposure for the Company, such as environmental and litigation matters. The Audit Committee meets at least quarterly and reviews the Company's interim financial results and earnings releases prior to their publication. The Audit Committee also reviews the Company's periodic reports on Forms 10-Q and 10-K prior to their filing.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services, and other services. Pre-approval generally is provided for up to one year and any pre-approval is detailed as to the particular service or category of services and generally is subject to a specific budget. The Audit Committee has delegated pre-approval authority to its Chairperson when expediting of services is necessary. The independent auditors and management report annually to the Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed. All of the audit, audit-related, tax, and other services provided by PricewaterhouseCoopers LLP in Fiscal Year 2015 and Fiscal Year 2016 and related fees were approved in accordance with the Audit Committee's policy.

The Audit Committee has reviewed and discussed the audited financial statements of the Company for Fiscal Year 2016 with management and it has discussed with PricewaterhouseCoopers LLP, the Company's independent auditors for Fiscal Year 2016, the matters required to be discussed by applicable auditing standards adopted by the Public Company Accounting Oversight Board relating to the conduct of the audit. The Audit Committee also has received and discussed the written disclosures and the letter from PricewaterhouseCoopers LLP, as required by the applicable requirements of the Public Company Accounting Oversight Board, regarding communications with the Audit Committee concerning its independence. Based upon these materials and discussions, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for Fiscal Year 2016.

Submitted by the Audit Committee of the Board

*Peter M. Wilver
Helmuth Ludwig
John (Andy) O'Donnell*

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of February 28, 2017, by:

- all persons known by us to own beneficially 5% or more of our Common Stock;
- each of our current directors;
- our Named Executive Officers included in the Summary Compensation Table appearing in this proxy statement; and
- all current directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the Securities and Exchange Commission and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and includes any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days after February 28, 2017 through the exercise of any stock option, restricted stock unit or other right. The inclusion in this Proxy Statement of such shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of such shares. As of February 28, 2017, a total of 16,451,265 shares of our Common Stock were outstanding.

Unless otherwise indicated below, to our knowledge, all persons listed below have sole voting and investment power with respect to their shares of Common Stock except to the extent authority is shared by spouses under applicable law.

Name of Beneficial Owner ⁽¹⁾	Shares of Common Stock Beneficially Owned	
	Number ⁽²⁾	Percent ⁽²⁾
Gabelli Entities ⁽³⁾	2,797,391	17.0%
BlackRock, Inc. ⁽⁴⁾	1,861,940	11.3%
Royce & Associates, LLC ⁽⁵⁾	1,354,926	8.2%
The Vanguard Group ⁽⁶⁾	1,397,028	8.5%
Wellington Management Group LLP ⁽⁷⁾	1,241,254	7.5%
Dimensional Fund Advisors LP ⁽⁸⁾	910,010	5.5%
Scott Buckhout	224,009	1.4%
David F. Dietz	74,606	*
Rajeev Bhalla	48,968	*
Arjun Sharma	26,311	*
Douglas M. Hayes	18,135	*
Peter M. Wilver	13,589	*
John (Andy) O'Donnell	13,383	*
Sumit Mehrotra	5,873	*
Vincent Sandoval ⁽⁹⁾	—	*
Erik Wiik	4,892	*
Helmuth Ludwig	2,186	*
Tina Donikowski	—	*
All current executive officers and directors as a group (fifteen) ⁽¹⁰⁾	437,058	2.7%

* Less than 1%.

(1) The address of each stockholder in the table is c/o CIRCOR, Inc., 30 Corporate Drive, Suite 200, Burlington, MA 01803, except that the address of the Gabelli Entities (as defined in Footnote 3) is One Corporate Center, Rye, NY 10580; the address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055; the address of Royce & Associates, LLC is 745 Fifth Avenue, New York, NY 10151; the address of The Vanguard Group is

100 Vanguard Blvd., Malvern, PA 19355; the address of Wellington Management Group LLP is 280 Congress Street, Boston, MA 02210; and, the address of Dimensional Fund Advisors is Bldg. One, 6300 Bee Cave Rd., Austin TX 78746.

- (2) The number of shares of Common Stock outstanding used in calculating the percentage for each listed person and the directors and executive officers as a group includes the number of shares of Common Stock underlying stock options, warrants and convertible securities held by such person or group that are exercisable or convertible within 60 days from February 28, 2017, the date of the above table, but excludes shares of Common Stock underlying stock options, restricted stock units or convertible securities held by any other person. The amounts in the table include for the persons listed: 210,272 options and MSP RSUs for Mr. Buckhout; 5,844 RSUs and MSP RSUs for Mr. Dietz; 3,579 RSUs and MSP RSUs for Mr. Hayes; 38,063 options and RSUs for Mr. Bhalla; 16,302 options, RSUs, and MSP RSUs for Mr. Sharma; 2,536 RSUs for Mr. Wilver; 5,919 RSUs and MSP RSUs for Mr. O'Donnell; 4,493 options and RSUs for Mr. Mehrotra; 3,970 options and RSUs for Mr. Wiik; and 2,186 RSUs for Mr. Ludwig.
- (3) The information is based on an amended Schedule 13D filed with the Securities and Exchange Commission on January 12, 2016 on behalf of Mario J. Gabelli and various entities which Mr. Gabelli directly or indirectly controls or for which he acts as chief investment officer including, but not limited to, Gabelli Funds, LLC, GAMCO Asset Management Inc., Teton Advisors, Inc., Gabelli Securities, Inc., GGCP, Inc. and GAMCO Investors, Inc. (collectively, the "Gabelli Entities"). According to the amended Schedule 13D, the Gabelli Entities engage in various aspects of the securities business, primarily as investment advisors to various institutional and individual clients, including registered investment companies and pension plans, and as general partners or the equivalent of various private investment partnerships or private funds. Certain of the Gabelli Entities may also make investments for their own accounts. According to the amended Schedule 13D, Gabelli Funds, LLC, GAMCO Asset Management Inc. and Teton Advisors, Inc. beneficially owned 1,100,500, 1,533,191 and 163,700 shares, respectively. Mr. Gabelli, GAMCO Investors, Inc., Gabelli Securities, Inc. and GGCP, Inc. are deemed to beneficially own the shares owned beneficially by each of the Gabelli Entities. Subject to certain limitations, each of the Gabelli Entities has sole dispositive and voting power, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, in the shares beneficially owned by such entity, except that (i) GAMCO Asset Management Inc. does not have the authority to vote 118,600 of the reported shares, (ii) Gabelli Funds, LLC has sole dispositive and voting power with respect to the shares of the Company held by the various funds so long as the aggregate voting interest of all joint filers does not exceed 25% of their total voting interest in the Company and, in that event, the proxy voting committee of each such fund shall respectively vote that fund's shares, (iii) at any time, the proxy voting committee of each such fund may take and exercise in its sole discretion the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations, and (iv) the power of Mr. Gabelli, GAMCO Investors, Inc., and GGCP, Inc. is indirect with respect to shares beneficially owned directly by other Gabelli Entities.
- (4) The information is based on an amended Schedule 13G filed with the Securities and Exchange Commission on January 12, 2017 on behalf of BlackRock, Inc. ("BlackRock").
- (5) The information is based on an amended Schedule 13G filed with the Securities and Exchange Commission on January 6, 2017 on behalf of Royce & Associates, LLC ("Royce").
- (6) The information is based on a Schedule 13G filed with the Securities and Exchange Commission on February 10, 2017 on behalf of The Vanguard Group. According to the filing, The Vanguard Group has sole dispositive power over 1,375,322 shares, shared dispositive power over 21,706 shares, sole voting power over 19,506 shares and shared voting power over 2,900 shares.
- (7) The information is based on an amended Schedule 13G filed with the Securities and Exchange Commission on February 9, 2017 on behalf of Wellington Management Group LLP ("Wellington Management"). According to the filing, Wellington Management has shared dispositive power with Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP over 1,241,254 shares, shared dispositive power with Wellington Management Company LLP over 1,229,985 shares, shared voting power with Wellington Group Holdings LLP over 958,851 shares and shared voting power with Wellington Management Company LLP over 953,021 shares.

- (8) The information is based on an amended Schedule 13G filed with the Securities and Exchange Commission on February 9, 2017 on behalf of Dimensional Fund Advisors LP (“Dimensional”). All securities listed in the table above as beneficially owned by Dimensional are held by four investment companies, certain other commingled funds, group trusts and separate accounts (collectively, the “Funds”) for which Dimensional serves as investment advisor, manager or sub-advisor. In its role as investment advisor, sub-advisor and/or manager, Dimensional or its subsidiaries may possess voting and/or investment power over the Common Stock owned by the Funds, and may be deemed to be the beneficial owner of these shares. Dimensional disclaims beneficial ownership of such shares.
- (9) Ownership information is not available for Mr. Sandoval.
- (10) Includes 264,974 shares of Common Stock issuable upon the exercise of outstanding stock options that will be exercisable within 60 days of February 28, 2017 and 29,701 shares of Common Stock issuable within 60 days of February 28, 2017 on account of RSUs that will have vested.

PROPOSAL 2

RATIFICATION OF AUDITORS

The Audit Committee has appointed the firm of PricewaterhouseCoopers LLP (“PwC”) as the Company’s independent auditors for the fiscal year ending 2017 (“Fiscal Year 2017”). PwC has no direct or indirect interest in the Company or any affiliate of the Company. Although action by the stockholders in this matter is not required, the Board believes that it is appropriate to seek stockholder ratification of this appointment in light of the critical role played by independent auditors in maintaining the integrity of the Company’s financial controls and reporting. The Board therefore recommends to the stockholders that they ratify the appointment of PwC as independent auditors of the Company for Fiscal Year 2017. Should the stockholders not ratify the selection of PwC, the Audit Committee will consider the vote and the reasons therefore in future decisions on the selection of independent auditors.

2015 Registered Public Accounting Firm Change

On May 4, 2015 CIRCOR dismissed Grant Thornton LLP (“GT”) and appointed PwC as the Company’s registered public accounting firm, effective immediately. The decision to terminate the services of GT was approved by the Audit Committee of the Company’s Board of Directors. The Company’s decision to engage PwC as its independent registered public accounting firm was the result of a competitive selection process involving several firms, including GT, and was approved by the Audit Committee of the Company’s Board of Directors. The Company reported this information in a current report on Form 8-K filed on May 8, 2015.

GT’s reports on the Company’s financial statements for the fiscal years ended December 31, 2013 and December 31, 2014 did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. During the fiscal years ended December 31, 2013 and December 31, 2014, and through May 4, 2015, there were no disagreements with GT on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of GT would have caused GT to make reference thereto in its reports on the Company’s financial statements for such periods.

During the fiscal years ended December 31, 2013 and 2014, and through May 4, 2015, there were no “reportable events” with respect to the Company as such term is defined in Item 304(a)(1)(v) of Regulation S-K. The Company has provided GT with a copy of the disclosures contained herein and requested that GT furnish the Company with a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the preceding statements. A copy of such letter, dated May 6, 2015, is filed as Exhibit 16.1 to the May 8, 2016 filing.

During the fiscal years ended December 31, 2013 and 2014, and through May 4, 2015, the Company did not consult with PwC regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Auditor Presence at Annual Meeting

A representative of PwC is expected to be available at the Annual Meeting to respond to appropriate questions. The following table summarizes the fees we incurred for professional services provided by PwC for each of the last two fiscal years for audit, audit-related, tax and other services:

Auditor Fees (\$ in Thousands)

Fiscal Year	2016	2015
Audit Fees ⁽¹⁾	\$2,367	\$2,173
Audit Related Fees ⁽²⁾	50	10
Tax Fees ⁽³⁾	79	40
All Other Fees ⁽⁴⁾	87	580
Total	\$2,583	\$2,803

- (1) For the professional services rendered for the audit of the Company’s annual financial statements, for review of the financial statements included in the Company’s quarterly reports of Form 10-Q for that year, for conducting of the independent auditor’s obligations relative to attestation of internal controls under Section 404 of the Sarbanes-Oxley Act of 2002, and performing local statutory audits.

- (2) Represents fees and expenses for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported under “Audit Fees”. These services relate to consultations concerning financial accounting and reporting standards.
- (3) Tax services performed in 2016 consisted of advice relating to acquisition due diligence and various international tax compliance matters. Tax services performed in 2015 consisted of advice relating to Italian and German tax compliance matters.
- (4) All other fees in 2016 consisted of \$100,000 related to acquisition strategy consulting services and \$5,000 for accounting software licenses. All other fees in 2015 consisted of \$575,000 related to acquisition strategy consulting services and \$5,000 for accounting software licenses.

Independence

The Audit Committee has considered whether the provision of non-audit services by PwC is compatible with maintaining PwC’s independence and has determined that these services had no adverse effect on such independence.

Board Recommendation

THE BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT AUDITORS OF THE COMPANY FOR FISCAL YEAR 2017.

UNLESS OTHERWISE INSTRUCTED, PROXIES SOLICITED BY THE BOARD WILL BE VOTED FOR THIS PROPOSAL.

Vote Required For Approval

A quorum being present, the affirmative vote of a majority of the votes cast at the Annual Meeting is necessary to ratify the selection of PricewaterhouseCoopers LLP as the independent auditors of the Company for Fiscal Year 2017. This vote is not required by law and will neither be binding on the Company or the Board, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, the Company or the Board. The Audit Committee, however, will take into account the outcome of the vote and the reasons therefore in future decisions on the selection of independent auditors.

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with provisions of Section 14A of the Exchange Act, we are providing the Company's stockholders the opportunity to vote on a non-binding, advisory resolution to approve the compensation of our Named Executive Officers for Fiscal Year 2016, which is described in the section titled "Compensation Discussion and Analysis" in this Proxy Statement.

As described in the section titled "Compensation Discussion and Analysis," our executive compensation program is designed to (i) attract and retain qualified executives by offering compensation and benefits (including retirement benefits) that are competitive with industry peers and (ii) motivate executives to achieve results that improve long-term organizational value by aligning executives' interests with those of our stockholders. To align executive compensation with the interests of our stockholders, an important portion of compensation for our Named Executive Officers is "at risk," or contingent upon the successful achievement of annual as well as long-term strategic corporate goals that we believe will drive stockholder value. Stockholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement, which more thoroughly discusses how our compensation policies and procedures implement our compensation philosophy and objectives. The Compensation Committee and the Board believe that these policies and procedures are effective in implementing our compensation philosophy and in achieving its objectives.

We currently hold our advisory vote to approve the compensation of our Named Executive Officers ("Say-on-Pay vote") annually. This vote is only advisory and will not be binding upon the Company or the Board. The Board, however, values constructive dialogue on executive compensation and other important governance topics with the Company's stockholders and encourages all stockholders to vote their shares on this matter. The Company's stockholders will have an opportunity to cast an advisory vote on the frequency of Say-on-Pay votes at least every six years. The next advisory vote on the frequency of the Say-on-Pay vote will occur no later than our 2023 annual meeting of stockholders.

Our Board recommends that our stockholders approve the compensation of our Named Executive Officers as disclosed in this proxy statement by voting in favor of the following resolution:

"RESOLVED, that the stockholders of CIRCOR International, Inc. (the "Company") approve, on an advisory basis, the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion set forth in the Proxy Statement for the 2017 Annual Meeting of Stockholders."

Board Recommendation

THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE THE OVERALL COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS BY VOTING "FOR" THIS RESOLUTION.

Vote Required for Approval

A quorum being present, the affirmative vote of a majority of the votes cast at the Annual Meeting is necessary to approve this resolution. While this vote is required by law, it will neither be binding on the Company or the Board, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, the Company or the Board. The Compensation Committee, however, will take into account the outcome of the vote when considering future executive compensation decisions.

PROPOSAL 4

FREQUENCY OF ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with SEC rules, we are providing the Company's stockholders the opportunity to cast an advisory vote, or to abstain from voting, on whether a non-binding stockholder resolution to approve the compensation of the Company's Named Executive Officers should occur every one, two or three years. The Board recommends that stockholders vote to hold an advisory vote on executive compensation annually, however, stockholders are not voting to approve or disapprove of the Board's recommendation.

While our executive compensation program is designed to motivate executives to achieve results that improve long-term organizational value by aligning executives' interests with those of our stockholder, the Board recognizes that executive compensation disclosures are made annually. An annual advisory vote also gives the Board and the Compensation Committee more direct and immediate feedback on our compensation disclosures and the opportunity to evaluate individual compensation decisions annually. We believe that an annual advisory vote on executive compensation is consistent with our practice of seeking input and engaging in dialogue with our stockholders on corporate governance matters (including the Company's practice of annually providing stockholders the opportunity to ratify the Audit Committee's selection of independent auditors) and our executive compensation philosophy, policies and practices. The Company recognizes that stockholders may have different views as to the best approach for the Company, and therefore we look forward to hearing from our shareholders as to their preferences on the frequency of an advisory vote on executive compensation.

Board Recommendation

THE BOARD RECOMMENDS THAT AN ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS BE INCLUDED IN THE COMPANY'S PROXY STATEMENT EACH YEAR.

UNLESS OTHERWISE INSTRUCTED, PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF INCLUDING AN ADVISORY VOTE ON EXECUTIVE COMPENSATION IN THE COMPANY'S PROXY STATEMENT EACH YEAR.

Vote Required for Approval

A quorum being present, approval of any matter presented to stockholders generally requires a majority of the votes cast at the Annual Meeting. However, because this vote is advisory and non-binding, if none of the frequency options receive a majority of the votes cast, the option receiving the greatest number of votes will be considered the frequency recommended by the Company's stockholders. Even though this vote will neither be binding on the Company or the Board nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, the Company or the Board, the Board will take into account the outcome of the vote in making a determination on the frequency at which advisory votes on executive compensation will be included in the Company's proxy statement.

EXPENSES OF SOLICITATION

The Company will pay the entire expense of soliciting proxies for the Annual Meeting. In addition to solicitations by mail and via the internet, certain directors, officers and employees of the Company (who will receive no compensation for their services other than their regular compensation) may solicit proxies by mail, telephone, email or personal interview. Banks, brokerage houses, custodians, nominees and other fiduciaries have been requested to forward proxy materials to the beneficial owners of shares held of record by them and such custodians will be reimbursed for their expenses. The Company has retained MacKenzie Partners, Inc., a proxy solicitation firm, to assist in the solicitation of proxies for a fee of approximately \$11,000, plus reimbursement of expenses.

SUBMISSION OF STOCKHOLDER PROPOSALS FOR ANNUAL MEETING IN 2018

Stockholder proposals intended to be presented at the annual meeting of stockholders to be held in 2018 must be received by the Company on or before December 1, 2017 in order to be considered for inclusion in the Company's proxy statement and form of proxy for that meeting. These proposals must also comply with the rules of the SEC governing the form and content of proposals in order to be included in the Company's proxy statement and form of proxy.

In addition, a stockholder who wishes to present a proposal or director nomination at the annual meeting of stockholders to be held in 2018 must deliver the proposal or nomination to the Company so that it is received not earlier than January 10, 2018 and not later than February 9, 2018 to be considered at that annual meeting. The Company's By-laws provide that any stockholder of record wishing to have a stockholder proposal or director nomination considered at an annual meeting must provide written notice of such proposal, or nomination of a director for election, and appropriate supporting documentation, as set forth in the By-laws, to the Company at its principal executive office not less than ninety days nor more than 120 days prior to the first anniversary of the date of the preceding year's annual meeting. In the event, however, that the annual meeting is scheduled to be held more than thirty days before such anniversary date or more than sixty days after such anniversary date, notice must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day after the date of public disclosure of the date of such meeting is first made. Proxies solicited by the Board will confer discretionary voting authority with respect to stockholder proposals, subject to SEC rules governing the exercise of this authority.

Any stockholder proposals should be mailed to: Secretary, CIRCOR International, Inc., 30 Corporate Drive, Suite 200, Burlington, MA 01803.

“HOUSEHOLDING” OF ANNUAL MEETING MATERIALS

The SEC permits companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials with respect to two or more security holders sharing the same address by delivering a single Notice Regarding the Availability of Proxy Materials, and, for those who request, a single paper copy of the proxy statement and annual report addressed to those security holders. This process, which is commonly referred to as “householding,” potentially means extra convenience for security holders and cost savings for companies. This year, a number of brokers with account holders who are the Company’s stockholders will be “householding” proxy materials. A single Notice Regarding the Availability of Proxy Materials (the “Notice”) and, for those who request, a single paper copy of the proxy statement and annual report will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from an affected stockholder. If, at any time, a stockholder no longer wishes to participate in “householding” and would prefer to receive a separate proxy statement, annual report and/or Notice, please notify the broker. Upon written request to the Company’s Secretary at the Company’s corporate headquarters at 30 Corporate Drive, Suite 200, Burlington, MA 01803 or via telephone at (781) 270-1200, the Company will promptly deliver a separate copy of the proxy statement, annual report and/or Notice to such stockholder. Stockholders who share the same address, and currently receive multiple copies of the proxy statement, annual report and/or Notice and would like to request “householding” of such information should contact their broker or the Company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company’s officers and directors, and persons who own more than 10% of the Company’s outstanding shares of Common Stock (collectively, “Section 16 Persons”), to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission and the NYSE. Section 16 Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it, or written representations from certain Section 16 Persons that no Section 16(a) reports were required for such persons, the Company believes that during Fiscal Year 2016, the Section 16 Persons complied with all Section 16(a) filing requirements applicable to them.

OTHER MATTERS

The Board does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are duly presented, proxies will be voted in accordance with the best judgment of the proxy holders.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, YOU ARE REQUESTED TO COMPLETE YOUR PROXY AS PROVIDED IN THIS PROXY STATEMENT. YOUR PROXY IS REVOCABLE UNTIL THE TIMES SET FORTH IN THIS PROXY STATEMENT AND, IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE PREVIOUSLY COMPLETED YOUR PROXY.

Annual Meeting of CIRCOR International, Inc.

Wednesday, May 10, 2017

12:00 PM Local Time

at

CIRCOR International, Inc.

30 Corporate Drive, Suite 200

Burlington, MA 01803

Directions to CIRCOR International, Inc.

From Boston Logan International Airport:

- Take MA-1A SOUTH to I-93 NORTH to I-95/Route 128 SOUTH. Take Exit 33B at MA-3A NORTH/Cambridge Street in Burlington. Turn right onto Corporate Drive.

ANNUAL MEETING OF STOCKHOLDERS OF CIRCOR INTERNATIONAL, INC.

Wednesday, May 10, 2017

PROXY VOTING INSTRUCTIONS

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



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

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

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

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

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

COMPANY NUMBER	
ACCOUNT NUMBER	

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, Proxy Statement, Proxy Card, Letter to Stockholders, and Annual Report on Form 10-K are available at www.proxy.circor.com

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

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

1. To elect two Class III directors for three-year terms, such terms to continue until the Annual Meeting of Stockholders in 2020 and until each such director's successor is duly elected and qualified or until his earlier resignation or removal:

- FOR ALL NOMINEES
- WITHHOLD AUTHORITY FOR ALL NOMINEES
- FOR ALL EXCEPT (See instructions below)
- NOMINEES:**
 Scott A. Buckhout
 John (Andy) O'Donnell

2. To ratify the selection by the Audit Committee of the Board of Directors of the Company of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending December 31, 2017. FOR AGAINST ABSTAIN
3. To consider an advisory resolution approving the compensation of the Company's Named Executive Officers. FOR AGAINST ABSTAIN
4. To consider and act upon an advisory vote on the frequency at which the Company should include an advisory vote regarding the compensation of the Company's Named Executive Officers in its proxy statement. 1 year 2 years 3 years ABSTAIN

The undersigned hereby revokes any proxy previously given in connection with such meeting and acknowledges receipt of the Notice of Annual Meeting and Proxy Statement for the aforesaid meeting and the 2016 Annual Report to Stockholders.

This proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no instruction is indicated, the undersigned's votes will be cast "FOR" all nominees in Proposal 1 and "FOR" Proposals 2 and 3, and in favor of a vote on executive compensation each year in Proposal 4. This proxy will be voted in the discretion of the proxy holder on any other matter that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Please check here if you plan to attend the meeting.

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

Signature of Stockholder Date: Signature of Stockholder Date:

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

□

CIRCOR INTERNATIONAL, INC.

30 Corporate Drive, Suite 200, Burlington, MA 01803

Proxy for Common Stock

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Rajeev Bhalla and David F. Mullen as proxies, each of them acting solely, with power of substitution and with all powers the undersigned would possess if personally present, to represent and vote, as designated on the reverse side, all the shares of Common Stock of CIRCOR International, Inc. which the undersigned is entitled to vote at the Annual Meeting of Stockholders of CIRCOR International, Inc. be held at the Company's headquarters at CIRCOR International, Inc., 30 Corporate Drive, Suite 200, Burlington, MA 01803 on Wednesday, May 10, 2017 at 12:00 P.M. local time, and at any adjournment(s) or postponement(s) thereof, upon the matters set forth on the reverse side hereof and described in the Notice of Annual Meeting of Stockholders and accompanying Proxy Statement. Directions to the location of the meeting are included on the last page of the Proxy Statement.

(Continued and to be signed on the reverse side)