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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                |                                                                                 |                                            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                |                                                                                 |                                            |
| For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u> |                                                                |                                                                                 |                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan;                 | <input type="checkbox"/> a multiple-employer plan; or                           |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan;    | <input type="checkbox"/> a DFE (specify) ____                                   |                                            |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report;              | <input type="checkbox"/> the final return/report;                               |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> an amended return/report;  | <input type="checkbox"/> a short plan year return/report (less than 12 months). |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                       |                                                                                 |                                            |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558;                 | <input type="checkbox"/> automatic extension;                                   | <input type="checkbox"/> the DFVC program; |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) |                                                                                 |                                            |

|                                                                                                                                                                                                              |                                                                     |                                                             |                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| <b>Part II</b>                                                                                                                                                                                               | <b>Basic Plan Information</b> —enter all requested information      |                                                             |                                                             |
| <b>1a</b> Name of plan<br><u>FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>                                                                                                                                | <b>1b</b> Three-digit plan number (PN) ►                            | <u>004</u>                                                  |                                                             |
|                                                                                                                                                                                                              | <b>1c</b> Effective date of plan                                    | <u>08/01/1971</u>                                           |                                                             |
| <b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)<br><br><u>FRICTION PRODUCTS CO.</u><br><br><u>6180 COCHRAN RD</u><br><u>OLON, OH 44139</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>34-1608009</u> | <b>2c</b> Sponsor's telephone number<br><u>440-528-3218</u> | <b>2d</b> Business code (see instructions)<br><u>332900</u> |

**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.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>10/12/2012</u> | <u>THOMAS GILBRIDE</u>                                       |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

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

Form 5500 (2011)  
v.012611

|                                                                                                                                                            |                                                                                                               |
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| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>FRICTION PRODUCTS CO.<br><br>6180 COCHRAN RD<br>SOLON, OH 44139 | <b>3b</b> Administrator's EIN<br>34-1608009<br><br><b>3c</b> Administrator's telephone number<br>440-528-3218 |
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|                                                                                                                                                                                                                       |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

|                                                                         |          |     |
|-------------------------------------------------------------------------|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 326 |
|-------------------------------------------------------------------------|----------|-----|

|                                                                                                                                                        |           |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |     |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 111 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 79  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 128 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 318 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 6   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 324 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> |     |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 0   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G 3H 1I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                |                                                                                |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)                      | <b>9b</b> Plan benefit arrangement (check all that apply)                      |
| <b>(1)</b> <input type="checkbox"/> Insurance                                  | <b>(1)</b> <input type="checkbox"/> Insurance                                  |
| <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts | <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| <b>(3)</b> <input checked="" type="checkbox"/> Trust                           | <b>(3)</b> <input checked="" type="checkbox"/> Trust                           |
| <b>(4)</b> <input type="checkbox"/> General assets of the sponsor              | <b>(4)</b> <input type="checkbox"/> 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)

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>                                                              | <b>B</b> Three-digit plan number (PN) ▶ <u>004</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>FRICTION PRODUCTS CO.</u>                                  | <b>D</b> Employer Identification Number (EIN)<br><u>34-1608009</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                           |                                   |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|---------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>  |                                   |                           |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>                                                                                                                               |                           |                                   |                           |
| <b>2</b> Assets:                                                                                                                                                                                                |                           |                                   |                           |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>23704827</u> |                                   |                           |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>23704827</u> |                                   |                           |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                           |                                   |                           |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <b>3a</b> <u>77</u>       | <b>(1) Number of participants</b> | <b>(2) Funding Target</b> |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <b>3b</b> <u>121</u>      |                                   | <u>11159682</u>           |
| <b>c</b> For active participants:                                                                                                                                                                               |                           |                                   |                           |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                            | <b>3c(1)</b>              |                                   | <u>1736667</u>            |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                                | <b>3c(2)</b>              |                                   | <u>4553147</u>            |
| <b>(3)</b> Total active .....                                                                                                                                                                                   | <b>3c(3)</b> <u>128</u>   |                                   | <u>6289814</u>            |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b> <u>326</u>      |                                   | <u>21322112</u>           |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>  |                                   |                           |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                 |                                   |                           |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                 |                                   |                           |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>6.21</u> %    |                                   |                           |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> <u>129000</u>    |                                   |                           |

**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.

|                                                        |                               |                                        |
|--------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                       |                               | <u>08/28/2012</u>                      |
|                                                        | Signature of actuary          | Date                                   |
| <u>MARGARET W. FUREY</u>                               |                               | <u>11-04849</u>                        |
|                                                        | Type or print name of actuary | Most recent enrollment number          |
| <u>PRIAC</u>                                           |                               | <u>860-534-2895</u>                    |
|                                                        | Firm name                     | Telephone number (including area code) |
| <u>P.O. BOX 2975</u><br><u>HARTFORD, CT 06104-2975</u> |                               |                                        |
|                                                        | Address of the firm           |                                        |

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 ☐

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

**Schedule SB (Form 5500) 2011**  
**v.012611**

| <b>Part II</b> |                                                                                                                          | <b>Beginning of year carryover and prefunding balances</b> |                        |
|----------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|
|                |                                                                                                                          | (a) Carryover balance                                      | (b) Prefunding balance |
| <b>7</b>       | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                          | 0                                                          | 542                    |
| <b>8</b>       | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                       | 0                                                          | 0                      |
| <b>9</b>       | Amount remaining (line 7 minus line 8) .....                                                                             | 0                                                          | 542                    |
| <b>10</b>      | Interest on line 9 using prior year's actual return of <u>21.48</u> % .....                                              |                                                            | 116                    |
| <b>11</b>      | Prior year's excess contributions to be added to prefunding balance:                                                     |                                                            |                        |
| <b>a</b>       | Present value of excess contributions (line 38 from prior year) .....                                                    |                                                            | 196795                 |
| <b>b</b>       | Interest on (a) using prior year's effective rate of <u>6.66</u> % except as otherwise provided (see instructions) ..... |                                                            | 13107                  |
| <b>c</b>       | Total available at beginning of current plan year to add to prefunding balance .....                                     |                                                            | 209902                 |
| <b>d</b>       | Portion of (c) to be added to prefunding balance .....                                                                   |                                                            | 0                      |
| <b>12</b>      | Other reductions in balances due to elections or deemed elections .....                                                  | 0                                                          | 0                      |
| <b>13</b>      | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                       | 0                                                          | 658                    |

| <b>Part III</b> |                                                                                                                                                                  | <b>Funding percentages</b> |          |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------|
| <b>14</b>       | Funding target attainment percentage .....                                                                                                                       | <b>14</b>                  | 111.17 % |
| <b>15</b>       | Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b>                  | 111.17 % |
| <b>16</b>       | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b>                  | 103.60 % |
| <b>17</b>       | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b>                  | %        |

| <b>Part IV</b>                                                                           |                                   | <b>Contributions and liquidity shortfalls</b> |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                               |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees               | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
|                                                                                          |                                   |                                               |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                          |                                   |                                               | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 0                  |

|                                                                                                                                                                             |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                        |              |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                                                                        | <b>19a</b> 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                          | <b>19b</b> 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                     | <b>19c</b> 0 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                 |              |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                              |              |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No |              |
| <b>c</b> 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      |
|                                                                                                                                                                             |              |

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

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>3.61% | 2nd segment:<br>6.20% | 3rd segment:<br>6.53 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                       |                       |                        | <b>21b</b> 3                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 60                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous items**

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

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 129000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than 31a .....                                                                                                                | <b>31b</b>          | 129000             |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)**

|                                                                                                                 |                                                                                                                         |  |  |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule: |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                                 | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....                                | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                                               | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years .....                  | <b>43</b>                                                                                                               |  |  |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>2011</b>                                    |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

|                                                                                               |                                                                    |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>                  | <b>B</b> Three-digit plan number (PN) ▶ <u>004</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FRICTION PRODUCTS CO.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-1608009</u> |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures 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)

MANNING AND NAPIER

16-0995736

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28                     | NONE                                                                                              | 5432                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

NEUBERGER BERMAN

13-5521910

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28                     | NONE                                                                                              | 4552                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 11                     | NONE                                                                                              | 1915                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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)

LEGACY

34-1542819

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 17                     | NONE                                                                                              | 5915                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

HUNTINGTON BANK

31-0966785

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 21                     | NONE                                                                                              | 3335                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

**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<br>(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<br>(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<br>(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 |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
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|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div><br><br><b>This Form is Open to Public Inspection.</b> |
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|                                                           |            |            |            |
|-----------------------------------------------------------|------------|------------|------------|
| For calendar plan year 2011 or fiscal plan year beginning | 01/01/2011 | and ending | 12/31/2011 |
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|                                                                       |                                       |       |
|-----------------------------------------------------------------------|---------------------------------------|-------|
| <b>A</b> Name of plan<br>FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN | <b>B</b> Three-digit plan number (PN) | ► 004 |
|-----------------------------------------------------------------------|---------------------------------------|-------|

|                                                                                               |                                                                 |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br>FRICTION PRODUCTS CO. | <b>D</b> Employer Identification Number (EIN)<br><br>34-1608009 |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------|

|        |                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                |                                |
|------------------------------------------------|--------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: | CARLISLE CORP MASTER RET TRUST |
|------------------------------------------------|--------------------------------|

|                                                   |                       |
|---------------------------------------------------|-----------------------|
| <b>b</b> Name of sponsor of entity listed in (a): | FRICTION PRODUCTS CO. |
|---------------------------------------------------|-----------------------|

|                 |                |                      |   |                                                                                                     |          |
|-----------------|----------------|----------------------|---|-----------------------------------------------------------------------------------------------------|----------|
| <b>c</b> EIN-PN | 23-0457510-050 | <b>d</b> Entity code | M | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 25828989 |
|-----------------|----------------|----------------------|---|-----------------------------------------------------------------------------------------------------|----------|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
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| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

|                 |  |                      |  |                                                                                                     |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|
| <b>c</b> EIN-PN |  | <b>d</b> Entity code |  | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |  |
|-----------------|--|----------------------|--|-----------------------------------------------------------------------------------------------------|--|

|                                                |  |
|------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: |  |
|------------------------------------------------|--|

|                                                   |  |
|---------------------------------------------------|--|
| <b>b</b> Name of sponsor of entity listed in (a): |  |
|---------------------------------------------------|--|

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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div><br><br><b>This Form is Open to Public Inspection</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                |                                                                                                   |                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------|
| For calendar plan year 2011 or fiscal plan year beginning <span style="color: blue;">01/01/2011</span> and ending <span style="color: blue;">12/31/2011</span> |                                                                                                   |                                       |
| <b>A</b> Name of plan<br><span style="color: blue;">FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN</span>                                                        | <b>B</b> Three-digit plan number (PN) ►                                                           | <span style="color: blue;">004</span> |
|                                                                                                                                                                |                                                                                                   |                                       |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">FRICTION PRODUCTS CO.</span>                                       | <b>D</b> Employer Identification Number (EIN)<br><br><span style="color: blue;">34-1608009</span> |                                       |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       | 79629                 |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(1)</b>    | 0                     | 0               |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | 59718                 |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(1)</b>    | 3351533               |                 |
| <b>(2)</b> U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(4)(B)</b> | 5836014               |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   |                       | 25828989        |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   | 13424752              |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 1030000               |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 23781646              | 25828989        |

**Liabilities**

|                                                                           |           |       |   |
|---------------------------------------------------------------------------|-----------|-------|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |       |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |       |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |       |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 79629 |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 79629 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 23702017 | 25828989 |
|-----------------------------------------------------------|-----------|----------|----------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |            |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 0         |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 66046      |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 66046     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            | 2531969   |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 752667    |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 3350682   |

**Expenses**

|                                                                                            |              |         |         |
|--------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 1128862 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |         |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |         |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |         | 1128862 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |         |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |         |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |         |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |         |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |         |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |         |         |
| (4) Other .....                                                                            | <b>2i(4)</b> | 94848   |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |         | 94848   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |         | 1223710 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 2126972 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**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 GOODMAN LLP

(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   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> 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>b</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  |          |
| <b>c</b> 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  |          |
| <b>d</b> 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  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> 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  |          |
| <b>h</b> 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  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   |     | X  |          |
| <b>j</b> 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   |    |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     |    |          |
| <b>n</b> 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. ....                                                                                                                        |     |    |          |
| <b>4n</b>                                                                                                                                                                                                                                                                                                       |     |    |          |

- 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) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

|                                                                                              |                                                                    |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>FRICION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>                  | <b>B</b> Three-digit plan number (PN) ▶<br><u>004</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FRICION PRODUCTS CO.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-1608009</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>22-1211670</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>0</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                                         |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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).....                                                                                                                                                                                                             | <b>6c</b>                    |                                        |                                         |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> 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. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

Schedule R (Form 5500) 2011  
v.012611

**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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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): \_\_\_\_\_

***Friction Products Co.  
Employees Pension Plan***

*Financial Statements*

*Years Ended December 31, 2011 and 2010*

## ***FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN***

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### ***SUPPLEMENTAL SCHEDULE***

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Note: Schedule H, Line 4i – Schedule of Assets (Held at End of Year), required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), has not been presented because the Friction Products Co. Employees Pension Plan's only investment is in the Carlisle Companies Incorporated Master Retirement Trust.



## INDEPENDENT AUDITORS' REPORT

To the Pension and Benefits Committee of the Board of Directors  
of Carlisle Companies Incorporated and the Participants of the  
Friction Products Co. Employees Pension Plan

We were engaged to audit the financial statements of the Friction Products Co. Employees Pension Plan (the "Plan") as of December 31, 2011 and for the year then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were reported on by other auditors. 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 ("ERISA"), the plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, 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 and Huntington National Bank N.A., the trustees 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 Huntington National Bank N.A. held the Plan's investment assets and executed investment transactions from January 1, 2010 to May 13, 2011 and that SEI Private Trust Company held the Plan's investment assets and executed investment transactions from April 5, 2011 to December 31, 2011. The plan administrator has obtained a certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the plan administrator by the trustees 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 2011 financial statements taken as a whole. The form and content of the information included in the 2011 financial statements, other than that derived from the information certified by the trustees, 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 ERISA.

*Dixon Hughes Goodman LLP*

Charlotte, North Carolina  
October 11, 2012

Page 1

**FRICITION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2011 and 2010**

---

|                                                  | <u>2011</u>                 | <u>2010</u>                 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| ASSETS                                           |                             |                             |
| Investments, at fair value:                      |                             |                             |
| Plan interest in Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust                          | \$ 25,828,989               | \$ -                        |
| Common stocks                                    | -                           | 5,836,014                   |
| Hawk Corporation 8 3/4% senior notes             | -                           | 1,030,000                   |
| Mutual funds                                     | -                           | 13,424,752                  |
| Money market funds                               | -                           | 3,351,533                   |
|                                                  | <u>25,828,989</u>           | <u>23,642,299</u>           |
| Cash, non-interest bearing                       | -                           | 79,629                      |
| Receivables                                      |                             |                             |
| Interest and dividends                           | <u>-</u>                    | <u>59,718</u>               |
| TOTAL ASSETS                                     | 25,828,989                  | 23,781,646                  |
| LIABILITIES                                      |                             |                             |
| Due to broker                                    | <u>-</u>                    | <u>79,629</u>               |
| NET ASSETS AVAILABLE FOR BENEFITS                | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Years Ended December 31, 2011 and 2010**

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|                                                      | <u>2011</u>                 | <u>2010</u>                 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO:               |                             |                             |
| Investment income:                                   |                             |                             |
| Plan interest in the Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust investment income            | \$ 2,531,969                | \$ -                        |
| Interest and dividends                               | 66,046                      | 682,858                     |
| Net appreciation in fair value of investments        | 752,667                     | 3,587,939                   |
| Employer contribution                                | -                           | 200,196                     |
| Other income                                         | -                           | 110                         |
| TOTAL ADDITIONS                                      | <u>3,350,682</u>            | <u>4,471,103</u>            |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:            |                             |                             |
| Pension benefits paid                                | 1,128,862                   | 1,043,944                   |
| Administrative expenses                              | <u>94,848</u>               | <u>128,317</u>              |
| TOTAL DEDUCTIONS                                     | <u>1,223,710</u>            | <u>1,172,261</u>            |
| NET INCREASE                                         | 2,126,972                   | 3,298,842                   |
| NET ASSETS AVAILABLE FOR BENEFITS:                   |                             |                             |
| BEGINNING OF YEAR                                    | <u>23,702,017</u>           | <u>20,403,175</u>           |
| END OF YEAR                                          | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE A – PLAN DESCRIPTION

The following description of the Friction Products Co. Employees Pension Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan sponsored and administered by Friction Products Co. (the "Company"). SEI Private Trust Company is the trustee of the Plan, and together with investment managers, manages the Plan's investments as of December 31, 2011 and for the period from May 13, 2011 to December 31, 2011. Huntington National Bank N.A. served as the trustee and together with investment managers, managed the Plan's investments as of December 31, 2010 and for the period January 1, 2010 to May 13, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

During 2010, the Company was acquired by Carlisle Companies Incorporated, and the Plan is subject to the governance of the Pension and Benefits Committee of the Board of Directors of Carlisle Companies Incorporated.

Eligibility

To be eligible, a person must be a full-time employee of the Company or a non-union employee of Logan Metal Stampings, Inc. ("Logan"), an affiliated company, hired prior to January 1, 2004. Effective June 1, 2006, the Plan was frozen. No new participants may enter the Plan and no further benefit accruals are earned. At that date, all participants became fully vested in their accrued benefit.

Pension Benefits

Benefits for normal retirement are calculated based upon earnings and years of service. Benefits for Logan employees are reduced by amounts earned under a plan in which they were previously covered. Additionally, participants may elect to take an in-service withdrawal ("Rule of 80") if the participant has reached age 55 and 1) 20 years of service and 2) total age and years of service is equal to or greater than 80. Rule of 80 distributions are treated as normal retirement benefits. The Plan also provides other forms of benefits including disability and surviving spouse benefits.

The Normal Retirement Date, for participants hired before January 1, 1988, is the first day of the month following the participant's 65th birthday. For participants hired on or after January 1, 1988, the Normal Retirement Date is the first day of the month following the participant's 65th birthday, or, if later, the fifth anniversary of the date of hire.

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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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 ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and assumptions.

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 F.

Payment of Benefits

Benefits 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, as provided by the plan document. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

Subsequent Events

The Plan has evaluated subsequent events through October 11, 2012, the date the financial statements were available to be issued.

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE C – FUNDING POLICY**

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in the amount as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Although it has not expressed any intentions to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

**NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

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, 2011 and 2010 include:

|                  |                                                                                                                                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Method | - Projected Unit Credit in all years                                                                                                                                                                                                          |
| Discount Rate    | - 7.00% in all years                                                                                                                                                                                                                          |
| Retirement Age   | - For participants with less than 80 points or those hired after January 1, 2002, age 65. For all others the assumed retirement age is the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum 20 years of service). |
| Mortality        | - 2011 Static Mortality Table in 2011 and 2010 Static Mortality Table in 2010                                                                                                                                                                 |

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, 2011 and 2010 is as follows:

|                                                       | <u>2011</u>          | <u>2010</u>          |
|-------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits: |                      |                      |
| Vested benefits:                                      |                      |                      |
| Participants receiving benefits                       | \$ 10,377,204        | \$ 9,831,301         |
| Participants with deferred benefits                   | 3,411,298            | 3,196,956            |
| Active participants                                   | <u>4,100,267</u>     | <u>3,328,669</u>     |
|                                                       | 17,888,769           | 16,356,926           |
| Non-vested benefits                                   | <u>1,593,623</u>     | <u>2,554,656</u>     |
| Total accumulated plan benefits                       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

**FRICTION PRODUCTS CO.**  
**EMPLOYEES PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

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NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

Changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2011 and 2010 are as follows:

|                                                                           | <u>2011</u>          | <u>2010</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits at beginning of year | \$ 18,911,582        | \$ 18,458,111        |
| Increase (decrease) during the year attributable to:                      |                      |                      |
| Benefits paid                                                             | (1,043,944)          | (1,021,027)          |
| Benefits accumulated, actuarial experience and merger                     | 289,022              | 146,320              |
| Assumption changes                                                        | 37,842               | 71,242               |
| Interest                                                                  | <u>1,287,890</u>     | <u>1,256,936</u>     |
| Actuarial present value of accumulated plan benefits at end of year       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

NOTE E – UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEES

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 certifications from the Trustees 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, 2011 and 2010, respectively, 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, 2011 and 2010, respectively. The Plan's financial statements have been prepared based on this certified information.

NOTE F – INTEREST IN MASTER TRUST

The Master Trust holds certain assets of the Carlisle Companies Incorporated's defined benefit plans. SEI Private Trust Company (the "Trustee") is the trustee for the Master Trust. 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 net investment income of the investment assets is allocated by the Trustee to each participating plan on the basis indicated in Note B. At December 31, 2011, the Plan's interest in the net assets of the Master Trust was approximately 13%. As of December 31, 2010, the Plan was not invested in the Master Trust.

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 H. 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. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held during the year.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE F – INTEREST IN MASTER TRUST (Continued)

The following Statement of Net Assets Available for Benefits as of December 31, 2011 and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011 have been prepared from information which was certified by the Trustees 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.

Statement of Net Assets Available for Benefits

|                                   |                              |
|-----------------------------------|------------------------------|
| Interest and dividends receivable | \$ 656,261                   |
| Investments at fair value:        |                              |
| Fixed income mutual funds         | 175,431,956                  |
| Equity mutual funds               | <u>25,238,525</u>            |
| Total investments                 | <u>200,670,481</u>           |
| Net assets available for benefits | <u><u>\$ 201,326,742</u></u> |

Statement of Changes in Net Assets Available for Benefits

|                                                               |                              |
|---------------------------------------------------------------|------------------------------|
| Additions to net assets attributed to:                        |                              |
| Investment income:                                            |                              |
| Interest and dividends                                        | \$ 7,993,069                 |
| Net appreciation (depreciation) in fair value of investments: |                              |
| Common stocks                                                 | 1,711,805                    |
| Fixed income mutual funds                                     | 14,596,447                   |
| Equity mutual funds                                           | <u>(950,050)</u>             |
| Total investment income                                       | <u>23,351,271</u>            |
| Employer contributions                                        | 4,000,000                    |
| Transfers from other account                                  | <u>24,133,757</u>            |
| Total additions                                               | 51,485,028                   |
| Deductions from net assets attributed to:                     |                              |
| Distributions to plans                                        | 18,345,364                   |
| Administrative expenses                                       | <u>861,401</u>               |
| Total deductions                                              | <u>19,206,765</u>            |
| Net increase                                                  | 32,278,263                   |
| Net assets available for benefits:                            |                              |
| Beginning of year                                             | <u>169,048,479</u>           |
| End of year                                                   | <u><u>\$ 201,326,742</u></u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE G – INVESTMENTS**

The Plan's investments, other than its interest in the Master Trust, that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are as follows:

|                                      | <u>2011</u> | <u>2010</u>  |
|--------------------------------------|-------------|--------------|
| Pimco Total Return Fund              | \$ *        | \$ 3,949,573 |
| Federated Government Obligation Fund | *           | 3,299,233    |
| Dodge & Cox International Stock Fund | *           | 2,697,924    |
| Artio International Equity Fund      | *           | 2,410,978    |
| Pimco All Asset All Authority Fund   | *           | 1,987,292    |

\* Was not an investment as of December 31, 2011.

During the years ended December 31, 2011 and 2010, the Plan's investments, other than its interest in the Master Trust, (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

|                                    | <u>2011</u>       | <u>2010</u>         |
|------------------------------------|-------------------|---------------------|
| Mutual funds                       | \$ 445,114        | \$ 2,661,413        |
| Common stock                       | 304,743           | 896,526             |
| Hawk Corporation 8 ¾% senior notes | <u>2,810</u>      | <u>30,000</u>       |
|                                    | <u>\$ 752,667</u> | <u>\$ 3,587,939</u> |

**NOTE H – FAIR VALUE MEASUREMENTS**

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

**FRITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE H – FAIR VALUE MEASUREMENTS (Continued)

The 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 mid-year entry date value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. There have been no changes in the methodologies used at December 31, 2011 and 2010.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds, common stock, senior notes, and money market funds.

The following table sets forth by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2011:

|                    | <b>Fair Value as of December 31, 2011</b> |                |                |                       |
|--------------------|-------------------------------------------|----------------|----------------|-----------------------|
|                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
| Mutual funds:      |                                           |                |                |                       |
| Fixed income funds | \$ 175,431,956                            | \$ --          | \$ --          | \$ 175,431,956        |
| Equity funds       | <u>25,238,525</u>                         | <u>--</u>      | <u>--</u>      | <u>25,238,525</u>     |
| Total investments  | <u>\$ 200,670,481</u>                     | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 200,670,481</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets accounted for at fair value as of December 31, 2010:

|                                    | <b>Fair Value as of December 31, 2010</b> |                |                |                      |
|------------------------------------|-------------------------------------------|----------------|----------------|----------------------|
|                                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
| Mutual funds:                      |                                           |                |                |                      |
| Domestic growth                    | \$ 2,378,985                              | \$ --          | \$ --          | \$ 2,378,985         |
| International growth               | 2,410,978                                 | --             | --             | 2,410,978            |
| International value                | 2,697,924                                 | --             | --             | 2,697,924            |
| Fixed income                       | 3,949,573                                 | --             | --             | 3,949,573            |
| Multi-class                        | 1,987,292                                 | --             | --             | 1,987,292            |
| Common stock:                      |                                           |                |                |                      |
| Domestic growth                    | 2,538,591                                 | --             | --             | 2,538,591            |
| International growth               | 210,092                                   | --             | --             | 210,092              |
| Domestic value                     | 2,988,835                                 | --             | --             | 2,988,835            |
| International value                | 98,496                                    | --             | --             | 98,496               |
| Hawk Corporation 8 ¾% senior notes | 1,030,000                                 | --             | --             | 1,030,000            |
| Money market funds                 | <u>3,351,533</u>                          | <u>--</u>      | <u>--</u>      | <u>3,351,533</u>     |
| Total investments                  | <u>\$ 23,642,299</u>                      | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 23,642,299</u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE H – FAIR VALUE MEASUREMENTS (Continued)**

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.

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in Plan's interest in the Carlisle Companies Incorporated Master Trust investment income and net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

**NOTE I – TRANSACTIONS WITH PARTIES-IN-INTEREST**

At December 31, 2010, the Plan held \$1,000,000 of Hawk Corporation (Hawk) 8¾% Senior Notes which were acquired on the open market and recorded \$2,810 and \$30,000 of net appreciation in the value of these securities for the years ended December 31, 2011 and 2010, respectively. On January 10, 2011, the \$1,000,000 of Hawk 8¾% Senior Notes due 2014, which the Plan held in its investment portfolio were called by the issuer at \$1,032,810. Accordingly, this sale qualified as an allowable party-in-interest transaction.

Certain plan investments represent funds managed by the current Trustee and prior year trustee, Huntington National Bank N.A., and therefore, these transactions qualify as party-in-interest transactions that are allowable under ERISA. Fees paid to the Trustee for investment management and administrative services were \$45,073 and \$49,775, respectively, for the year ended December 31, 2011. Fees paid in the prior year to the prior year Trustee, investment managers, and other parties-in-interest for investment management and administrative services amounted to \$40,765 and \$87,552, respectively, for the year ended December 31, 2010.

**NOTE J – TERMINATION OF PLAN**

In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the 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.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE K – INCOME TAX STATUS**

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated February 4, 2011 that stated the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code (the "IRC").

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**NOTE L – 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.

***SUPPLEMENTAL SCHEDULE***

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**  
**EIN: 23-0457510, PLAN NUMBER 001**  
**December 31, 2011**

| (a)                                                 | (b)                                          | (c)               | (d)              | (g)              | (h)                                              | (i)              |
|-----------------------------------------------------|----------------------------------------------|-------------------|------------------|------------------|--------------------------------------------------|------------------|
| Identity of<br>Party Involved                       | Description<br>of asset                      | Purchase<br>Price | Selling<br>Price | Cost<br>of Asset | Current Value<br>of Asset on<br>Transaction Date | Net<br>Gain/Loss |
| <i>Single Transactions Exceeding 5% of Value</i>    |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | \$ -              | \$ 3,998,341     | \$ 4,031,007     | \$ 3,998,341                                     | \$ (32,666)      |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | -                 | 2,049,804        | 2,038,600        | 2,049,804                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |
| <i>Series of Transactions Exceeding 5% of Value</i> |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | 45,479            | 4,009,740        | 4,087,853        | 4,055,219                                        | (32,634)         |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | 13,428            | 2,049,804        | 2,052,028        | 2,063,232                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**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

**2011****This Form is Open to Public  
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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

FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN

**B** Three-digit  
plan number (PN) ▶

004

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

FRICTION PRODUCTS CO.

**D** Employer Identification Number (EIN)

34-1608009

**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 1 Day 1 Year 2011**2** Assets:

|                                | <b>2a</b>  |  |
|--------------------------------|------------|--|
| <b>a</b> Market value .....    | 23,704,827 |  |
| <b>b</b> Actuarial value ..... | 23,704,827 |  |

**3** Funding target/participant count breakdown:

|                                                                            | <b>(1) Number of participants</b> | <b>(2) Funding Target</b> |
|----------------------------------------------------------------------------|-----------------------------------|---------------------------|
| <b>a</b> For retired participants and beneficiaries receiving payment..... | 77                                | 11,159,682                |
| <b>b</b> For terminated vested participants .....                          | 121                               | 3,872,616                 |
| <b>c</b> For active participants:                                          |                                   |                           |
| <b>(1)</b> Non-vested benefits .....                                       |                                   | 1,736,667                 |
| <b>(2)</b> Vested benefits .....                                           |                                   | 4,553,147                 |
| <b>(3)</b> Total active .....                                              | 128                               | 6,289,814                 |
| <b>d</b> Total .....                                                       | 326                               | 21,322,112                |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

|                                                                                                                                                                                                                 | <b>4a</b> | <b>4b</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       |           |           |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... |           |           |

**5** Effective interest rate ..... 6.21 %**6** Target normal cost ..... 129,000**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**

Signature of actuary

MARGARET W. FUREY

Type or print name of actuary

PRIAC

P.O. BOX 2975

Firm name

HARTFORD

CT 06104-2975

Address of the firm

8/28/2012

Date

11-04849

Most recent enrollment number

(860) 534-2895

Telephone number (including area code)

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 ☐**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.****Schedule SB (Form 5500) 2011  
v.012611**

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                                                  | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                          | 0                     | 542                    |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                      | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8).....                                                                             | 0                     | 542                    |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>21.48</u> %.....                                             |                       | 116                    |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                   |                       |                        |
| <b>a</b> Present value of excess contributions (line 38 from prior year) .....                                                   |                       | 196,795                |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>6.66</u> % except as otherwise provided (see instructions)..... |                       | 13,107                 |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance.....                                     |                       | 209,902                |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                   |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections.....                                                 | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....                                      | 0                     | 658                    |

**Part III Funding percentages**

|                                                                                                                                                                           |           |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                      | <b>14</b> | 111.17 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                             | <b>15</b> | 111.17 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 103.60 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                       | <b>17</b> | %        |

**Part IV Contributions and liquidity shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals •</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 0                  |

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

|                                                                                                                        |            |   |
|------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                   | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date.....                                      | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 0 |

**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 |
|                                                            |         |         |         |

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

|                                                 |                                                |                                                           |                                                     |
|-------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                        |                                                |                                                           |                                                     |
| <b>a</b> Segment rates:                         | 1st segment:<br>3.61 %                         | 2nd segment:<br>6.20 %                                    | 3rd segment:<br>6.53 %                              |
|                                                 |                                                |                                                           | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....     |                                                |                                                           | <b>21b</b> 3                                        |
| <b>22</b> Weighted average retirement age ..... |                                                |                                                           | <b>22</b> 60                                        |
| <b>23</b> Mortality table(s) (see instructions) | <input type="checkbox"/> Prescribed - combined | <input checked="" type="checkbox"/> Prescribed - separate | <input type="checkbox"/> Substitute                 |

**Part VI Miscellaneous items**

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

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....                                    | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                  |                                                                                                                                                                                                                                                                                                                             |                   |                    |  |                     |             |                                                      |   |   |                                               |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|--|---------------------|-------------|------------------------------------------------------|---|---|-----------------------------------------------|---|---|
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                          | <b>31a</b>                                                                                                                                                                                                                                                                                                                  | 129,000           |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>b</b> Excess assets, if applicable, but not greater than 31a .....                                                                                                               | <b>31b</b>                                                                                                                                                                                                                                                                                                                  | 129,000           |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>32</b> Amortization installments:                                                                                                                                                | <table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>b</b> Waiver amortization installment.....</td> <td>0</td> <td>0</td> </tr> </tbody> </table> |                   |                    |  | Outstanding Balance | Installment | <b>a</b> Net shortfall amortization installment..... | 0 | 0 | <b>b</b> Waiver amortization installment..... | 0 | 0 |
|                                                                                                                                                                                     | Outstanding Balance                                                                                                                                                                                                                                                                                                         | Installment       |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                | 0                                                                                                                                                                                                                                                                                                                           | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>b</b> Waiver amortization installment.....                                                                                                                                       | 0                                                                                                                                                                                                                                                                                                                           | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>33</b> 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..... | <b>33</b>                                                                                                                                                                                                                                                                                                                   |                   |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                           | <b>34</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
|                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                             | Carryover balance | Prefunding balance |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                              | 0                                                                                                                                                                                                                                                                                                                           | 0                 | 0                  |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                  | <b>36</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                  | <b>37</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                 |                                                                                                                                                                                                                                                                                                                             |                   |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                      | <b>38a</b>                                                                                                                                                                                                                                                                                                                  | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                               | <b>38b</b>                                                                                                                                                                                                                                                                                                                  | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                     | <b>39</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                  | <b>40</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                               |   |   |

**Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)**

|                                                                                                                 |                                                                                                                         |  |  |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule: |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                                 | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....                                | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                                               | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years .....                  | <b>43</b>                                                                                                               |  |  |

**Friction Products Company Employees Pension Plan**  
**EIN/PN 34-1608009 004**  
**Attachment to 2011 Schedule SB (Form 5500)**  
**Line 22 - Description of Weighted Average Retirement Age**

| <u>Age</u> | <u>Probability</u> | <u>Percent<br/>Retiring</u> | <u>Percent<br/>Remaining</u> | <u>Result</u> |
|------------|--------------------|-----------------------------|------------------------------|---------------|
| 55         | 31.3%              | 0.31                        | 0.69                         | 17.19         |
| 56         | 9.1%               | 0.06                        | 0.63                         | 3.50          |
| 57         | 2.5%               | 0.02                        | 0.61                         | 0.89          |
| 58         | 10.3%              | 0.06                        | 0.55                         | 3.63          |
| 59         | 7.1%               | 0.04                        | 0.51                         | 2.30          |
| 60         | 12.3%              | 0.06                        | 0.45                         | 3.75          |
| 61         | 7.0%               | 0.03                        | 0.41                         | 1.91          |
| 62         | 3.8%               | 0.02                        | 0.40                         | 0.97          |
| 63         | 3.9%               | 0.02                        | 0.38                         | 0.98          |
| 64         | 0.0%               | 0.00                        | 0.38                         | 0.00          |
| 65         | 100.0%             | 0.38                        | 0.00                         | 24.88         |

60.000000

**Weighted-Average Retirement Age for line 22 of Schedule SB      60.00**

## Actuarial Cost Method

### ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in "Plan Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent Changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 3 months prior to the valuation date.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section for additional detail.

### ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

Funds invested in the General Accounts  
of an insurance company.

Stated contract value of funds

Funds invested in insurance company  
Separate Accounts.

Market Value

## Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

**Mortality:**

*Funding:*

Male: The IRS 2011 Static Mortality Table (male)

Female: The IRS 2011 Static Mortality Table (female)

*Accounting:*

Male: The IRS 2011 Static Mortality Table (male)

Female: The IRS 2011 Static Mortality Table (female)

**Termination:**

Not Applicable

**Retirement Age:**

Age 65 for Active Participants with less than 80 points or those hired after January 1, 2002. For all other Active Participants, the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum service 20). Age 65 for Vested Terminated Participants.

**Investment Return:**

*Funding:*

Non-transitional segment rates with a 1 month look-back:

October 2010 rates, 3.61%, 6.20%, and 6.53%.

*Accounting:*

7.00% per annum, compounded annually, net of investment and contract fees.

**Estimated Expenses:**

\$129,000

**Salary Scale:**

None

**Social Security**

*Primary Insurance Amount*

Not Applicable

*Covered Compensation*

Not Available

**Survivor's Benefit:**

Not Applicable

**Disability:**

Not Applicable

## Plan Provisions

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earnings</b>                  | W-2 Earnings maximized at \$200,000 as indexed. Effective 5/31/2006, the Plan froze.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Final Earnings</b>            | The average of the highest three consecutive years out of the last six.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Service</b>                   | Prior to January 1, 1987, Service is determined in accordance with the Plan in effect on December 31, 1986. Beginning January 1, 1987, an employee shall be credited with one year of Service for each Plan Year during which he has 1,000 hours.                                                                                                                                                                                                                                                       |
| <b>Credited Service</b>          | Credited Service prior to August 1, 1976: a Participant's Credited Service shall be based on his Service. Beginning August 1, 1976, a Participant shall earn one year of Credited Service for each Plan Year in which he has at least 1,000 hours of Service.<br>Effective 5/31/2006, the Plan froze, and there will be no future accruals.                                                                                                                                                             |
| <b>Form of Annuity</b>           | Life annuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Normal Retirement Date</b>    | Age 65 or the date that an active Participant completes 20 or more years of service and his/her age plus service equals 80 or more.                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Participation Eligibility</b> | One year of Service, hired prior to January 1, 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Benefit Formula</b>           | Accrued Benefit to 12/31/1988: 35% of the first \$24,000 plus 50% in excess multiplied by Credited Service to 12/31/1988.<br><br>Accrued Benefit after 12/31/1988: 45% of compensation multiplied by Credited Service after 12/31/1988.<br>All retirement benefits are to be prorated for Service before and after 12/31/1988 and shall be reduced by 6 $\frac{2}{3}$ % for each year of Service less than 15 at retirement. Effective 5/31/2006, the Plan froze, and there will be no future accruals. |
| <b>Income Payable</b>            | Amount described in (a) or (b) below, whichever applies:<br><br>a. If a Participant has a spouse as of retirement date and does not elect otherwise, retirement benefits will be paid on the basis of a Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula, multiplied by the appropriate factor.                                                                                                                                             |

## Plan Provisions

### Income Payable (cont'd)

- b. If a Participant either has no spouse as of his retirement date, or elects to receive income under the Normal Form, retirement income will be the amount determined under the benefit formula.

### Early Eligibility

Age 60 and the completion of 10 years of Service.

### Special Early Retirement

For Participants hired before January 1, 2002, beginning at age 55 with 20 or more years of Service, if the sum of age plus service equals 80 or more. The accrued benefit is unreduced, and commences immediately.

### Early Benefit Amount

Benefit accrued to Early Retirement Date, reduced by 7.2% per year that Early Retirement Date precedes Normal Retirement Date.

### Vesting Schedule

Completion of five years of Service. Effective 5/31/2006 all active Participants became 100% vested.

### Vested Benefit

Benefit accrued to date of termination, payable at Normal Retirement Date.

### Preretirement Spouse Benefit

#### A. Eligibility

Eligible for Early Retirement, married.

#### Benefit Formula

50% of the pension benefit accrued to date of death, reduced by the appropriate early retirement and joint and survivor factors.

#### B. Eligibility

Eligible for vesting but not eligible for early retirement, married.

#### Benefit Formula

50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased participant and reduced by the appropriate early retirement and joint and survivor factors.

### Disability Benefit

#### A. Eligibility

Permanent and total disability occurring while as active participant, provided that the participant's age plus service equals 65 or more.

#### Benefit Formula

Benefit accrued to date of Disability.

## Distribution of Active Participants by Age and Service

### Number of Active Employees as of January 1, 2011 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             | Total |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> |       |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |       |
| 25-29           |                           | 1          |            |              |              |              |              |              |              |             | 1     |
| 30-34           |                           | 3          | 2          |              |              |              |              |              |              |             | 5     |
| 35-39           |                           | 6          | 11         | 6            |              |              |              |              |              |             | 23    |
| 40-44           |                           | 4          | 13         | 4            | 4            |              |              |              |              |             | 25    |
| 45-49           |                           | 3          | 9          | 1            | 4            |              | 1            |              |              |             | 18    |
| 50-54           |                           | 5          | 10         | 6            | 2            | 3            | 8            |              |              |             | 34    |
| 55-59           |                           | 6          | 5          | 1            | 1            |              |              |              |              |             | 13    |
| 60-64           |                           | 4          | 3          |              | 1            |              |              |              |              |             | 8     |
| 65-69           |                           |            |            | 1            |              |              |              |              |              |             | 1     |
| 70 +            |                           |            |            |              |              |              |              |              |              |             |       |
| Total           |                           | 32         | 53         | 19           | 12           | 3            | 9            |              |              |             | 128   |

**Section IV****Minimum Contribution Amortization**

The prior year amortization values and the development of the amortization for the 2011 plan year are shown below.

**I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2010             | 0                  | N/A              | 0                    |
| 2009             | 0                  | N/A              | 0                    |
| 2008             | 0                  | N/A              | 0                    |
| 2007             | 0                  | N/A              | 0                    |
| 2006             | 0                  | N/A              | 0                    |
| 2005             | 0                  | N/A              | 0                    |
|                  | <b>\$0</b>         |                  | <b>\$ 0</b>          |

**II. Current Year Amortization**

|                                                              |          |
|--------------------------------------------------------------|----------|
| Exemption from Current Year Amortization                     | Yes      |
| 1. Funding Shortfall to be amortized                         | \$0      |
| 2. Present Value of Prior Year Amortization Installments     | 0        |
| 3. Current Year Amortization Base<br>(1 - 2)                 | 0        |
| 4. Shortfall Amortization Factor                             | 0.000000 |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | 0        |
| 6. Sum of Prior Year Amortization Installments               | 0        |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$0      |

**Friction Products Company Employees Pension Plan**  
**EIN/PN 34-1608009 004**  
**Attachment to 2011 Schedule SB (Form 5500)**  
**Line 22 - Description of Weighted Average Retirement Age**

| <u>Age</u> | <u>Probability</u> | <u>Percent<br/>Retiring</u> | <u>Percent<br/>Remaining</u> | <u>Result</u> |
|------------|--------------------|-----------------------------|------------------------------|---------------|
| 55         | 31.3%              | 0.31                        | 0.69                         | 17.19         |
| 56         | 9.1%               | 0.06                        | 0.63                         | 3.50          |
| 57         | 2.5%               | 0.02                        | 0.61                         | 0.89          |
| 58         | 10.3%              | 0.06                        | 0.55                         | 3.63          |
| 59         | 7.1%               | 0.04                        | 0.51                         | 2.30          |
| 60         | 12.3%              | 0.06                        | 0.45                         | 3.75          |
| 61         | 7.0%               | 0.03                        | 0.41                         | 1.91          |
| 62         | 3.8%               | 0.02                        | 0.40                         | 0.97          |
| 63         | 3.9%               | 0.02                        | 0.38                         | 0.98          |
| 64         | 0.0%               | 0.00                        | 0.38                         | 0.00          |
| 65         | 100.0%             | 0.38                        | 0.00                         | 24.88         |

60.000000

**Weighted-Average Retirement Age for line 22 of Schedule SB      60.00**

## Actuarial Cost Method

### ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent Changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 3 months prior to the valuation date.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section for additional detail.

### ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

Funds invested in the General Accounts  
of an insurance company.

Stated contract value of funds

Funds invested in insurance company  
Separate Accounts.

Market Value

## Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

**Mortality:**

*Funding:*

Male: The IRS 2011 Static Mortality Table (male)  
Female: The IRS 2011 Static Mortality Table (female)

*Accounting:*

Male: The IRS 2011 Static Mortality Table (male)  
Female: The IRS 2011 Static Mortality Table (female)

**Termination:**

Not Applicable

**Retirement Age:**

Age 65 for Active Participants with less than 80 points or those hired after January 1, 2002. For all other Active Participants, the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum service 20). Age 65 for Vested Terminated Participants.

**Investment Return:**

*Funding:*

Non-transitional segment rates with a 1 month look-back:  
October 2010 rates, 3.61%, 6.20%, and 6.53%.

*Accounting:*

7.00% per annum, compounded annually, net of investment and contract fees.

**Estimated Expenses:**

\$129,000

**Salary Scale:**

None

**Social Security**

*Primary Insurance Amount*

Not Applicable

*Covered Compensation*

Not Available

**Survivor's Benefit:**

Not Applicable

**Disability:**

Not Applicable

## Plan Provisions

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earnings</b>                  | W-2 Earnings maximized at \$200,000 as indexed. Effective 5/31/2006, the Plan froze.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Final Earnings</b>            | The average of the highest three consecutive years out of the last six.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Service</b>                   | Prior to January 1, 1987, Service is determined in accordance with the Plan in effect on December 31, 1986. Beginning January 1, 1987, an employee shall be credited with one year of Service for each Plan Year during which he has 1,000 hours.                                                                                                                                                                                                                                                      |
| <b>Credited Service</b>          | Credited Service prior to August 1, 1976: a Participant's Credited Service shall be based on his Service. Beginning August 1, 1976, a Participant shall earn one year of Credited Service for each Plan Year in which he has at least 1,000 hours of Service.<br>Effective 5/31/2006, the Plan froze, and there will be no future accruals.                                                                                                                                                            |
| <b>Form of Annuity</b>           | Life annuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Normal Retirement Date</b>    | Age 65 or the date that an active Participant completes 20 or more years of service and his/her age plus service equals 80 or more.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Participation Eligibility</b> | One year of Service, hired prior to January 1, 2004.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Benefit Formula</b>           | Accrued Benefit to 12/31/1988: 35% of the first \$24,000 plus 50% in excess multiplied by Credited Service to 12/31/1988.<br><br>Accrued Benefit after 12/31/1988: 45% of compensation multiplied by Credited Service after 12/31/1988.<br>All retirement benefits are to be prorated for Service before and after 12/31/1988 and shall be reduced by $6\frac{2}{3}\%$ for each year of Service less than 15 at retirement. Effective 5/31/2006, the Plan froze, and there will be no future accruals. |
| <b>Income Payable</b>            | Amount described in (a) or (b) below, whichever applies: <ol style="list-style-type: none"> <li>If a Participant has a spouse as of retirement date and does not elect otherwise, retirement benefits will be paid on the basis of a Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula, multiplied by the appropriate factor.</li> </ol>                                                                                                    |

## Plan Provisions

|                                     |                                                                                                                                                                                                                                       |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Income Payable (cont'd)</b>      | b. If a Participant either has no spouse as of his retirement date, or elects to receive income under the Normal Form, retirement income will be the amount determined under the benefit formula.                                     |
| <b>Early Eligibility</b>            | Age 60 and the completion of 10 years of Service.                                                                                                                                                                                     |
| <b>Special Early Retirement</b>     | For Participants hired before January 1, 2002, beginning at age 55 with 20 or more years of Service, if the sum of age plus service equals 80 or more. The accrued benefit is unreduced, and commences immediately.                   |
| <b>Early Benefit Amount</b>         | Benefit accrued to Early Retirement Date, reduced by 7.2% per year that Early Retirement Date precedes Normal Retirement Date.                                                                                                        |
| <b>Vesting Schedule</b>             | Completion of five years of Service. Effective 5/31/2006 all active Participants became 100% vested.                                                                                                                                  |
| <b>Vested Benefit</b>               | Benefit accrued to date of termination, payable at Normal Retirement Date.                                                                                                                                                            |
| <b>Preretirement Spouse Benefit</b> |                                                                                                                                                                                                                                       |
| <i>A. Eligibility</i>               | Eligible for Early Retirement, married.                                                                                                                                                                                               |
| <i>Benefit Formula</i>              | 50% of the pension benefit accrued to date of death, reduced by the appropriate early retirement and joint and survivor factors.                                                                                                      |
| <i>B. Eligibility</i>               | Eligible for vesting but not eligible for early retirement, married.                                                                                                                                                                  |
| <i>Benefit Formula</i>              | 50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased participant and reduced by the appropriate early retirement and joint and survivor factors. |
| <b>Disability Benefit</b>           |                                                                                                                                                                                                                                       |
| <i>A. Eligibility</i>               | Permanent and total disability occurring while as active participant, provided that the participant's age plus service equals 65 or more.                                                                                             |
| <i>Benefit Formula</i>              | Benefit accrued to date of Disability.                                                                                                                                                                                                |

## Distribution of Active Participants by Age and Service

### Number of Active Employees as of January 1, 2011 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             |              |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> | <u>Total</u> |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |              |
| 25-29           |                           | 1          |            |              |              |              |              |              |              |             | 1            |
| 30-34           |                           | 3          | 2          |              |              |              |              |              |              |             | 5            |
| 35-39           |                           | 6          | 11         | 6            |              |              |              |              |              |             | 23           |
| 40-44           |                           | 4          | 13         | 4            | 4            |              |              |              |              |             | 25           |
| 45-49           |                           | 3          | 9          | 1            | 4            |              | 1            |              |              |             | 18           |
| 50-54           |                           | 5          | 10         | 6            | 2            | 3            | 8            |              |              |             | 34           |
| 55-59           |                           | 6          | 5          | 1            | 1            |              |              |              |              |             | 13           |
| 60-64           |                           | 4          | 3          |              | 1            |              |              |              |              |             | 8            |
| 65-69           |                           |            |            | 1            |              |              |              |              |              |             | 1            |
| 70 +            |                           |            |            |              |              |              |              |              |              |             |              |
| Total           |                           | 32         | 53         | 19           | 12           | 3            | 9            |              |              |             | 128          |

**Section IV****Minimum Contribution Amortization**

The prior year amortization values and the development of the amortization for the 2011 plan year are shown below.

**I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2010             | 0                  | N/A              | 0                    |
| 2009             | 0                  | N/A              | 0                    |
| 2008             | 0                  | N/A              | 0                    |
| 2007             | 0                  | N/A              | 0                    |
| 2006             | 0                  | N/A              | 0                    |
| 2005             | 0                  | N/A              | 0                    |
|                  | <b>\$0</b>         |                  | <b>\$ 0</b>          |

**II. Current Year Amortization**

|                                                              |          |
|--------------------------------------------------------------|----------|
| Exemption from Current Year Amortization                     | Yes      |
| 1. Funding Shortfall to be amortized                         | \$0      |
| 2. Present Value of Prior Year Amortization Installments     | 0        |
| 3. Current Year Amortization Base<br>(1 - 2)                 | 0        |
| 4. Shortfall Amortization Factor                             | 0.000000 |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | 0        |
| 6. Sum of Prior Year Amortization Installments               | 0        |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$0      |

***Friction Products Co.  
Employees Pension Plan***

*Financial Statements*

*Years Ended December 31, 2011 and 2010*

## ***FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN***

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### ***SUPPLEMENTAL SCHEDULE***

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Note: Schedule H, Line 4i – Schedule of Assets (Held at End of Year), required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), has not been presented because the Friction Products Co. Employees Pension Plan's only investment is in the Carlisle Companies Incorporated Master Retirement Trust.



## INDEPENDENT AUDITORS' REPORT

To the Pension and Benefits Committee of the Board of Directors  
of Carlisle Companies Incorporated and the Participants of the  
Friction Products Co. Employees Pension Plan

We were engaged to audit the financial statements of the Friction Products Co. Employees Pension Plan (the "Plan") as of December 31, 2011 and for the year then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were reported on by other auditors. 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 ("ERISA"), the plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, 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 and Huntington National Bank N.A., the trustees 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 Huntington National Bank N.A. held the Plan's investment assets and executed investment transactions from January 1, 2010 to May 13, 2011 and that SEI Private Trust Company held the Plan's investment assets and executed investment transactions from April 5, 2011 to December 31, 2011. The plan administrator has obtained a certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the plan administrator by the trustees 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 2011 financial statements taken as a whole. The form and content of the information included in the 2011 financial statements, other than that derived from the information certified by the trustees, 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 ERISA.

*Dixon Hughes Goodman LLP*

Charlotte, North Carolina  
October 11, 2012

Page 1

**FRICITION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2011 and 2010**

---

|                                                  | <u>2011</u>                 | <u>2010</u>                 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| ASSETS                                           |                             |                             |
| Investments, at fair value:                      |                             |                             |
| Plan interest in Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust                          | \$ 25,828,989               | \$ -                        |
| Common stocks                                    | -                           | 5,836,014                   |
| Hawk Corporation 8 3/4% senior notes             | -                           | 1,030,000                   |
| Mutual funds                                     | -                           | 13,424,752                  |
| Money market funds                               | -                           | 3,351,533                   |
|                                                  | <u>25,828,989</u>           | <u>23,642,299</u>           |
| Cash, non-interest bearing                       | -                           | 79,629                      |
| Receivables                                      |                             |                             |
| Interest and dividends                           | <u>-</u>                    | <u>59,718</u>               |
| TOTAL ASSETS                                     | 25,828,989                  | 23,781,646                  |
| LIABILITIES                                      |                             |                             |
| Due to broker                                    | <u>-</u>                    | <u>79,629</u>               |
| NET ASSETS AVAILABLE FOR BENEFITS                | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Years Ended December 31, 2011 and 2010**

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|                                                      | <u>2011</u>                 | <u>2010</u>                 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO:               |                             |                             |
| Investment income:                                   |                             |                             |
| Plan interest in the Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust investment income            | \$ 2,531,969                | \$ -                        |
| Interest and dividends                               | 66,046                      | 682,858                     |
| Net appreciation in fair value of investments        | 752,667                     | 3,587,939                   |
| Employer contribution                                | -                           | 200,196                     |
| Other income                                         | -                           | 110                         |
| TOTAL ADDITIONS                                      | <u>3,350,682</u>            | <u>4,471,103</u>            |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:            |                             |                             |
| Pension benefits paid                                | 1,128,862                   | 1,043,944                   |
| Administrative expenses                              | <u>94,848</u>               | <u>128,317</u>              |
| TOTAL DEDUCTIONS                                     | <u>1,223,710</u>            | <u>1,172,261</u>            |
| NET INCREASE                                         | 2,126,972                   | 3,298,842                   |
| NET ASSETS AVAILABLE FOR BENEFITS:                   |                             |                             |
| BEGINNING OF YEAR                                    | <u>23,702,017</u>           | <u>20,403,175</u>           |
| END OF YEAR                                          | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE A – PLAN DESCRIPTION

The following description of the Friction Products Co. Employees Pension Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan sponsored and administered by Friction Products Co. (the "Company"). SEI Private Trust Company is the trustee of the Plan, and together with investment managers, manages the Plan's investments as of December 31, 2011 and for the period from May 13, 2011 to December 31, 2011. Huntington National Bank N.A. served as the trustee and together with investment managers, managed the Plan's investments as of December 31, 2010 and for the period January 1, 2010 to May 13, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

During 2010, the Company was acquired by Carlisle Companies Incorporated, and the Plan is subject to the governance of the Pension and Benefits Committee of the Board of Directors of Carlisle Companies Incorporated.

Eligibility

To be eligible, a person must be a full-time employee of the Company or a non-union employee of Logan Metal Stampings, Inc. ("Logan"), an affiliated company, hired prior to January 1, 2004. Effective June 1, 2006, the Plan was frozen. No new participants may enter the Plan and no further benefit accruals are earned. At that date, all participants became fully vested in their accrued benefit.

Pension Benefits

Benefits for normal retirement are calculated based upon earnings and years of service. Benefits for Logan employees are reduced by amounts earned under a plan in which they were previously covered. Additionally, participants may elect to take an in-service withdrawal ("Rule of 80") if the participant has reached age 55 and 1) 20 years of service and 2) total age and years of service is equal to or greater than 80. Rule of 80 distributions are treated as normal retirement benefits. The Plan also provides other forms of benefits including disability and surviving spouse benefits.

The Normal Retirement Date, for participants hired before January 1, 1988, is the first day of the month following the participant's 65th birthday. For participants hired on or after January 1, 1988, the Normal Retirement Date is the first day of the month following the participant's 65th birthday, or, if later, the fifth anniversary of the date of hire.

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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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 ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and assumptions.

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 F.

Payment of Benefits

Benefits 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, as provided by the plan document. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

Subsequent Events

The Plan has evaluated subsequent events through October 11, 2012, the date the financial statements were available to be issued.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE C – FUNDING POLICY**

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in the amount as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Although it has not expressed any intentions to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

**NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

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, 2011 and 2010 include:

|                  |                                                                                                                                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Method | - Projected Unit Credit in all years                                                                                                                                                                                                          |
| Discount Rate    | - 7.00% in all years                                                                                                                                                                                                                          |
| Retirement Age   | - For participants with less than 80 points or those hired after January 1, 2002, age 65. For all others the assumed retirement age is the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum 20 years of service). |
| Mortality        | - 2011 Static Mortality Table in 2011 and 2010 Static Mortality Table in 2010                                                                                                                                                                 |

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, 2011 and 2010 is as follows:

|                                                       | <u>2011</u>          | <u>2010</u>          |
|-------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits: |                      |                      |
| Vested benefits:                                      |                      |                      |
| Participants receiving benefits                       | \$ 10,377,204        | \$ 9,831,301         |
| Participants with deferred benefits                   | 3,411,298            | 3,196,956            |
| Active participants                                   | <u>4,100,267</u>     | <u>3,328,669</u>     |
|                                                       | 17,888,769           | 16,356,926           |
| Non-vested benefits                                   | <u>1,593,623</u>     | <u>2,554,656</u>     |
| Total accumulated plan benefits                       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

**FRICTION PRODUCTS CO.**  
**EMPLOYEES PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

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NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

Changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2011 and 2010 are as follows:

|                                                                           | <u>2011</u>          | <u>2010</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits at beginning of year | \$ 18,911,582        | \$ 18,458,111        |
| Increase (decrease) during the year attributable to:                      |                      |                      |
| Benefits paid                                                             | (1,043,944)          | (1,021,027)          |
| Benefits accumulated, actuarial experience and merger                     | 289,022              | 146,320              |
| Assumption changes                                                        | 37,842               | 71,242               |
| Interest                                                                  | <u>1,287,890</u>     | <u>1,256,936</u>     |
| Actuarial present value of accumulated plan benefits at end of year       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

NOTE E – UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEES

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 certifications from the Trustees 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, 2011 and 2010, respectively, 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, 2011 and 2010, respectively. The Plan's financial statements have been prepared based on this certified information.

NOTE F – INTEREST IN MASTER TRUST

The Master Trust holds certain assets of the Carlisle Companies Incorporated's defined benefit plans. SEI Private Trust Company (the "Trustee") is the trustee for the Master Trust. 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 net investment income of the investment assets is allocated by the Trustee to each participating plan on the basis indicated in Note B. At December 31, 2011, the Plan's interest in the net assets of the Master Trust was approximately 13%. As of December 31, 2010, the Plan was not invested in the Master Trust.

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 H. 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. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held during the year.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE F – INTEREST IN MASTER TRUST (Continued)

The following Statement of Net Assets Available for Benefits as of December 31, 2011 and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011 have been prepared from information which was certified by the Trustees 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.

Statement of Net Assets Available for Benefits

|                                   |                       |
|-----------------------------------|-----------------------|
| Interest and dividends receivable | \$ 656,261            |
| Investments at fair value:        |                       |
| Fixed income mutual funds         | 175,431,956           |
| Equity mutual funds               | <u>25,238,525</u>     |
| Total investments                 | <u>200,670,481</u>    |
| Net assets available for benefits | <u>\$ 201,326,742</u> |

Statement of Changes in Net Assets Available for Benefits

|                                                               |                       |
|---------------------------------------------------------------|-----------------------|
| Additions to net assets attributed to:                        |                       |
| Investment income:                                            |                       |
| Interest and dividends                                        | \$ 7,993,069          |
| Net appreciation (depreciation) in fair value of investments: |                       |
| Common stocks                                                 | 1,711,805             |
| Fixed income mutual funds                                     | 14,596,447            |
| Equity mutual funds                                           | <u>(950,050)</u>      |
| Total investment income                                       | <u>23,351,271</u>     |
| Employer contributions                                        | 4,000,000             |
| Transfers from other account                                  | <u>24,133,757</u>     |
| Total additions                                               | 51,485,028            |
| Deductions from net assets attributed to:                     |                       |
| Distributions to plans                                        | 18,345,364            |
| Administrative expenses                                       | <u>861,401</u>        |
| Total deductions                                              | <u>19,206,765</u>     |
| Net increase                                                  | 32,278,263            |
| Net assets available for benefits:                            |                       |
| Beginning of year                                             | <u>169,048,479</u>    |
| End of year                                                   | <u>\$ 201,326,742</u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE G – INVESTMENTS**

The Plan's investments, other than its interest in the Master Trust, that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are as follows:

|                                      | <u>2011</u> | <u>2010</u>  |
|--------------------------------------|-------------|--------------|
| Pimco Total Return Fund              | \$ *        | \$ 3,949,573 |
| Federated Government Obligation Fund | *           | 3,299,233    |
| Dodge & Cox International Stock Fund | *           | 2,697,924    |
| Artio International Equity Fund      | *           | 2,410,978    |
| Pimco All Asset All Authority Fund   | *           | 1,987,292    |

\* Was not an investment as of December 31, 2011.

During the years ended December 31, 2011 and 2010, the Plan's investments, other than its interest in the Master Trust, (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

|                                    | <u>2011</u>       | <u>2010</u>         |
|------------------------------------|-------------------|---------------------|
| Mutual funds                       | \$ 445,114        | \$ 2,661,413        |
| Common stock                       | 304,743           | 896,526             |
| Hawk Corporation 8 ¾% senior notes | <u>2,810</u>      | <u>30,000</u>       |
|                                    | <u>\$ 752,667</u> | <u>\$ 3,587,939</u> |

**NOTE H – FAIR VALUE MEASUREMENTS**

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE H – FAIR VALUE MEASUREMENTS (Continued)

The 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 mid-year entry date value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. There have been no changes in the methodologies used at December 31, 2011 and 2010.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds, common stock, senior notes, and money market funds.

The following table sets forth by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2011:

|                    | <b>Fair Value as of December 31, 2011</b> |                |                |                       |
|--------------------|-------------------------------------------|----------------|----------------|-----------------------|
|                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
| Mutual funds:      |                                           |                |                |                       |
| Fixed income funds | \$ 175,431,956                            | \$ --          | \$ --          | \$ 175,431,956        |
| Equity funds       | <u>25,238,525</u>                         | <u>--</u>      | <u>--</u>      | <u>25,238,525</u>     |
| Total investments  | <u>\$ 200,670,481</u>                     | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 200,670,481</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets accounted for at fair value as of December 31, 2010:

|                                    | <b>Fair Value as of December 31, 2010</b> |                |                |                      |
|------------------------------------|-------------------------------------------|----------------|----------------|----------------------|
|                                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
| Mutual funds:                      |                                           |                |                |                      |
| Domestic growth                    | \$ 2,378,985                              | \$ --          | \$ --          | \$ 2,378,985         |
| International growth               | 2,410,978                                 | --             | --             | 2,410,978            |
| International value                | 2,697,924                                 | --             | --             | 2,697,924            |
| Fixed income                       | 3,949,573                                 | --             | --             | 3,949,573            |
| Multi-class                        | 1,987,292                                 | --             | --             | 1,987,292            |
| Common stock:                      |                                           |                |                |                      |
| Domestic growth                    | 2,538,591                                 | --             | --             | 2,538,591            |
| International growth               | 210,092                                   | --             | --             | 210,092              |
| Domestic value                     | 2,988,835                                 | --             | --             | 2,988,835            |
| International value                | 98,496                                    | --             | --             | 98,496               |
| Hawk Corporation 8 ¾% senior notes | 1,030,000                                 | --             | --             | 1,030,000            |
| Money market funds                 | <u>3,351,533</u>                          | <u>--</u>      | <u>--</u>      | <u>3,351,533</u>     |
| Total investments                  | <u>\$ 23,642,299</u>                      | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 23,642,299</u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE H – FAIR VALUE MEASUREMENTS (Continued)**

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.

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in Plan's interest in the Carlisle Companies Incorporated Master Trust investment income and net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

**NOTE I – TRANSACTIONS WITH PARTIES-IN-INTEREST**

At December 31, 2010, the Plan held \$1,000,000 of Hawk Corporation (Hawk) 8¾% Senior Notes which were acquired on the open market and recorded \$2,810 and \$30,000 of net appreciation in the value of these securities for the years ended December 31, 2011 and 2010, respectively. On January 10, 2011, the \$1,000,000 of Hawk 8¾% Senior Notes due 2014, which the Plan held in its investment portfolio were called by the issuer at \$1,032,810. Accordingly, this sale qualified as an allowable party-in-interest transaction.

Certain plan investments represent funds managed by the current Trustee and prior year trustee, Huntington National Bank N.A., and therefore, these transactions qualify as party-in-interest transactions that are allowable under ERISA. Fees paid to the Trustee for investment management and administrative services were \$45,073 and \$49,775, respectively, for the year ended December 31, 2011. Fees paid in the prior year to the prior year Trustee, investment managers, and other parties-in-interest for investment management and administrative services amounted to \$40,765 and \$87,552, respectively, for the year ended December 31, 2010.

**NOTE J – TERMINATION OF PLAN**

In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the 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.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE K – INCOME TAX STATUS**

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated February 4, 2011 that stated the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code (the "IRC").

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**NOTE L – 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.

***SUPPLEMENTAL SCHEDULE***

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**  
**EIN: 23-0457510, PLAN NUMBER 001**  
**December 31, 2011**

| (a)                                                 | (b)                                          | (c)               | (d)              | (g)              | (h)                                              | (i)              |
|-----------------------------------------------------|----------------------------------------------|-------------------|------------------|------------------|--------------------------------------------------|------------------|
| Identity of<br>Party Involved                       | Description<br>of asset                      | Purchase<br>Price | Selling<br>Price | Cost<br>of Asset | Current Value<br>of Asset on<br>Transaction Date | Net<br>Gain/Loss |
| <i>Single Transactions Exceeding 5% of Value</i>    |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | \$ -              | \$ 3,998,341     | \$ 4,031,007     | \$ 3,998,341                                     | \$ (32,666)      |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | -                 | 2,049,804        | 2,038,600        | 2,049,804                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |
| <i>Series of Transactions Exceeding 5% of Value</i> |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | 45,479            | 4,009,740        | 4,087,853        | 4,055,219                                        | (32,634)         |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | 13,428            | 2,049,804        | 2,052,028        | 2,063,232                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |

***Friction Products Co.  
Employees Pension Plan***

*Financial Statements*

*Years Ended December 31, 2011 and 2010*

## ***FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN***

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### ***SUPPLEMENTAL SCHEDULE***

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Note: Schedule H, Line 4i – Schedule of Assets (Held at End of Year), required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), has not been presented because the Friction Products Co. Employees Pension Plan's only investment is in the Carlisle Companies Incorporated Master Retirement Trust.



## INDEPENDENT AUDITORS' REPORT

To the Pension and Benefits Committee of the Board of Directors  
of Carlisle Companies Incorporated and the Participants of the  
Friction Products Co. Employees Pension Plan

We were engaged to audit the financial statements of the Friction Products Co. Employees Pension Plan (the "Plan") as of December 31, 2011 and for the year then ended, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management. The financial statements as of December 31, 2010, were reported on by other auditors. 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 ("ERISA"), the plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 13, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, 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 and Huntington National Bank N.A., the trustees 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 Huntington National Bank N.A. held the Plan's investment assets and executed investment transactions from January 1, 2010 to May 13, 2011 and that SEI Private Trust Company held the Plan's investment assets and executed investment transactions from April 5, 2011 to December 31, 2011. The plan administrator has obtained a certifications from the trustees as of December 31, 2011 and for the year then ended, that the information provided to the plan administrator by the trustees 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 2011 financial statements taken as a whole. The form and content of the information included in the 2011 financial statements, other than that derived from the information certified by the trustees, 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 ERISA.

*Dixon Hughes Goodman LLP*

Charlotte, North Carolina  
October 11, 2012

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**FRICITION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2011 and 2010**

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|                                                  | <u>2011</u>                 | <u>2010</u>                 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| ASSETS                                           |                             |                             |
| Investments, at fair value:                      |                             |                             |
| Plan interest in Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust                          | \$ 25,828,989               | \$ -                        |
| Common stocks                                    | -                           | 5,836,014                   |
| Hawk Corporation 8 3/4% senior notes             | -                           | 1,030,000                   |
| Mutual funds                                     | -                           | 13,424,752                  |
| Money market funds                               | -                           | 3,351,533                   |
|                                                  | <u>25,828,989</u>           | <u>23,642,299</u>           |
| Cash, non-interest bearing                       | -                           | 79,629                      |
| Receivables                                      |                             |                             |
| Interest and dividends                           | <u>-</u>                    | <u>59,718</u>               |
| TOTAL ASSETS                                     | 25,828,989                  | 23,781,646                  |
| LIABILITIES                                      |                             |                             |
| Due to broker                                    | <u>-</u>                    | <u>79,629</u>               |
| NET ASSETS AVAILABLE FOR BENEFITS                | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Years Ended December 31, 2011 and 2010**

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|                                                      | <u>2011</u>                 | <u>2010</u>                 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO:               |                             |                             |
| Investment income:                                   |                             |                             |
| Plan interest in the Carlisle Companies Incorporated |                             |                             |
| Master Retirement Trust investment income            | \$ 2,531,969                | \$ -                        |
| Interest and dividends                               | 66,046                      | 682,858                     |
| Net appreciation in fair value of investments        | 752,667                     | 3,587,939                   |
| Employer contribution                                | -                           | 200,196                     |
| Other income                                         | -                           | 110                         |
| TOTAL ADDITIONS                                      | <u>3,350,682</u>            | <u>4,471,103</u>            |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:            |                             |                             |
| Pension benefits paid                                | 1,128,862                   | 1,043,944                   |
| Administrative expenses                              | <u>94,848</u>               | <u>128,317</u>              |
| TOTAL DEDUCTIONS                                     | <u>1,223,710</u>            | <u>1,172,261</u>            |
| NET INCREASE                                         | 2,126,972                   | 3,298,842                   |
| NET ASSETS AVAILABLE FOR BENEFITS:                   |                             |                             |
| BEGINNING OF YEAR                                    | <u>23,702,017</u>           | <u>20,403,175</u>           |
| END OF YEAR                                          | <u><u>\$ 25,828,989</u></u> | <u><u>\$ 23,702,017</u></u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE A – PLAN DESCRIPTION

The following description of the Friction Products Co. Employees Pension Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan sponsored and administered by Friction Products Co. (the "Company"). SEI Private Trust Company is the trustee of the Plan, and together with investment managers, manages the Plan's investments as of December 31, 2011 and for the period from May 13, 2011 to December 31, 2011. Huntington National Bank N.A. served as the trustee and together with investment managers, managed the Plan's investments as of December 31, 2010 and for the period January 1, 2010 to May 13, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

During 2010, the Company was acquired by Carlisle Companies Incorporated, and the Plan is subject to the governance of the Pension and Benefits Committee of the Board of Directors of Carlisle Companies Incorporated.

Eligibility

To be eligible, a person must be a full-time employee of the Company or a non-union employee of Logan Metal Stampings, Inc. ("Logan"), an affiliated company, hired prior to January 1, 2004. Effective June 1, 2006, the Plan was frozen. No new participants may enter the Plan and no further benefit accruals are earned. At that date, all participants became fully vested in their accrued benefit.

Pension Benefits

Benefits for normal retirement are calculated based upon earnings and years of service. Benefits for Logan employees are reduced by amounts earned under a plan in which they were previously covered. Additionally, participants may elect to take an in-service withdrawal ("Rule of 80") if the participant has reached age 55 and 1) 20 years of service and 2) total age and years of service is equal to or greater than 80. Rule of 80 distributions are treated as normal retirement benefits. The Plan also provides other forms of benefits including disability and surviving spouse benefits.

The Normal Retirement Date, for participants hired before January 1, 1988, is the first day of the month following the participant's 65th birthday. For participants hired on or after January 1, 1988, the Normal Retirement Date is the first day of the month following the participant's 65th birthday, or, if later, the fifth anniversary of the date of hire.

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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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 ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and assumptions.

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 F.

Payment of Benefits

Benefits 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, as provided by the plan document. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

Subsequent Events

The Plan has evaluated subsequent events through October 11, 2012, the date the financial statements were available to be issued.

**FRITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE C – FUNDING POLICY**

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in the amount as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Although it has not expressed any intentions to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

**NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

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, 2011 and 2010 include:

|                  |                                                                                                                                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Method | - Projected Unit Credit in all years                                                                                                                                                                                                          |
| Discount Rate    | - 7.00% in all years                                                                                                                                                                                                                          |
| Retirement Age   | - For participants with less than 80 points or those hired after January 1, 2002, age 65. For all others the assumed retirement age is the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum 20 years of service). |
| Mortality        | - 2011 Static Mortality Table in 2011 and 2010 Static Mortality Table in 2010                                                                                                                                                                 |

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, 2011 and 2010 is as follows:

|                                                       | <u>2011</u>          | <u>2010</u>          |
|-------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits: |                      |                      |
| Vested benefits:                                      |                      |                      |
| Participants receiving benefits                       | \$ 10,377,204        | \$ 9,831,301         |
| Participants with deferred benefits                   | 3,411,298            | 3,196,956            |
| Active participants                                   | <u>4,100,267</u>     | <u>3,328,669</u>     |
|                                                       | 17,888,769           | 16,356,926           |
| Non-vested benefits                                   | <u>1,593,623</u>     | <u>2,554,656</u>     |
| Total accumulated plan benefits                       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

**FRITION PRODUCTS CO.**  
**EMPLOYEES PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

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NOTE D – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

Changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2011 and 2010 are as follows:

|                                                                           | <u>2011</u>          | <u>2010</u>          |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits at beginning of year | \$ 18,911,582        | \$ 18,458,111        |
| Increase (decrease) during the year attributable to:                      |                      |                      |
| Benefits paid                                                             | (1,043,944)          | (1,021,027)          |
| Benefits accumulated, actuarial experience and merger                     | 289,022              | 146,320              |
| Assumption changes                                                        | 37,842               | 71,242               |
| Interest                                                                  | <u>1,287,890</u>     | <u>1,256,936</u>     |
| Actuarial present value of accumulated plan benefits at end of year       | <u>\$ 19,482,392</u> | <u>\$ 18,911,582</u> |

NOTE E – UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEES

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 certifications from the Trustees 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, 2011 and 2010, respectively, 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, 2011 and 2010, respectively. The Plan's financial statements have been prepared based on this certified information.

NOTE F – INTEREST IN MASTER TRUST

The Master Trust holds certain assets of the Carlisle Companies Incorporated's defined benefit plans. SEI Private Trust Company (the "Trustee") is the trustee for the Master Trust. 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 net investment income of the investment assets is allocated by the Trustee to each participating plan on the basis indicated in Note B. At December 31, 2011, the Plan's interest in the net assets of the Master Trust was approximately 13%. As of December 31, 2010, the Plan was not invested in the Master Trust.

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 H. 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. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held during the year.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE F – INTEREST IN MASTER TRUST (Continued)

The following Statement of Net Assets Available for Benefits as of December 31, 2011 and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011 have been prepared from information which was certified by the Trustees 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.

Statement of Net Assets Available for Benefits

|                                   |                              |
|-----------------------------------|------------------------------|
| Interest and dividends receivable | \$ 656,261                   |
| Investments at fair value:        |                              |
| Fixed income mutual funds         | 175,431,956                  |
| Equity mutual funds               | <u>25,238,525</u>            |
| Total investments                 | <u>200,670,481</u>           |
| Net assets available for benefits | <u><u>\$ 201,326,742</u></u> |

Statement of Changes in Net Assets Available for Benefits

|                                                               |                              |
|---------------------------------------------------------------|------------------------------|
| Additions to net assets attributed to:                        |                              |
| Investment income:                                            |                              |
| Interest and dividends                                        | \$ 7,993,069                 |
| Net appreciation (depreciation) in fair value of investments: |                              |
| Common stocks                                                 | 1,711,805                    |
| Fixed income mutual funds                                     | 14,596,447                   |
| Equity mutual funds                                           | <u>(950,050)</u>             |
| Total investment income                                       | <u>23,351,271</u>            |
| Employer contributions                                        | 4,000,000                    |
| Transfers from other account                                  | <u>24,133,757</u>            |
| Total additions                                               | 51,485,028                   |
| Deductions from net assets attributed to:                     |                              |
| Distributions to plans                                        | 18,345,364                   |
| Administrative expenses                                       | <u>861,401</u>               |
| Total deductions                                              | <u>19,206,765</u>            |
| Net increase                                                  | 32,278,263                   |
| Net assets available for benefits:                            |                              |
| Beginning of year                                             | <u>169,048,479</u>           |
| End of year                                                   | <u><u>\$ 201,326,742</u></u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE G – INVESTMENTS**

The Plan's investments, other than its interest in the Master Trust, that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are as follows:

|                                      | <u>2011</u> | <u>2010</u>  |
|--------------------------------------|-------------|--------------|
| Pimco Total Return Fund              | \$ *        | \$ 3,949,573 |
| Federated Government Obligation Fund | *           | 3,299,233    |
| Dodge & Cox International Stock Fund | *           | 2,697,924    |
| Artio International Equity Fund      | *           | 2,410,978    |
| Pimco All Asset All Authority Fund   | *           | 1,987,292    |

\* Was not an investment as of December 31, 2011.

During the years ended December 31, 2011 and 2010, the Plan's investments, other than its interest in the Master Trust, (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

|                                    | <u>2011</u>       | <u>2010</u>         |
|------------------------------------|-------------------|---------------------|
| Mutual funds                       | \$ 445,114        | \$ 2,661,413        |
| Common stock                       | 304,743           | 896,526             |
| Hawk Corporation 8 ¾% senior notes | <u>2,810</u>      | <u>30,000</u>       |
|                                    | <u>\$ 752,667</u> | <u>\$ 3,587,939</u> |

**NOTE H – FAIR VALUE MEASUREMENTS**

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

**FRITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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NOTE H – FAIR VALUE MEASUREMENTS (Continued)

The 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 mid-year entry date value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. There have been no changes in the methodologies used at December 31, 2011 and 2010.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds, common stock, senior notes, and money market funds.

The following table sets forth by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2011:

|                    | <b>Fair Value as of December 31, 2011</b> |                |                |                       |
|--------------------|-------------------------------------------|----------------|----------------|-----------------------|
|                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
| Mutual funds:      |                                           |                |                |                       |
| Fixed income funds | \$ 175,431,956                            | \$ --          | \$ --          | \$ 175,431,956        |
| Equity funds       | <u>25,238,525</u>                         | <u>--</u>      | <u>--</u>      | <u>25,238,525</u>     |
| Total investments  | <u>\$ 200,670,481</u>                     | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 200,670,481</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets accounted for at fair value as of December 31, 2010:

|                                    | <b>Fair Value as of December 31, 2010</b> |                |                |                      |
|------------------------------------|-------------------------------------------|----------------|----------------|----------------------|
|                                    | <b>Level 1</b>                            | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
| Mutual funds:                      |                                           |                |                |                      |
| Domestic growth                    | \$ 2,378,985                              | \$ --          | \$ --          | \$ 2,378,985         |
| International growth               | 2,410,978                                 | --             | --             | 2,410,978            |
| International value                | 2,697,924                                 | --             | --             | 2,697,924            |
| Fixed income                       | 3,949,573                                 | --             | --             | 3,949,573            |
| Multi-class                        | 1,987,292                                 | --             | --             | 1,987,292            |
| Common stock:                      |                                           |                |                |                      |
| Domestic growth                    | 2,538,591                                 | --             | --             | 2,538,591            |
| International growth               | 210,092                                   | --             | --             | 210,092              |
| Domestic value                     | 2,988,835                                 | --             | --             | 2,988,835            |
| International value                | 98,496                                    | --             | --             | 98,496               |
| Hawk Corporation 8 ¾% senior notes | 1,030,000                                 | --             | --             | 1,030,000            |
| Money market funds                 | <u>3,351,533</u>                          | <u>--</u>      | <u>--</u>      | <u>3,351,533</u>     |
| Total investments                  | <u>\$ 23,642,299</u>                      | <u>\$ --</u>   | <u>\$ --</u>   | <u>\$ 23,642,299</u> |

**FRICITION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE H – FAIR VALUE MEASUREMENTS (Continued)**

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.

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in Plan's interest in the Carlisle Companies Incorporated Master Trust investment income and net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

**NOTE I – TRANSACTIONS WITH PARTIES-IN-INTEREST**

At December 31, 2010, the Plan held \$1,000,000 of Hawk Corporation (Hawk) 8¾% Senior Notes which were acquired on the open market and recorded \$2,810 and \$30,000 of net appreciation in the value of these securities for the years ended December 31, 2011 and 2010, respectively. On January 10, 2011, the \$1,000,000 of Hawk 8¾% Senior Notes due 2014, which the Plan held in its investment portfolio were called by the issuer at \$1,032,810. Accordingly, this sale qualified as an allowable party-in-interest transaction.

Certain plan investments represent funds managed by the current Trustee and prior year trustee, Huntington National Bank N.A., and therefore, these transactions qualify as party-in-interest transactions that are allowable under ERISA. Fees paid to the Trustee for investment management and administrative services were \$45,073 and \$49,775, respectively, for the year ended December 31, 2011. Fees paid in the prior year to the prior year Trustee, investment managers, and other parties-in-interest for investment management and administrative services amounted to \$40,765 and \$87,552, respectively, for the year ended December 31, 2010.

**NOTE J – TERMINATION OF PLAN**

In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the 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.

**FRICTION PRODUCTS CO.  
EMPLOYEES PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

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**NOTE K – INCOME TAX STATUS**

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated February 4, 2011 that stated the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code (the "IRC").

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**NOTE L – 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.

***SUPPLEMENTAL SCHEDULE***

**FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN**  
**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**  
**EIN: 23-0457510, PLAN NUMBER 001**  
**December 31, 2011**

| (a)                                                 | (b)                                          | (c)               | (d)              | (g)              | (h)                                              | (i)              |
|-----------------------------------------------------|----------------------------------------------|-------------------|------------------|------------------|--------------------------------------------------|------------------|
| Identity of<br>Party Involved                       | Description<br>of asset                      | Purchase<br>Price | Selling<br>Price | Cost<br>of Asset | Current Value<br>of Asset on<br>Transaction Date | Net<br>Gain/Loss |
| <i>Single Transactions Exceeding 5% of Value</i>    |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | \$ -              | \$ 3,998,341     | \$ 4,031,007     | \$ 3,998,341                                     | \$ (32,666)      |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | -                 | 2,049,804        | 2,038,600        | 2,049,804                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |
| <i>Series of Transactions Exceeding 5% of Value</i> |                                              |                   |                  |                  |                                                  |                  |
| PIMCO                                               | PIMCO Total Return Fund                      | 45,479            | 4,009,740        | 4,087,853        | 4,055,219                                        | (32,634)         |
| PIMCO                                               | PIMCO All Asset All Authority Fund - Class I | 13,428            | 2,049,804        | 2,052,028        | 2,063,232                                        | 11,204           |
| Artio                                               | Artio International Equity Fund              | -                 | 2,483,771        | 2,141,299        | 2,483,771                                        | 342,472          |
| Calamos                                             | Calamos Growth Fund - Class A                | -                 | 1,312,007        | 770,680          | 1,312,007                                        | 541,327          |
| Dodge & Cox                                         | Dodge & Cox International Stock Fund         | -                 | 2,800,673        | 2,003,607        | 2,800,673                                        | 797,066          |
| Neuberger<br>Berman                                 | Neuberger Berman Genesis Fund - Class I      | -                 | 1,272,777        | 790,017          | 1,272,777                                        | 482,760          |