

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2009
		This Form is Open to Public Inspection

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:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan NATIONAL FRICTION PRODUCTS HOURLY EMLPYEES' RETIREMENT INCOME PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>031</td> </tr> <tr> <td>1c Effective date of plan</td> <td>01/01/1976</td> </tr> </table>	1b Three-digit plan number (PN) ►	031	1c Effective date of plan	01/01/1976
1b Three-digit plan number (PN) ►	031				
1c Effective date of plan	01/01/1976				
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) MOTION CONTROL INDUSTRIES 13925 BALLANTYNE CORP PLACE SUITE 400 CHARLOTTE, NC 28277	<table border="1"> <tr> <td>2b Employer Identification Number (EIN) 25-1539808</td> </tr> <tr> <td>2c Sponsor's telephone number 704-501-1143</td> </tr> <tr> <td>2d Business code (see instructions) 326200</td> </tr> </table>	2b Employer Identification Number (EIN) 25-1539808	2c Sponsor's telephone number 704-501-1143	2d Business code (see instructions) 326200	
2b Employer Identification Number (EIN) 25-1539808					
2c Sponsor's telephone number 704-501-1143					
2d Business code (see instructions) 326200					

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.	10/08/2010	JULIA CHANDLER
	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")

MOTION CONTROL INDUSTRIES

13925 BALLANTYNE CORP PLACE
SUITE 400
CHARLOTTE, NC 28277**3b** Administrator's EIN

25-1539808

3c Administrator's telephone number

704-501-1143

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**

186

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**

99

b Retired or separated participants receiving benefits.....**6b**

29

c Other retired or separated participants entitled to future benefits.....**6c**

42

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

170

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

4

f Total. Add lines **6d** and **6e**.....**6f**

174

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

7

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:

1B 1G 3H

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) ☐ **A** (Insurance Information)
- (4) ☐ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan NATIONAL FRICTION PRODUCTS HOURLY EMLPYEES' RETIREMENT INCOME PLAN	B Three-digit plan number (PN) 031
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MOTION CONTROL INDUSTRIES	D Employer Identification Number (EIN) 25-1539808
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information	
1	Enter the valuation date: Month 01 Day 01 Year 2009	
2	Assets:	
a	Market value	2a 3961168
b	Actuarial value	2b 4357284
3	Funding target/participant count breakdown	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a 32 1332588
b	For terminated vested participants	3b 40 543066
c	For active participants:	
(1)	Non-vested benefits	3c(1) 86782
(2)	Vested benefits	3c(2) 1838434
(3)	Total active	3c(3) 114 1925216
d	Total	3d 186 3800870
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐	
a	Funding target disregarding prescribed at-risk assumptions	4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5	Effective interest rate	5 8.19 %
6	Target normal cost	6 91159

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	10/06/2010
MICHAEL H. FRANTZ	Date 08-05485
HEWITT ASSOCIATES LLC	Most recent enrollment number 847-295-5000
100 HALF DAY ROAD LINCOLNSHIRE, IL 60069	Telephone number (including area code)
Address of the firm	

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	861315	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	861315	0
10 Interest on item 9 using prior year's actual return of <u>29.05</u> %	-250212	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		589518
b Interest on (a) using prior year's effective rate of <u>6.13</u> %		36137
c Total available at beginning of current plan year to add to prefunding balance		625655
d Portion of (c) to be added to prefunding balance.....		625655
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	611103	625655

Part III Funding percentages		
14 Funding target attainment percentage.....	14	82.10 %
15 Adjusted funding target attainment percentage.....	15	114.63 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	104.29 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	27000				
07/15/2009	27000				
12/30/2009	1400000				
09/14/2010	50000	0			
			Totals ►	18(b)	1504000
				18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	1390600
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	91159
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	91159
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	7081	0
36 Additional cash requirement (item 34 minus item 35).....	36	84078
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	1390600
38 Interest-adjusted excess contributions for current year (see instructions).....	38	1306522
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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
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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

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>NATIONAL FRICTION PRODUCTS HOURLY EMLPYEES' RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ►	<u>031</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MOTION CONTROL INDUSTRIES</u>	D Employer Identification Number (EIN) <u>25-1539808</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)	<u>770859</u>	<u>50000</u>
(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)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	<u>3221368</u>	<u>5955229</u>
(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)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	3992227	6005229

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3992227	6005229
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1504000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1504000
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(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)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		698484
(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		2202484

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	166130	
(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)		166130
f Corrective distributions (see instructions)	2f		
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)	23352	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		23352
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		189482

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2013002
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: DIXON HUGHES

(2) EIN: 56-0747981

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		10000000
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.).....			
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.			

- 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)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ 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 01/01/2009 and ending 12/31/2009

A Name of plan <u>NATIONAL FRICTION PRODUCTS HOURLY EMLPYEES' RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>031</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MOTION CONTROL INDUSTRIES</u>	D Employer Identification Number (EIN) <u>25-1539808</u>

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	<u>0</u>
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): <u>23-3060382</u>		
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	<u>1</u>

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): _____

***National Friction Products
Division of Motion Control Industries
Hourly Employees' Retirement Income Plan***

Financial Statements

December 31, 2009 and 2008

**NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN**

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Notes to Financial Statements	4

Note: All schedules required by section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

To the Participants and Pension and Insurance Committee National
Friction Products Division of Motion Control Industries
Hourly Employees' Retirement Income Plan

We were engaged to audit the financial statements of the National Friction Products Division of Motion Control Industries Hourly Employees' Retirement Income Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by SEI Private Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Dixon Hughes PLLC

Charlotte, North Carolina
October 5, 2010

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Investments at fair value:		
Plan interest in Carlisle Companies Incorporated		
Master Retirement Trust	\$ 5,955,229	\$ 3,221,368
Contribution receivable	<u>50,000</u>	<u>770,859</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,005,229</u>	<u>\$ 3,992,227</u>

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS:		
Investment income:		
Plan interest in the Carlisle Companies Incorporated		
Master Retirement Trust investment income	\$ 698,484	\$ -
Employer contribution	<u>1,504,000</u>	<u>770,859</u>
	2,202,484	770,859
DEDUCTIONS:		
Investment loss:		
Plan interest in the Carlisle Companies Incorporated		
Master Retirement Trust investment loss	-	1,349,854
Pension benefits paid	166,130	157,900
Administrative expenses	<u>23,352</u>	<u>23,256</u>
	<u>189,482</u>	<u>1,531,010</u>
NET INCREASE (DECREASE)	2,013,002	(760,151)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	<u>3,992,227</u>	<u>4,752,378</u>
END OF YEAR	<u><u>\$ 6,005,229</u></u>	<u><u>\$ 3,992,227</u></u>

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE A – PLAN DESCRIPTION

The following description of the National Friction Products Division of Motion Control Industries Hourly Employees' Retirement Income Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a noncontributory defined benefit pension plan sponsored by Carlisle Companies Incorporated (the "Company") and is administered by the Company. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Eligibility

To be eligible to participate in the Plan, a person must be an hourly-paid employee of National Friction Products Division of Motion Control Industries in its Logansport, Indiana plant and represented for collective bargaining purposes by the International Union, United Paperworkers, AFL-CIO, Local Union No. 7518.

Pension Benefits

The annual pension benefit payable in monthly increments at a participant's Normal Retirement Date (see below) is based on a fixed annual benefit per year of credited service up to a maximum of 45 years as follows:

Prior to January 1, 2003	\$ 252
January 1, 2003 – December 31, 2003	258
January 1, 2004 – December 31, 2004	264
January 1, 2005 and after	270

The Normal Retirement Date is the first day of the month following a participant's 65th birthday. For participants hired after age 60, the normal retirement date is the fifth anniversary of the date of hire. Additional pension benefits are accrued for service after the Normal Retirement Date. All pension benefits payable under the terms of the Plan commence the first day of the month following actual retirement subject to the optional forms of payment as defined in the plan documents.

Employees are fully vested in the Plan upon the completion of five years of qualifying service.

As defined in the Plan, other Plan benefits available include early retirement benefits, disability pension benefits, deferred vested retirement benefits and pre-retirement death benefits.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the actuarial present value of accumulated plan benefits as of the benefit information dates, the reported amounts of additions to and deductions from the Plan's net assets during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Basis of Allocation From Carlisle Companies Incorporated Master Retirement Trust

The Plan has an undivided interest in the Carlisle Companies Incorporated Master Retirement Trust (the "Master Trust"). The Plan's interest in the Master Trust is credited or charged for contributions, transfers, benefit payments and other expenses attributable solely to the Plan. Realized gains and losses, changes in net unrealized appreciation or depreciation of investments, investment income and general expenses are allocated to the Plan based upon the Plan's proportionate dollar interest in the net assets of the Master Trust. See a further discussion of the Master Trust in Note C.

Funding

The standard unit credit cost method is the method used by the Plan's actuary to calculate the Company's contribution to the Plan. The Company's policy is to contribute an amount which meets or exceeds the minimum funding requirements of ERISA. The minimum funding requirements of ERISA have been met for both 2009 and 2008.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

The costs of general administration of the Plan and Trustee fees are paid by the Master Trust and allocated to the Plan.

Subsequent Events

The Company has evaluated the effects subsequent events would have on the financial statements through October 5, 2010, which is the date the financial statements were available to be issued.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE C – MASTER TRUST

The Master Trust holds certain assets of the Company's defined benefit plans. SEI Private Trust Company (the "Trustee") is the trustee for the Master Trust.

Note H presents the Statements of Net assets Available for Benefits and Statements of Changes in Net Assets Available for Benefits of the Master Trust, which are allocated to each participating plan on the basis indicated in Note B. At December 31, 2009 and 2008, the Plan's interest in the net assets of the Master Trust was approximately 4% and 3%, respectively.

Under the terms of the Master Trust agreement, SEI Private Trust Company is a custodial trustee on behalf of the Company. The Company has engaged investment management firms, which have discretionary authority concerning purchases and sales of investments in the trust fund. The investments and changes therein of this trust fund have been reported to the Company by the Trustee.

The fair value of the investment in the Master Trust is determined based upon the fair value of the underlying assets of the Master Trust. Investments are stated at fair value as described in Note I. Purchases and sales of securities are recorded on a trade date basis.

During 2009 and 2008, the Master Trust's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	<u>2009</u>	<u>2008</u>
Common stocks	\$ 3,060,546	\$ (3,685,746)
Mutual funds	13,321,167	(40,928,991)
Other assets	<u>446,993</u>	<u>(2,555,331)</u>
	<u>\$ 16,828,706</u>	<u>\$ (47,170,068)</u>

**NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AND
SIGNIFICANT ACTUARIAL ASSUMPTIONS**

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

**NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AND
SIGNIFICANT ACTUARIAL ASSUMPTIONS (Continued)**

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary using actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment. The significant assumptions underlying the actuarial computations as of January 1, 2009 and 2008 include:

Valuation Method	- Standard Unit Credit in all years
Discount Rate	- 8.50% in all years
Retirement Age	- 62 in all years
Mortality	- 2009 Static Mortality Table in 2009 and 2008 Static Mortality Table in 2008

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of January 1, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Actuarial value of accumulated plan benefits:		
Vested benefits:		
Retired and terminated employees and beneficiaries with vested benefits	\$ 1,317,078	\$ 1,263,468
Active employees	<u>2,270,755</u>	<u>2,109,921</u>
	3,587,833	3,373,389
Non-vested benefits	<u>84,434</u>	<u>93,125</u>
Total accumulated plan benefits	<u>\$ 3,672,267</u>	<u>\$ 3,466,514</u>

Changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits at beginning of year	\$ 3,466,514	\$ 3,203,657
Increase (decrease) during the year attributable to:		
Benefits paid	(157,900)	(145,054)
Benefits accumulated and actuarial experience	69,979	38,610
Assumption changes	5,594	103,029
Interest	<u>288,080</u>	<u>266,272</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 3,672,267</u>	<u>\$ 3,466,514</u>

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE E – UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEE

Under the Department of Labor's Rules and Regulations 29 CFR 2520.103-5, information prepared and certified to by a trust company which is regulated, supervised, and subject to periodic examination by a state or federal agency need not be audited. The plan administrator has received certification from the Trustee as to the completeness and accuracy of the cost and market value of the Master Trust and the Plan's investments as of December 31, 2009 and 2008 and of interest income, dividend income, other income earned, and the cost and market value of all Master Trust and Plan investment transactions made during the years ended December 31, 2009 and 2008. The Plan's financial statements have been prepared based on this certified information.

NOTE F – TRANSACTIONS WITH PARTIES-IN-INTEREST

As of December 31, 2009 and 2008, the Master Trust held certain securities issued by the Company as follows:

	2009			2008		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Carlisle Companies Incorporated common stock	225,704	\$4,569,377	\$7,732,619	225,704	\$4,569,377	\$4,672,073

The fair value of these investments comprises approximately 5% of the Master Trust's net assets at December 31, 2009 and 2008.

Certain Plan investments represent funds managed by the Trustee, and therefore, these transactions qualify as party-in-interest transactions that are allowable under ERISA.

NOTE G – TERMINATION OF PLAN

The Company makes contributions to the Plan providing the Plan with assets to pay pension benefits. Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. Should the Plan terminate at some future time, its assets generally will not be available on a pro rata basis to provide participants' benefits. In the event of a termination, participants become 100% vested in their accumulated plan benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all. Further information regarding PBGC insurance benefits is available in various Federal government publications.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE H – MASTER TRUST FINANCIAL INFORMATION

The following Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008 and the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008 have been prepared from information which was certified by the Trustee as described in Note E. The Carlisle Master Trust financial statements are prepared on the modified cash basis of accounting, while the Plan's financial statements are prepared on the accrual basis of accounting.

Statements of Net Assets Available for Benefits

	<u>2009</u>	<u>2008</u>
Interest and dividends receivable	\$ 504,717	\$ 176,999
Investments at fair value:		
Carlisle Companies Incorporated common stock	7,732,619	4,672,073
Mutual funds	136,275,203	84,097,386
Partnership	<u>12,727,539</u>	<u>12,280,545</u>
Total investments	<u>156,735,361</u>	<u>101,050,004</u>
Net assets available for benefits	<u>\$ 157,240,078</u>	<u>\$ 101,227,003</u>

Statements of Changes in Net Assets Available for Benefits

	<u>2009</u>	<u>2008</u>
Additions to net assets attributed to:		
Investment income:		
Interest and dividends	\$ 3,867,261	\$ 4,023,233
Net appreciation in fair value of investments	<u>16,828,706</u>	<u>--</u>
Total investment income	20,695,967	4,023,233
Employer contributions	<u>51,936,221</u>	<u>116,138</u>
Total additions	72,632,188	4,139,371
Deductions from net assets attributed to:		
Distributions to plans	15,957,519	13,787,579
Net depreciation in fair value of investments	--	47,170,068
Administrative expenses	<u>661,594</u>	<u>905,291</u>
Total deductions	<u>16,619,113</u>	<u>61,862,938</u>
Net increase (decrease)	56,013,075	(57,723,567)
Net assets available for benefits:		
Beginning of year	<u>101,227,003</u>	<u>158,950,570</u>
End of year	<u>\$ 157,240,078</u>	<u>\$ 101,227,003</u>

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE I – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (“FASB”) issued a statement that defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. The value of the Plan's interest in the Carlisle Companies, Incorporated Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses.

Mutual Funds

The mutual funds held by the Master Trust are valued using the Net Asset Value (“NAV”) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by each fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Common Stocks

These investments held by the Master Trust are valued at the closing price reported on the active market on which the individual securities are traded, and are therefore classified within level 1 of the valuation hierarchy.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE I – FAIR VALUE MEASUREMENTS (Continued)

Partnership (SEI Offshore Opportunity Fund Ltd.)

The SEI Offshore Opportunity Fund Ltd. (the "Fund") held by the Master Trust invests directly in various private investment funds ("Investment Funds"). The Fund is valued at an amount equal to the sum of the capital accounts of the Investment Funds. The fair value is net of management and performance investment fees or allocations payable to the Investment Funds managers pursuant to the Investment Funds' agreements. The Fund is not a quoted price in an active or observable market and is classified within level 3 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds:				
Fixed income funds	\$ 136,275,203	\$ --	\$ --	\$ 136,275,203
Carlisle Companies Incorporated common stock	7,732,619	--	--	7,732,619
Partnership	<u>--</u>	<u>--</u>	<u>12,727,539</u>	<u>12,727,539</u>
Total investments	<u>\$ 144,007,822</u>	<u>\$ --</u>	<u>\$ 12,727,539</u>	<u>\$ 156,735,361</u>

The following table sets forth by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds:				
Fixed income funds	\$ 36,757,520	\$ --	\$ --	\$ 36,757,520
Equity funds	47,339,866	--	--	47,339,866
Carlisle Companies Incorporated common stock	4,672,073	--	--	4,672,073
Partnership	<u>--</u>	<u>--</u>	<u>12,280,545</u>	<u>12,280,545</u>
Total investments	<u>\$ 88,769,459</u>	<u>\$ --</u>	<u>\$ 12,280,545</u>	<u>\$ 101,050,004</u>

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE I – FAIR VALUE MEASUREMENTS (Continued)

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

	<u>Partnership</u>
Balance, beginning of year	\$ 12,280,545
Unrealized gain	<u>446,994</u>
Balance, end of year	<u><u>\$ 12,727,539</u></u>

The table below sets forth a summary of changes in the fair value of the master Trust's level 3 assets for the year ended December 31, 2008:

	<u>Partnership</u>
Balance, beginning of year	\$ 5,835,877
Purchases	9,000,000
Unrealized loss	<u>(2,555,332)</u>
Balance, end of year	<u><u>\$ 12,280,545</u></u>

Unrealized gains and losses included in changes in net assets for the period above are reported in Plan interest in the Carlisle Companies Incorporated Master Trust investment income /(loss) in the Statement of Changes in Net Assets Available for Benefits.

NOTE J – TAX STATUS

The Plan has obtained a determination letter dated April 16, 2004 in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter. However, management believes the Plan is currently designed and being operated in compliance with the requirements of the Code.

NATIONAL FRICTION PRODUCTS DIVISION OF MOTION CONTROL INDUSTRIES
HOURLY EMPLOYEES' RETIREMENT INCOME PLAN
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December 31, 2009 and 2008

NOTE K – 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 the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
EIN: 25-1539808 PN: 031

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2009

Date	Amount	Interest Rate	Interest Adjusted Contribution
April 15, 2009	\$ 27,000	8.19%	\$ 26,401
July 15, 2009	27,000	8.19%	25,888
December 30, 2009	1,400,000	8.19%	1,294,578
September 14, 2010	<u>50,000</u>	8.19%	<u>43,733</u>
Total Contribution	\$ 1,504,000		\$ 1,390,600

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
EIN: 25-1539808 PN: 031

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a)	(b)	(c)	(d)
Age	Rate	Weight	Product (a) × (b) × (c)
55.5	12.50%	1.0000	6.94
56.5	2.50%	0.8750	1.24
57.5	5.00%	0.8531	2.45
58.5	5.00%	0.8105	2.37
59.5	5.00%	0.7699	2.29
60.5	7.50%	0.7314	3.32
61.5	7.50%	0.6766	3.12
62.5	35.00%	0.6258	13.69
63.5	12.50%	0.4068	3.23
64.5	15.00%	0.3559	3.44
65	100.00%	0.3026	19.67
Weighted Average			61.76

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates	Based on the full yield curve with a two-month lookback (October 2008 yield curve), with sample rates as follows: Duration 0.5–5.45% Duration 5.5–8.25% Duration 10.5–8.87% Duration 15.5–8.65% Duration 20.5–8.11% Duration 25.5–7.71% Duration 30.5–7.46%
Optional Payment Form Election Percentage	60% life annuity. 40% joint and 50% survivor annuity.
Optional Payment Form Conversion Interest Rate	As defined in plan provisions.
Optional Payment Form Conversion Mortality	As defined in plan provisions.
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 62.
Mortality Rates	
Healthy and Disabled	2009 Static Mortality Table for Annuitants and Non-Annuitants Per Section 1.430(h)(3)-1(e).
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Surviving Spouse Benefit	It is assumed that 75% of males and 50% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC Section 415 maximum benefit of \$195,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC Section 430(h)(2)(C)(iii).

Trust Expenses Included in Target Normal Cost	\$14,000. Based on the prior year's actual plan administrative expenses, rounded to the nearest \$1,000.
Expected Return on Assets	
2007 Plan Year	6.09%.
2008 Plan Year	6.43%.
Actuarial Method	Standard Unit Credit Cost Method.
Valuation Date	January 1, 2009.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Table 1
Retirement Rates

Age	Rate
55	12.50%
56	2.50%
57	5.00%
58	5.00%
59	5.00%
60	7.50%
61	7.50%
62	35.00%
63	12.50%
64	15.00%
65+	100.00%

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Table 2—Page 1 of 2
Termination Rates

Age	Years of Service					
	0	1	2	3	4	5+
15	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
16	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
17	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
18	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
19	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
20	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
21	17.80%	17.80%	17.80%	17.80%	17.80%	17.80%
22	16.80%	16.80%	16.80%	16.80%	16.80%	16.80%
23	16.70%	15.90%	15.90%	15.90%	15.90%	15.90%
24	16.70%	15.00%	15.00%	15.00%	15.00%	15.00%
25	16.70%	14.80%	14.10%	14.10%	14.10%	14.10%
26	16.70%	14.80%	13.20%	13.20%	13.20%	13.20%
27	16.70%	14.80%	13.10%	12.40%	12.40%	12.40%
28	16.70%	14.80%	13.10%	11.60%	11.60%	11.60%
29	16.70%	14.80%	13.10%	11.50%	10.90%	10.90%
30	16.70%	14.80%	13.10%	11.50%	10.20%	10.20%
31	16.70%	14.80%	13.10%	11.50%	10.10%	9.50%
32	16.70%	14.80%	13.10%	11.50%	10.10%	8.80%
33	16.70%	14.80%	13.10%	11.50%	10.10%	8.20%
34	16.70%	14.80%	13.10%	11.50%	10.10%	7.60%
35	16.70%	14.80%	13.10%	11.50%	10.10%	7.00%
36	16.70%	14.80%	13.10%	11.50%	10.10%	6.40%
37	16.70%	14.80%	13.10%	11.50%	10.10%	5.90%
38	16.70%	14.80%	13.10%	11.50%	10.10%	5.40%
39	16.70%	14.80%	13.10%	11.50%	10.10%	5.00%
40	16.70%	14.80%	13.10%	11.50%	10.10%	4.50%
41	16.70%	14.80%	13.10%	11.50%	10.10%	4.10%
42	16.70%	14.80%	13.10%	11.50%	10.10%	3.80%
43	16.70%	14.80%	13.10%	11.50%	10.10%	3.40%
44	16.70%	14.80%	13.10%	11.50%	10.10%	3.10%

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Table 2—Page 2 of 2
Termination Rates

Age	Years of Service					
	0	1	2	3	4	5+
45	16.70%	14.80%	13.10%	11.50%	10.10%	2.80%
46	16.70%	14.80%	13.10%	11.50%	10.10%	2.60%
47	16.70%	14.80%	13.10%	11.50%	10.10%	2.40%
48	16.70%	14.80%	13.10%	11.50%	10.10%	2.20%
49	16.70%	14.80%	13.10%	11.50%	10.10%	2.00%
50	16.70%	14.80%	13.10%	11.50%	10.10%	1.90%
51	16.70%	14.80%	13.10%	11.50%	10.10%	1.80%
52+	16.70%	14.80%	13.10%	11.50%	10.10%	1.70%

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Table 3
Disability Rates

Age	Male	Female	Age	Male	Female
15	0.03%	0.03%	45	0.16%	0.24%
16	0.03%	0.03%	46	0.18%	0.27%
17	0.03%	0.03%	47	0.21%	0.30%
18	0.03%	0.03%	48	0.25%	0.33%
19	0.03%	0.03%	49	0.28%	0.36%
20	0.03%	0.03%	50	0.33%	0.40%
21	0.03%	0.03%	51	0.39%	0.44%
22	0.03%	0.03%	52	0.46%	0.49%
23	0.03%	0.03%	53	0.53%	0.54%
24	0.03%	0.03%	54	0.61%	0.59%
25	0.03%	0.03%	55	0.69%	0.64%
26	0.03%	0.03%	56	0.77%	0.69%
27	0.03%	0.03%	57	0.86%	0.74%
28	0.03%	0.04%	58	0.95%	0.80%
29	0.03%	0.04%	59	1.05%	0.85%
30	0.03%	0.04%	60	1.15%	0.90%
31	0.03%	0.05%	61	1.26%	0.96%
32	0.03%	0.05%	62	1.38%	1.01%
33	0.03%	0.06%	63	1.51%	1.05%
34	0.03%	0.06%	64	1.64%	1.09%
35	0.04%	0.07%	65+	0.00%	0.00%
36	0.04%	0.08%			
37	0.05%	0.09%			
38	0.06%	0.10%			
39	0.07%	0.12%			
40	0.08%	0.13%			
41	0.09%	0.15%			
42	0.10%	0.17%			
43	0.12%	0.19%			
44	0.14%	0.22%			

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Schedule SB, line 25—Change in Funding Method

The funding valuation reflects the following changes:

- A change in the asset valuation method from a three-month average value method to a two-year smoothed value method as of January 1, 2009.
- A change in the interest rate assumption to the full yield curve with a two-month lookback (October 2008 full yield curve).
- An addition of assumed expenses payable from the trust to the Target Normal Cost, as required by WRERA.

These changes have automatic approval under final regulations, Notice 2009-22 or other IRS guidance.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2009
Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	3	9								
25-29	1	8	2							
30-34		5	4	2						
35-39	1	3	3	2	1					
40-44		1	1	2	1					
45-49		1	3	2	3	3				
50-54		3	2	4	1	3	5	6	2	
55-59	1	2		1	1	1		2	8	
60-64					2			2	1	
65-69							1			
70+										

Note: Schedule SB Grid excludes transfers.

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Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Schedule SB, Part V—Summary of Plan Provisions

Effective Date Most recently amended and restated November 9, 2002.

Participation Any employee who is represented by P.A.C.E., Paper, Allied Industrial, Chemical & Energy Workers, Local Union No. 06-00518, A.F.L.-C.I.O., the International Paper, Allied Industrial, Chemical & Energy Workers, A.F.L.-C.I.O, and the United Paperworkers A.F.L.-C.I.O., Local Union No. 7518 is eligible upon date of hire.

Normal Retirement Eligibility Age 65 and five years of participation.

Annual Benefit The rate specified below times years of Credited Service (maximum of 45 years):

Retirement Date	Annual Benefit
	Rate
Prior to 1/1/2003	\$252
1/1/2003 Through 12/31/2003	\$258
1/1/2004 Through 12/31/2004	\$264
1/1/2005 and Later	\$270

Early Retirement Eligibility Age 55 and 10 years of Vesting Service.

Annual Benefit Accrued normal retirement benefit reduced 6.0% per year for each year actual commencement precedes normal retirement.

Disability Retirement Eligibility Age 50 and 10 years of Vesting Service with total and permanent disability which is expected to result in death or last at least 12 months. Must be eligible for Social Security benefits.

Annual Benefit Greater of \$1,200 or normal retirement benefit with service credited to disability without reduction for commencement prior to normal retirement. Payment is for life commencing when Social Security disability benefits become payable and ending at the earlier of cessation of Social Security benefit or attainment of normal retirement eligibility. If payments terminate under conditions stated above, the participant shall be eligible to receive payments under provisions of a deferred vested retirement, an early retirement, or a normal retirement.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Deferred Vested Retirement
Eligibility

Five years of Vesting Service.

Annual Benefit

Accrued normal retirement benefit as of termination date reduced 6.0% per year for each year actual commencement precedes normal retirement (early commencement eligibility: age 55 and 10 years of Vesting Service).

Preretirement Death
Eligibility

Active or inactive participant with five years of Vesting Service.

Annual Benefit

The early retirement benefit the spouse would have received had the participant terminated immediately prior to death with benefit payable on an actuarially equivalent 50% joint and survivor annuity basis beginning on or after the participant's early retirement eligibility.

Form of Benefit Payment
Normal

Single life annuity payable monthly, but for married participants, unless elected otherwise, there is in effect an automatic 50% joint and survivor option on an actuarially equivalent basis.

Optional

Actuarially equivalent 100%, 66-2/3%, 75%, or 50% joint and survivor annuity, or a 5, 10 or 15-year certain and life annuity.

Definitions
Actuarial Equivalent

Equality in the value of aggregate amounts expected to be received under different forms of payment, other than a lump sum amount, or at times other than the Normal Retirement Age based on the following assumptions except as otherwise provided in the Plan:

1. Mortality—The projections to 1975, by Projection Scale D, of the Male 1971 Group Annuity Mortality Table (six years set back for all Members and no set back for contingent annuitants); and
2. Interest—5.5%.

Schedule SB Attachment (Form 5500)—2009 Plan Year
National Friction Products Hourly Employees' Retirement Income Plan
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Credited Service

Service from date of hire. A year of service requires a minimum of 1,710 hours of service during the calendar year. Any service less than 1,710 hours is prorated as follows:

Hours of Service	Credited Service
1,710 or More	1.00
1,530 but Less Than 1,710	0.90
1,350 but Less Than 1,530	0.80
1,170 but Less Than 1,350	0.70
990 but Less Than 1,170	0.60
810 but Less Than 990	0.50
630 but Less Than 810	0.40
450 but Less Than 630	0.30
270 but Less Than 450	0.20
90 but Less Than 270	0.10
Less Than 90	0.00

Vesting Service

Service from date of hire. One year of service will be granted upon completion of 870 hours of service during the calendar year. No service will be granted for hours of service less than 870.

Changes in Plan Provisions Since the Prior Year

The January 1, 2009 funding valuation reflects the following plan change:

- An increase in the annual maximum benefit limit under IRC Section 415 from \$185,000 in 2008 to \$195,000 in 2009.

Other information to Fully and Fairly Disclose the Actuarial Position of the Plan

The target liability was calculated using the full yield curve based on corporate bonds rates for October. As such, "2" was entered on line 21b as the applicable lookback month.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	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

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan National Friction Products Hrly Ees' Ret Inc Pln	B Three-digit plan number (PN) ► <u>031</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Motion Control Industries	D Employer Identification Number (EIN) 25-1539808
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	3,961,168	
b Actuarial value.....	2b	4,357,284	
3 Funding target/participant count breakdown	(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	32	1,332,588
b For terminated vested participants.....	3b	40	543,066
c For active participants:			
(1) Non-vested benefits.....	3c(1)		86,782
(2) Vested benefits.....	3c(2)		1,838,434
(3) Total active.....	3c(3)	114	1,925,216
d Total.....	3d	186	3,800,870
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	8.19 %	
6 Target normal cost.....	6	91,159	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Signature of actuary </div> <div style="text-align: center;"> Michael H. Frantz Type or print name of actuary </div> <div style="text-align: center;"> Hewitt Associates LLC Firm name </div> <div style="text-align: center;"> 100 Half Day Road Address of the firm </div>	<div style="text-align: center;"> 10/06/2010 Date </div> <div style="text-align: center;"> 08-05485 Most recent enrollment number </div> <div style="text-align: center;"> (847) 295-5000 Telephone number (including area code) </div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	861,315	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	861,315	0
10	Interest on item 9 using prior year's actual return of <u>(29.05)</u> %	(250,212)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		589,518
b	Interest on (a) using prior year's effective rate of <u>6.13</u> %		36,137
c	Total available at beginning of current plan year to add to prefunding balance		625,655
d	Portion of (c) to be added to prefunding balance.....		625,655
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	611,103	625,655

Part III Funding percentages			
14	Funding target attainment percentage.....	14	82.10 %
15	Adjusted funding target attainment percentage.....	15	114.63 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	104.29 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	27,000				
07/15/2009	27,000				
12/30/2009	1,400,000				
09/14/2010	50,000				
Totals ▶			18(b)	1,504,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	1,390,600

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	91,159
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment.....	0	0
b Waiver amortization installment.....	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	91,159
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	7,081	0
36 Additional cash requirement (item 34 minus item 35).....	36	84,078
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	1,390,600
38 Interest-adjusted excess contributions for current year (see instructions).....	38	1,306,522
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0