

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☒ an amended return/report;</div><div>☐ the final return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☐ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN	1b Three-digit plan number (PN) ▶ 002
		1c Effective date of plan 01/01/1983
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) KAYDON CORPORATION 315 E. EISENHOWER PKWY SUITE 300 ANN ARBOR, MI 48108	2b Employer Identification Number (EIN) 13-3186040 2c Sponsor's telephone number 734-680-2000 2d Business code (see instructions) 332110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/22/2010	TONY BEHRMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KAYDON CORPORATION 315 E. EISENHOWER PKWY SUITE 300 ANN ARBOR, MI 48108	3b Administrator's EIN 13-3186040
	3c Administrator's telephone number 734-680-2000
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 937
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).	
a Active participants.....	6a 869
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 142
d Subtotal. Add lines 6a , 6b , and 6c	6d 1011
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 1011
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 917
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 3H 2E 2F 2G 2H 2J 2S 2T	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500. KAYDON CORPORATION	D Employer Identification Number (EIN) 13-3186040	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	37152-001	1011	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	29352

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

SBHU LIFE AGENCY INC
333 WEST 34TH ST 7TH FLR
NEW YORK, NY 10001

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	29352	SERVICES TO INSURER OR PLAN	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule A (Form 5500) 2009
v.092308.1

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	8670777
5 Current value of plan's interest under this contract in separate accounts at year end	5	18685508

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	8786862
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c Additions: (1) Contributions deposited during the year	7c(1)	784995	
	7c(2)		
	7c(3)	260602	
	7c(4)	852110	
	7c(5)	1385901	

▶ **LOAN REPAYMENTS EXCHANGES IN FORFEITURES**

(6) Total additions	7c(6)	3283608
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d Total of balance and additions (add b and c(6))	7d	12070470
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	2020658	
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)	437462	
(4) Other (specify below)	7e(4)	941573	

▶ **LOAN INITIATIONS EXCHANGES OUT FORFEITURES, MISC TRANS OUT**

(5) Total deductions	7e(5)	3399693
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f Balance at the end of the current year (subtract e(5) from d)	7f	8670777
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A Name of plan</div> <div>KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶ 002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>KAYDON CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>13-3186040</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 50 64	NONE	4657	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL INVESTMENT MANAGEMENT SE

13-4122960

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
63	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL INVESTMENT MANAGEMENT SE	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
FRANKLIN TEMPLETON DISTRIBUTORS INC 13-5599989	25.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 TEMPLETON FOREIGN ACCOUNT	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL INVESTMENT MANAGEMENT SE	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MFS FUND DISTRIBUTORS, INC. 04-3169826	25.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 MFS INTER GROWTH A	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL INVESTMENT MANAGEMENT SE	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
WADDELL & REED INC 43-1235675	25.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 WAD & REED ADV SCI & TECH	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BOSTON FINANCIAL DATA SERVICE, INC 04-2526037	40.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 COHEN & STRS RLTY INC FD	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DST SYSTEMS, INC. 43-1581814	40.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 TURNER MID-CAP GROWTH FD	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
FRANKLIN TEMPLETON INVESTOR SRVCS L 94-3167260	15.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 4/30/2009 TEMPLETON FOREIGN ACCOUNT	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 60 64	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
WADDELL & REED SERVICES COMPANY 43-1244426	20.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2009 TO 12/31/2009 WAD & REED ADV SCI & TECH	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>KAYDON CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3186040</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>COHEN & STRS RLTY INC FD</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-305</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>252830</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>HIGH GRADE BOND/GSAM FD</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-039</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1851409</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP VALUE/AJO FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-129</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1011100</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LRGE CP GRWTH/JENNISON FD</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-408</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3600533</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MFS INTER GROWTH A</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-488</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>280184</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE/WELL MGMT</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-187</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1010829</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>RETIREMENT GOAL 2010 FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-343</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>328874</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: **RETIREMENT GOAL 2020 FUND**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-344	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1347247
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a Name of MTIA, CCT, PSA, or 103-12 IE: **RETIREMENT GOAL 2030 FUND**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-345	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1029436
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a Name of MTIA, CCT, PSA, or 103-12 IE: **RETIREMENT GOAL 2040 FUND**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-346	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 455523
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a Name of MTIA, CCT, PSA, or 103-12 IE: **RETIREMENT GOAL 2050 FUND**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-450	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 76731
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a Name of MTIA, CCT, PSA, or 103-12 IE: **RETIREMENT GOAL INCOME FD**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-342	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 113647
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a Name of MTIA, CCT, PSA, or 103-12 IE: **SMALL CAP GROWTH/TIMESSQ**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-132	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 796847
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a Name of MTIA, CCT, PSA, or 103-12 IE: **SMALL CAP VAL/KENNEDY FD**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-257	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1149711
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a Name of MTIA, CCT, PSA, or 103-12 IE: **TEMPLETON FOREIGN ACCOUNT**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2454060
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a Name of MTIA, CCT, PSA, or 103-12 IE: **TURNER MID-CAP GROWTH FD**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-104	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2441837
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a Name of MTIA, CCT, PSA, or 103-12 IE: **WAD & REED ADV SCI & TECH**
PRUDENTIAL RETIREMENT INS.

b Name of sponsor of entity listed in (a):

c EIN-PN 06-1050034-394	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 484710
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAYDON CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3186040</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	<u>13985</u>	<u>11521</u>
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	<u>14048389</u>	<u>18685508</u>
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	<u>8786862</u>	<u>8670777</u>
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	8666611	8630666
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	31515847	35998472

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	37296	107157
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	37296	107157

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	31478551	35891315
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	22369	
(B) Participants	2a(1)(B)	2758740	
(C) Others (including rollovers)	2a(1)(C)	164838	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2945947

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1239	
(F) Other	2b(1)(F)	260602	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		261841

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	171222	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		171222

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1912901	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1617005	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		295896

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	82464	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		82464
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		4660409
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		8417779

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3893201	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3893201
f Corrective distributions (see instructions)	2f		107157
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4657	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4657
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4005015

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4412764
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan KAYDON CORPORATION EMPLOYEE STOCK OWNERSHIP AND THRIFT PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 KAYDON CORPORATION		D Employer Identification Number (EIN) 13-3186040
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 6415
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2009 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

REPORT OF INDEPENDENT AUDITORS

The Plan Administrator
Kaydon Corporation Employee Stock
Ownership and Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Kaydon Corporation Employee Stock Ownership and Thrift Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2009 and 2008, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at the end of the year) as of December 31, 2009, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.

June 25, 2010

RUN DATE: 01/19/10
CYCLE: 1003YEB
PLAN NBR: 763596

PLAN NAME: KAYDON CORPORATION

PLAN SPONSOR EIN: 133186040

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES FOR PLAN YEAR 2009

IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE	COST	CURRENT VALUE
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	GUARANTEED INCOME FUND	8,670,777	8,670,777
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	MID CAP VALUE/WELL MGMT	1,030,047	1,010,829
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	SMALL CAP GROWTH/TIMESQ	710,360	796,847
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	SMALL CAP VAL/KENNEDY FD	982,424	1,149,711
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	LRGE CP GRWTH/JENNISON FD	3,579,106	3,600,533
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL 2050 FUND	79,733	76,731
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	COHEN & STRS RLTY INC FD	274,343	252,830
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	SA/TEMPLETON FOREIGN STGY	2,273,799	2,454,060
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	WAD&REED ADV SCI & TECH	422,469	484,710
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	MFS INTER GROWTH A	278,943	280,184
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	TURNER MID-CAP GROWTH FD	2,578,344	2,441,837
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL 2040 FUND	465,023	455,523
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	HIGH GRADE BOND/GSAM FD	1,617,076	1,851,409
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	LARGE CAP VALUE/AJO FUND	1,107,664	1,011,100
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL INCOME FD	111,226	113,647
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL 2010 FUND	312,588	328,874
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL 2020 FUND	1,302,130	1,347,247
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY	RETIREMENT GOAL 2030 FUND	1,043,230	1,029,436
KAYDON CORP COM ST	KAYDON CORP COM ST	4,518,263	8,630,666
PARTICIPANT LOANS	9.50% - 9.50%	0	11,521

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

FORM 11-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

OR

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

For the transition period from _____ to _____

Commission file number 1-11333

**A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:**

**KAYDON CORPORATION EMPLOYEE STOCK
OWNERSHIP AND THRIFT PLAN**

**B. Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office:**

**KAYDON CORPORATION
315 E. EISENHOWER PARKWAY
SUITE 300
ANN ARBOR, MI 48108**

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Index to Financial Statements and
Supplemental Schedule

December 31, 2009 and 2008 and
Year ended December 31, 2009

The following documents are attached hereto as exhibits:

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Report of Independent Registered Public Accounting Firm	1
Statement of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-12
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	13
Exhibit 23 Consent of Independent Registered Public Accounting Firm	15

In accordance with the instruction to this Form 11-K, “plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) may file plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA”. As the plan is subject to the filing requirements of ERISA, the aforementioned financial statements and schedules of the Plan have been prepared in accordance with such requirements.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, Kaydon Corporation, as Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Kaydon Corporation Employee Stock Ownership and Thrift Plan

Date: June 25, 2010

By: /s/ Anthony T. Behrman

Anthony T. Behrman
Vice President – Human Resources,
On behalf of Kaydon Corporation as Plan
Administrator

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

Kaydon Corporation Employee Stock Ownership and Thrift Plan
December 31, 2009 and 2008, and Year Ended December 31, 2009
With Report of Independent Registered Public Accounting Firm

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Audited Financial Statements and
Supplemental Schedule

December 31, 2009 and 2008, and
Year Ended December 31, 2009

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Administrator
Kaydon Corporation Employee Stock
Ownership and Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Kaydon Corporation Employee Stock Ownership and Thrift Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2009 and 2008, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst and Young LLP

Detroit, Michigan
June 25, 2010

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Statements of Net Assets Available for Benefits

	December 31, 2009	2008
Assets		
Investments, at fair value:		
Pooled separate accounts	\$ 18,685,508	\$ 14,048,389
Kaydon Corporation common stock	8,630,666	8,666,611
Guaranteed Income Fund	8,670,777	8,786,862
Participant loan	11,521	13,985
Total investments	<u>35,998,472</u>	<u>31,515,847</u>
 Receivable		
Dividend receivable	<u>45,751</u>	<u>43,608</u>
 Total assets	<u>36,044,223</u>	<u>31,559,455</u>
 Liabilities		
Corrective distribution	<u>107,157</u>	<u>37,296</u>
 Total liabilities	<u>107,157</u>	<u>37,296</u>
 Net assets reflecting all investments at fair value	<u>\$ 35,937,066</u>	<u>\$ 31,522,159</u>
 Net assets available for benefits	<u>\$ 35,937,066</u>	<u>\$ 31,522,159</u>

See accompanying notes.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Statement of Changes in Net Assets Available for Benefits

For Year Ended December 31, 2009

Additions

Participant contributions	\$ 2,923,578
Interest and dividend income	435,206
Employer contributions	<u>22,369</u>
Total additions	3,381,153

Deductions

Benefit payments to participants	3,893,201
Corrective distributions	107,157
Transaction expenses	<u>4,657</u>
Total deductions	4,005,015

Net appreciation in fair value of investments	<u>5,038,769</u>
---	------------------

Net increase	4,414,907
Net assets available for benefits at beginning of year	<u>31,522,159</u>
Net assets available for benefits at end of year	<u><u>\$ 35,937,066</u></u>

See accompanying notes.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements

December 31, 2009 and 2008, and
Year Ended December 31, 2009

1. Description of Plan

The following description of the Kaydon Corporation Employee Stock Ownership and Thrift Plan (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan. All employees of Kaydon Corporation and subsidiaries and affiliates (the “Company”), excluding employees of ACE Controls, Inc., Purafil, Inc., Avon Bearings Corporation Inc., the collectively bargained group of Canfield Technologies Inc., and foreign subsidiaries are eligible to participate in the Plan (“eligible employees”) after meeting certain age and service requirements. Effective January 1, 2009, eligible employees were able to participate in the Plan as of the first administratively feasible payroll period following attainment of age 18 and completion of at least one hour of service. Prior to January 1, 2009, eligible employees who were at least 21 years of age and had completed at least 1,000 hours of service during a one-year period were eligible to participate in the Plan on the January 1, April 1, July 1, or October 1 coincident with or immediately following completion of the 1,000th hour of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Effective June 1, 2010, the ACE Controls, Inc. Employee Retirement Plan, the Purafil, Inc. 401(k) Profit Sharing Plan and the Avon Bearings Corporation 401(k) Profit Sharing Plan were merged into the Plan. As a result, employees of ACE Controls, Inc., Purafil, Inc., and Avon Bearings Corporation, Inc. are eligible to participate in the Plan on and after June 1, 2010.

Also effective June 1, 2010, the Plan’s trustee and recordkeeper was changed from Prudential Bank & Trust, FSB (“Prudential”) to Fidelity Management Trust Company (“Fidelity”).

An amended and restated Plan, which reflects the merger of the ACE Controls, Inc. Employee Retirement Plan, the Purafil, Inc. 401(k) Profit Sharing Plan and the Avon Bearings Corporation 401(k) Profit Sharing Plan into the Plan, and the change in trustee and recordkeeper, was filed with the Securities and Exchange Commission as Exhibit 10.1 to the Company’s Current Report on Form 8-K on June 7, 2010 and will be submitted to the Internal Revenue Service no later than January 31, 2011 for a letter of determination as to the continued tax-qualified status of the Plan.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Contributions

Participants may authorize the Company to make tax deferred elective contributions on their behalf of not less than 1% nor more than 50% of their compensation, subject to the limitations established by the Internal Revenue Code (the "Code"). The maximum allowable contribution for the year, including pre-tax employee contributions, employer matching, and discretionary profit sharing contributions, was the lesser of 100% of compensation or the applicable limit established by the Code.

During 2009 and 2008, for eligible employees of Canfield Technologies, Inc. who participated in the Plan, the Company contributed to the Plan a matching contribution equal to 25% of their elective contributions, excluding catch-up contributions available to and made by employees 50 years of age or older. During 2009 and 2008, for eligible employees of Tridan International, Inc. and Indiana Precision, Inc. who participated in the Plan, the Company contributed to the Plan a matching contribution equal to 25% of their elective contributions made out of compensation earned prior to March 29, 2009, excluding catch-up contributions available to and made by employees 50 years of age or older. Effective March 29, 2009, the Company suspended the matching contribution for these two groups. For all other participants, no employer matching contributions were made in 2009 and 2008.

The Company may contribute to the Plan each year if a discretionary amount is approved by the Board of Directors. There were no discretionary employer contributions in 2009.

Effective January 4, 2010, for eligible employees of Indiana Precision, Inc. who participate in the Plan, the Company reinstated a matching contribution equal to 25% of their elective contributions made out of compensation earned on or after January 4, 2010, excluding catch-up contributions available to and made by employees 50 years of age or older.

Participant Accounts

Individual accounts are maintained for each participant to reflect the participants' contributions, the employer contributions, investment earnings/losses, and administrative expenses. Investment earnings/losses are allocated based on each participant's relative account balance within the respective fund. A participant forfeits the unvested portion of employer contributions upon five consecutive breaks in service (a single break in service is defined as a Plan year during which a participant fails to complete 501 hours of service). Forfeited amounts are applied to reduce future employer contributions.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Vesting

Participants have a non-forfeitable right to their contributions and any earnings thereon. Any matching employer contributions vest over a six-year period in annual increments ranging from 10% to 20%. A participant who terminates employment due to death, disability, or normal retirement shall be 100% vested in any employer contributions.

Payment of Benefits

Benefits are paid in the form of a lump-sum payment via distribution of the Company's common stock, cash or a combination thereof, as directed by the participant for those participants who have investments in the Company's common stock. Benefits for participants in other funds are paid in cash. The payment date, unless postponed by the participant (or beneficiary in the case of a participant's death), must be not later than sixty days after the end of the Plan year in which the participant attains age 65, retires, terminates or dies, contingent upon completion of the required distribution paperwork. Distributions for terminated and retired participants may be deferred until April 1st following the date the participant reaches the age of 70 ½ if the value of the distribution exceeds \$1,000. Active participants may continue to contribute into the Plan as long as they are employed by the Company. As described in the Plan, in certain hardship situations or upon attainment of age 59 ½, participants may withdraw a portion of their account balance while actively employed.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the Company's common stock allocated to their account and is notified by the trustee prior to the time that such rights are requested to be exercised. The trustee is not permitted to vote any shares for which instructions have not been given by a participant.

Plan Termination

Although it has not expressed the intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Expenses arising from termination would be allocated to the participants' accounts in accordance with the Plan and the Code.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

2. Summary of Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

Although not required to do so, the Company paid certain administrative expenses of the Plan during 2009. The remaining transaction expenses were paid for out of Plan assets by Prudential.

Investment Valuation

The Plan offers diversified investment options to its participants, either through a guaranteed income fund or as part of pooled separate accounts offered through its trustee and recordkeeper. These options include fixed income investments, and investments in domestic and international equities. The significant investment strategies of the pooled separate accounts vary depending on the overall investment performance objective of each account.

Except for the Guaranteed Income Fund with an insurance company for which contract value approximates fair value (Note 4), the Plan's investments are stated at fair value. The fair value of participation units owned by the Plan in the pooled separate accounts is based on quoted redemption values on the last business day of the Plan year. The shares of registered investment companies held in the pooled separate accounts are valued at quoted market prices which represent the net asset values of shares held by the Plan at year-end. The common stock of the Company is valued at quoted market prices on the last business day of the Plan year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The participant loan is valued at cost plus accrued interest, which approximates fair value. Except for investments in the Guaranteed Income Fund (Note 4), investments can be redeemed on a daily basis.

Guidance from the Financial Accounting Standards Board (the "FASB") on fair value measurements includes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

The fair value hierarchy consists of the following three levels:

- Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3 - Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2009 and 2008:

	Total Fair Value Measurement at December 31, 2009	Fair Value Measurement at December 31, 2009 Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$18,685,508		\$13,482,641	\$5,202,867
Kaydon Corporation common stock	8,630,666	\$8,630,666	-	-
Guaranteed Income Fund	8,670,777	-	-	8,670,777
Participant loan	11,521	-	-	11,521
Total assets at fair value	\$35,998,472	\$8,630,666	\$13,482,641	\$13,885,165

	Total Fair Value Measurement at December 31, 2008	Fair Value Measurement at December 31, 2008 Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$14,048,389		\$9,447,068	\$4,601,321
Kaydon Corporation common stock	8,666,611	\$8,666,611	-	-
Guaranteed Income Fund	8,786,862	-	-	8,786,862
Participant loan	13,985	-	-	13,985
Total assets at fair value	\$31,515,847	\$8,666,611	\$9,447,068	\$13,402,168

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

Level 1 assets include Kaydon Corporation common stock which is actively traded on the New York Stock Exchange. Level 2 assets include the Plan's share of investments in certain pooled separate accounts principally invested in assets with quoted prices in active markets. Level 3 assets include the Plan's share of investments in certain pooled separate accounts which invest in various Prudential funds or bonds, the Guaranteed Income Fund, and a participant loan. The fair values of Level 3 assets are not readily corroborated by observable market data. Fair value for the pooled separate accounts is provided by Prudential and the Plan administrator compared a sample of underlying assets with quoted market sources.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Level 3 Assets		
	Year Ended December 31, 2009		
	Pooled Separate Accounts	Guaranteed Income Fund	Participant Loan
Balance, January 1, 2009	\$ 4,601,321	\$ 8,786,862	\$ 13,985
Realized gains/(losses)	-	261,841	-
Unrealized gains/(losses)	718,445	-	-
Purchases, sales, issuances and settlements, net	(116,899)	(377,926)	(2,464)
Balance, December 31, 2009	\$ 5,202,867	\$ 8,670,777	\$ 11,521

Realized gains/(losses) are included in interest and dividend income on the Statement of Changes in Net Assets Available for Benefits. Unrealized gains/(losses) are included in net appreciation in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

3. Investments

Investments that represent 5% or more of the fair value of the Plan's assets are as follows:

	December 31,	
	2009	2008
Guaranteed Income Fund	\$8,670,777	\$ 8,786,862
Kaydon Corporation common stock	8,630,666	8,666,611
Large Cap Growth/Jennison Fund	3,600,533	2,809,338
Templeton Foreign Account	2,454,060	1,570,023
Turner Mid-Cap Growth Fund	2,441,837	1,716,029
High Grade Bond/GSAM Fund	1,851,409	2,025,958

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

4. Guaranteed Income Fund

During 2009, the Plan invested in the Guaranteed Income Fund offered by Prudential Retirement Insurance and Annuity Company ("PRIAC"). The investment in this fund is stated in accordance with applicable accounting guidance, which states that contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the Plan. The guaranteed fund investment is recorded at contract value, as reported to the Plan by the trustee, which represents contributions and reinvested income, less any withdrawals plus accrued interest, because this investment has fully benefit-responsive features. Contract value approximates fair value.

The Guaranteed Income Fund offered by PRIAC declares interest rates in advance for six-month periods. In determining the rate of interest to be guaranteed for the upcoming six-month period, PRIAC considers the projected investment earnings, the current interest environment, its investment expense, and a profit and risk component for the six-month period. The fund does not have maturity dates or penalties for early withdrawals. The crediting interest rate on this fund was 3.2% for January 1, 2009 through June 30, 2009, and 2.7% for July 1, 2009 through December 31, 2009. For all fully benefit-responsive investment contracts the average yield earned by the Plan, and the average yield earned and credited to participants, was 3.0% for 2009 and 3.5% for 2008. The minimum crediting rate under the contract was 1.5%. There were no reserves against contract values for credit risk of contract issues or otherwise. PRIAC had the contractual right to defer a transfer or distribution in the event that the total transfers or distributions from the contract's pool exceeded 10% of the pool's balance as of January 1. PRIAC did not invoke this deferral provision in 2009 or 2008, or prior to the change in the Plan's trustee and recordkeeper effective June 1, 2010.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

5. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

Net assets available for benefits per the financial statements at December 31, 2009	\$ 35,937,066
Less dividends receivable at December 31, 2009	<u>(45,751)</u>
Net assets available for benefits per the Form 5500 at December 31, 2009	<u><u>\$ 35,891,315</u></u>

Net assets available for benefits per the financial statements at December 31, 2008	\$ 31,522,159
Less dividends receivable at December 31, 2008	<u>(43,608)</u>
Net assets available for benefits per the Form 5500 at December 31, 2008	<u><u>\$ 31,478,551</u></u>

The following is a reconciliation of interest and dividends per the financial statements to the Form 5500 for the year ended December 31, 2009:

Interest and dividends paid to the Plan per the financial statements	\$ 435,206
Add dividends receivable at December 31, 2008	43,608
Less dividends receivable at December 31, 2009	<u>(45,751)</u>
Interest and dividends paid to the Plan per the Form 5500	<u><u>\$ 433,063</u></u>

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

Notes to Financial Statements (continued)

7. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated March 13, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan sponsor has indicated that it has taken the necessary steps to bring the Plan's operations into compliance with the Code.

8. New Accounting Pronouncements and Recently Adopted Accounting Pronouncements

The FASB adopted new accounting guidance effective for the Plan in 2009 related to the measurement and disclosure of investments in certain entities that calculate net asset value per share (or its equivalent). The Plan adopted this guidance, which did not have a material impact on the Plan's net assets available for benefits or changes in net assets available for benefits.

The FASB also adopted new accounting guidance requiring certain new and amended fair value disclosures that will be effective for the Plan beginning in 2010 and 2011. The adoption of this guidance is not expected to have a material impact on the Plan's net assets available for benefits or changes in net assets available for benefits.

On July 1, 2009, the Plan adopted the FASB Accounting Standards Codification ("ASC"). The ASC is the single official source of nongovernmental generally accepted accounting principles. The adoption of the ASC did not have any impact on the financial statements of the Plan.

Kaydon Corporation
Employee Stock Ownership and Thrift Plan

EIN #13-3186040 Plan #002

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2009

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*Prudential Retirement Insurance & Annuity Company	Guaranteed Income Fund		\$ 8,670,777
	Large Cap Growth/Jennison Fund		3,600,533
	Templeton Foreign Account		2,454,060
	Turner Mid-Cap Growth Fund		2,441,837
	High Grade Bond/GSAM Fund		1,851,409
	Retirement Goal 2020 Fund		1,347,247
	Small Cap Value/Kennedy Capital Fund		1,149,711
	Retirement Goal 2030 Fund		1,029,436
	Large Cap Value/AJO Fund		1,011,100
	Mid Cap Value/Wellington Mgmt Fund		1,010,829
	Small Cap Growth/Times Square Fund		796,847
	Waddell & Reed Adv. SCI & Tech		484,710
	Retirement Goal 2040 Fund		455,523
	Retirement Goal 2010 Fund		328,874
	MFS International Growth Fund		280,184
	Cohen & Strs Rlty Income Fund		252,830
	Retirement Goal Income Fund		113,647
	Retirement Goal 2050 Fund		76,731
*Kaydon Corporation	Kaydon Corporation common stock		8,630,666
*Participant loan	Interest rate 9.50%; matures 1/2013	\$ —	11,521
			<u>\$ 35,998,472</u>

*Party-in-interest

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
23	Consent of Independent Registered Public Accounting Firm

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-119637) pertaining to the Kaydon Corporation Employee Stock Ownership and Thrift Plan of Kaydon Corporation of our report dated June 25, 2010, with respect to the financial statements and schedule of the Kaydon Corporation Employee Stock Ownership and Thrift Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2009.

/s/ Ernst & Young LLP
Detroit, MI
June 25, 2010