Section 1: 10-Q (10-Q)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 1-11442

CHART INDUSTRIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**34-1712937**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio 44125

(Address of Principal Executive Offices) (ZIP Code)

Registrant's Telephone Number, Including Area Code: (440) 753-1490

NOT APPLICABLE

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

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

At April 25, 2016, there were 30,592,038 outstanding shares of the Company's Common Stock, par value $0.01 per share.

CHART INDUSTRIES, INC.

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHART INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

	March 31, 2016	December 31, 2015
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 159,054	$ 123,708
Accounts receivable, less allowances of $6,747 and $6,965	140,447	183,514
Inventories, net	203,866	199,302
Unbilled contract revenue	33,173	59,283
Prepaid expenses	9,586	8,494
Other current assets	19,191	12,929
Total Current Assets	565,317	587,230
Property, plant and equipment, net	266,998	266,277
Goodwill	219,258	218,390
Identifiable intangible assets, net	103,988	106,714
Other assets	21,501	21,529
TOTAL ASSETS	$ 1,177,062	$ 1,200,140
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 68,250	$ 97,413
Customer advances and billings in excess of contract revenue	83,616	71,030
Accrued salaries, wages and benefits	25,707	33,886
Current portion of warranty reserve	14,859	15,341
Short-term debt	6,965	6,160
Other current liabilities	28,726	38,209
Total Current Liabilities	228,123	262,039
Long-term debt	217,005	213,798
Long-term deferred tax liabilities	7,419	5,146
Long-term portion of warranty reserve	4,797	5,634
Accrued pension liabilities	17,137	17,283
Other long-term liabilities	21,088	20,504
Total Liabilities	495,569	524,404
Equity		
Common stock, par value $0.01 per share – 150,000,000 shares authorized, 30,588,295 and 30,545,657 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	305	305
Additional paid-in capital	391,025	387,100
Retained earnings	303,440	308,091
Accumulated other comprehensive loss	(18,424)	(24,904)
Total Chart Industries, Inc. Shareholders’ Equity	676,346	670,592
Noncontrolling interests	5,147	5,144
Total Equity	681,493	675,736
TOTAL LIABILITIES AND EQUITY	$ 1,177,062	$ 1,200,140

The balance sheet at December 31, 2015 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by U.S. generally accepted accounting principles for complete financial statements.

See accompanying notes to these unaudited condensed consolidated financial statements.

CHART INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(Dollars and shares in thousands, except per share amounts)

	Three Months Ended March 31,	
	2016	2015
Sales	$ 193,757	$ 245,105
Cost of sales	141,056	172,582
Gross profit	52,701	72,523
Selling, general and administrative expenses	49,536	53,162
Amortization	3,128	4,404
Operating expenses	52,664	57,566
Operating income	37	14,957
Other expenses:		
Interest expense, net	4,094	3,922
Financing costs amortization	321	326
Foreign currency loss	206	3,064
Other expenses, net	4,621	7,312
(Loss) income before income taxes	(4,584)	7,645
Income tax expense	88	2,370
Net (loss) income	(4,672)	5,275
Noncontrolling interests, net of taxes	(21)	29
Net (loss) income attributable to Chart Industries, Inc.	$ (4,651)	$ 5,246
Net (loss) income attributable to Chart Industries, Inc. per common share:		
Basic	$ (0.15)	$ 0.17
Diluted	$ (0.15)	$ 0.17
Weighted-average number of common shares outstanding:		
Basic	30,568	30,466
Diluted	30,568	30,652
Comprehensive income (loss), net of taxes	$ 1,844	$ (2,570)
Less: Comprehensive income attributable to noncontrolling interests, net of taxes	3	—
Comprehensive income (loss) attributable to Chart Industries, Inc., net of taxes	$ 1,841	$ (2,570)

See accompanying notes to these unaudited condensed consolidated financial statements.

CHART INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
OPERATING ACTIVITIES		
Net (loss) income	$ (4,672)	$ 5,275
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	9,479	11,376
Interest accretion of convertible notes discount	3,029	2,799
Employee share-based compensation expense	5,537	5,752
Financing costs amortization	321	326
Unrealized foreign currency transaction gain	(50)	(60)
Other non-cash operating activities	506	642
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	44,126	(6,875)
Inventory	(3,111)	(18,761)
Unbilled contract revenues and other assets	19,187	3,442
Accounts payable and other liabilities	(48,239)	(8,620)
Customer advances and billings in excess of contract revenue	12,066	5,592
Net Cash Provided By Operating Activities	38,179	888
INVESTING ACTIVITIES		
Capital expenditures	(5,232)	(14,828)
Proceeds from sale of assets	—	8
Acquisition of businesses, net of cash acquired	—	(320)
Net Cash Used In Investing Activities	(5,232)	(15,140)
FINANCING ACTIVITIES		
Borrowings on revolving credit facilities	3,820	—
Repayments on revolving credit facilities	(3,056)	—
Proceeds from exercise of options	12	422
Excess tax benefit from share-based compensation	24	130
Common stock repurchases	(601)	(808)
Other financing activities	—	(157)
Net Cash Provided By (Used In) Financing Activities	199	(413)
Effect of exchange rate changes on cash	2,200	(5,624)
Net increase (decrease) in cash and cash equivalents	35,346	(20,289)
Cash and cash equivalents at beginning of period	123,708	103,656
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 159,054	$ 83,367

See accompanying notes to these unaudited condensed consolidated financial statements.

NOTE 1 — Basis of Preparation

The accompanying unaudited condensed consolidated financial statements of Chart Industries, Inc. and its consolidated subsidiaries (the "Company" or "Chart") have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for annual financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016.

Nature of Operations: The Company is a leading diversified global manufacturer of highly engineered equipment for the industrial gas, energy, and biomedical industries. Chart's equipment and engineered systems are primarily used for low-temperature and cryogenic applications utilizing our expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit). The Company has domestic operations located across the United States, including principal executive offices located in Ohio, and an international presence in Asia, Australia, Europe and South America.

Principles of Consolidation: The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

Reclassifications: Certain reclassifications have been made to the 2015 condensed consolidated cash flow statement in order to conform to the 2016 presentation. Additionally, beginning in 2016, the Company allocates share-based compensation expense to each operating segment and maintains share-based compensation expense related to Corporate employees at Corporate. Prior to 2016, all share-based compensation expense was recorded at Corporate. Reclassifications from Corporate to the operating segments have been made to the 2015 selling, general and administrative expenses ("SG&A") to conform to the 2016 presentation.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Guarantees of Third-Party Performance: During the first quarter of 2016, the Company became a member to a consortium agreement relating to a project with a third-party. This agreement entails the Company guarantying not only its own performance, but also the work of a third-party consortium partner. In the event of non-fulfillment of contractual obligations by the consortium partner, the Company may be required to perform the obligations of the consortium partner. The agreement term covers the project through completion; approximately 1.5 years. At March 31, 2016, the estimated cost of the performance under this guarantee was 14.6 million euros (equivalent to $16.6 million). If losses are incurred under the guarantee due to third-party non-performance, the Company has certain rights that would allow it to mitigate such loss. If necessary, the carrying amount of any liability recorded in the condensed consolidated balance sheet would reflect the Company's best estimate of future payments which it may incur as part of fulfilling its guarantee obligation. Currently, there is no liability recorded at March 31, 2016.

Recently Issued Accounting Standards: In March 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-09, "Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." The FASB issued the update to change certain aspects of accounting for share-based payments to employees. The update eliminates additional paid-in-capital pools and requires all income tax effects of awards to be recognized in the income statement when the awards vest or settle. The standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within such fiscal years. Early adoption is permitted, but all of the guidance must be adopted in same period. If an entity early adopts the guidance in an interim period, any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently assessing the effect that the ASU will have on the Company's financial position, results of operations, cash flows and disclosures.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The FASB issued the update to require the recognition of lease assets and lease liabilities on the balance sheet of lessees. The standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within such fiscal years. The ASU requires a modified retrospective transition method with the option to elect a package of practical expedients. Early adoption is permitted. The Company is currently assessing the effect that the ASU will have on the Company's financial position, results of operations, cash flows and disclosures.

(Dollars and shares in thousands, except per share amounts) – Continued

In January 2015, the FASB issued ASU 2016-01, "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The amendments address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within such fiscal years. Except for certain early application guidance provided in the ASU, early adoption is not permitted. The Company is currently assessing the effect that the ASU will have on the Company's financial position, results of operations, cash flows and disclosures.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory." The amendments require an entity to measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The amendments do not apply to inventory that is measured using the last-in, first-out cost method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out or average cost. This ASU is effective for fiscal years beginning after December 15, 2016. The Company is currently assessing the effect that the ASU will have on the Company's financial position, results of operations, cash flows and disclosures.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." The amendments require entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of the new standard by one year. As a result, the standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within such fiscal years. In March 2016, the FASB issued ASU 2016-08, which amended the principal versus agent guidance in the new revenue standard and is intended to result in more consistent application and reduce the cost and complexity of applying the new standard. Additionally, in April 2016, the FASB issued ASU 2016-10, which amended the guidance to clarify accounting for licenses of intellectual property and to clarify the guidance on performance obligations. The new revenue recognition ASU allows full retrospective or modified retrospective adoption. Early adoption is permitted as of fiscal years beginning after December 15, 2016, including interim periods within such fiscal years. The Company is currently assessing the transition method and effect that the ASU will have on the Company's financial position, results of operations, cash flows and disclosures.

Recently Adopted Accounting Standard: In April 2015, the FASB issued ASU 2015-03, "Interest–Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs." The amendments require an entity to present debt issuance costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of debt issuance costs will continue to be reported as interest expense. In August 2015, the FASB issued ASU 2015-15, which states that the SEC staff would not object to an entity deferring and presenting debt issuance costs related to a revolving line-of-credit as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the revolving line-of-credit arrangement, regardless of whether a balance is outstanding. This ASU is effective for fiscal years beginning after December 15, 2015 and interim reporting periods within those fiscal years. The Company adopted the guidance for the fiscal year beginning January 1, 2016. The new guidance was applied retrospectively for the prior period presented. The impact of the adoption of the guidance resulted in classification of the unamortized debt issuance cost related to the convertible notes on the condensed consolidated balance sheets in long-term debt. The unamortized debt issuance costs reclassed at December 31, 2015 were $1,836. Debt issuance costs related to the Senior Secured Revolving Credit Facility are classified in other assets on the condensed consolidated balance sheets.

NOTE 2 — Inventories

The following table summarizes the components of inventory:

	March 31, 2016	December 31, 2015
Raw materials and supplies	$ 74,428	$ 76,680
Work in process	33,096	33,721
Finished goods	96,342	88,901
Total inventories, net	$ 203,866	$ 199,302

The allowances for excess and obsolete inventory totaled $11,146 and $11,269 at March 31, 2016 and December 31, 2015, respectively.

(Dollars and shares in thousands, except per share amounts) – Continued

NOTE 3 — Goodwill and Intangible Assets

During the 2015 annual assessment of goodwill, management determined that it was more likely than not that the fair value was less than the carrying amount of certain reporting units and, therefore, the two-step goodwill impairment test was necessary. Additionally, management quantitatively evaluated indefinite-lived intangible assets as part of the impairment testing. Furthermore, management identified indicators of impairment on certain finite-lived intangible assets which were evaluated for impairment. As a result of these evaluations, the Company recorded goodwill impairment charges of $195,846, indefinite-lived intangible asset impairment charges of $11,826, finite-lived intangible asset impairment charges of $38,083 and long-lived asset impairment charges of $7,657 in the fourth quarter of 2015 as management concluded that certain assets within each reporting unit were impaired.

Goodwill

The following table represents the changes in goodwill by segment:

	Energy & Chemicals	Distribution & Storage	BioMedical	Total
Balance at December 31, 2015	$ 27,873	$ 165,940	$ 24,577	$ 218,390
Foreign currency translation adjustments and other	—	868	—	868
Balance at March 31, 2016	$ 27,873	$ 166,808	$ 24,577	$ 219,258
Accumulated goodwill impairment loss	$ 64,603	$ —	$ 131,243	$ 195,846

Intangible Assets

The following table displays the gross carrying amount and accumulated amortization for finite-lived intangible assets and indefinite-lived intangible assets (exclusive of goodwill)[(1)(2)]:

	March 31, 2016		December 31, 2015	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets:				
Unpatented technology	$ 8,649	$ (2,884)	$ 8,530	$ (2,660)
Patents	7,789	(6,916)	7,770	(6,753)
Trademarks and trade names	10,082	(6,994)	10,052	(6,886)
Customer relationships	138,463	(92,866)	138,223	(90,180)
Land use rights	13,548	(637)	13,484	(567)
Total finite-lived intangible assets	$ 178,531	$ (110,297)	$ 178,059	$ (107,046)
Indefinite-lived intangible assets:				
Trademarks and trade names	$ 35,754		$ 35,701	

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(1) Amounts include the impact of foreign currency translation. Fully amortized amounts are written off.

(2) The Company amortizes certain identifiable intangible assets mainly on a straight-line basis over their estimated useful lives, which range from one to 50 years.

(Dollars and shares in thousands, except per share amounts) – Continued

Expense for intangible assets subject to amortization was $3,128 and $4,404 for the three months ended March 31, 2016 and 2015, respectively. The Company estimates amortization expense to be recognized during the next five years as follows:

For the Year Ending December 31,		
2016	$	11,800
2017		10,500
2018		9,800
2019		9,800
2020		6,600

Government Grants

The Company received $8,650 in government grants in 2015 related to property, plant and equipment and land use rights related to the expansion in China. The grants are recorded in other current liabilities and other long-term liabilities in the condensed consolidated balance sheets and recognized into income over the useful life of the associated assets (20 to 50 years).

NOTE 4 — Debt and Credit Arrangements

Convertible Notes

The outstanding aggregate principal amount of the Company's 2.0% Convertible Senior Subordinated Notes due 2018 (the "Convertible Notes") is $250,000. The Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 1 and August 1 of each year, and will mature on August 1, 2018. The effective interest rate at issuance was 7.9%.

The Convertible Notes are senior subordinated unsecured obligations of the Company and are not guaranteed by any of the Company's subsidiaries. The Convertible Notes are senior in right of payment to the Company's future subordinated debt, equal in right of payment with the Company's future senior subordinated debt and are subordinated in right of payment to the Company's existing and future senior indebtedness, including indebtedness under the Company's existing credit agreement.

In connection with the issuance of the Convertible Notes, the Company entered into privately-negotiated convertible note hedge and capped call transactions with affiliates of certain of the underwriters (the "Option Counterparties"). The convertible note hedge and capped call transactions relate to, collectively, 3,622 shares, which represents the number of shares of the Company's common stock underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes. These convertible note hedge and capped call transactions are expected to reduce the potential dilution with respect to the Company's common stock upon conversion of the Convertible Notes and/or reduce the Company's exposure to potential cash or stock payments that may be required upon conversion of the Convertible Notes, except, in the case of the capped call transactions, to the extent that the market price per share of the Company's common stock exceeds the cap price of the capped call transactions. The Company also entered into separate warrant transactions with the Option Counterparties initially relating to the number of shares of the Company's common stock underlying the convertible note hedge transactions, subject to customary anti-dilution adjustments. The warrant transactions will have a dilutive effect with respect to the Company's common stock to the extent that the price per share of the Company's common stock exceeds the strike price of the warrants unless the Company elects, subject to certain conditions, to settle the warrants in cash. These warrants were exercisable as of the issuance date of the Convertible Notes. The cap price of the capped call transactions and the strike price of the warrant transactions was initially $84.96 per share. Proceeds received from the issuance of the warrants totaled approximately $48,848 and were recorded as an addition to additional paid-in-capital. The net cost of the convertible note hedge and capped call transactions, taking into account the proceeds from the issuance of the warrants, was approximately $17,638.

In accordance with ASC 815, contracts are initially classified as equity if (1) the contract requires physical settlement or net-share settlement, or (2) the contract gives the entity a choice of net-cash settlement in its own shares (physical settlement or net-share settlement). The Company concluded that the settlement terms of the convertible note hedge, capped call and warrant transactions permit net-share settlement. As such, the convertible note hedge, capped call and warrant transactions were recorded in equity.

Upon issuance of the Convertible Notes, the Company bifurcated the $250,000 principal balance of the Convertible Notes into a liability component of $170,885, which was recorded as long-term debt, and an equity component of $79,115, which was initially recorded as additional paid-in-capital. The liability component was recognized at the present value of its associated cash flows using a 7.9% straight-debt rate which represented the Company's interest rate for similar debt instruments at that time without a conversion feature and is being accreted to interest expense over the term of the Convertible Notes. At March 31, 2016 and December 31, 2015, the carrying amount of the liability component was $218,663 and $215,634, respectively, and the unamortized debt discount of the Convertible Notes was $31,337 and $34,366, respectively.

For the three months ended March 31, 2016 and 2015, interest expense for the Convertible Notes was $4,279 and $4,049, respectively, which included $3,029 and $2,799 of non-cash interest accretion expense related to the carrying amount of the Convertible Notes, respectively, and $1,250 of 2.0% cash interest for both periods. In accordance with ASC 470-20, which requires issuers to separately account for the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, the Company allocated debt issuance costs to the liability and equity components in proportion to their allocated value. Debt issuance costs were $7,277, with $2,303 recorded as a reduction in additional paid-in-capital. The remaining balance of $4,974 is being amortized over the term of the Convertible Notes. For the three months ended March 31, 2016 and 2015, total expense associated with the amortization of these debt issuance costs was $178 for both periods.

Prior to May 1, 2018, the Convertible Notes will be convertible at the option of the holders thereof only under the following circumstances: (1) during any fiscal quarter commencing after September 30, 2011 (and only during such fiscal quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price (currently $69.03) for the Convertible Notes on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which, as determined following a request by a holder of Convertible Notes as provided in the bond indenture (the "Indenture"), the trading price per $1,000 principal amount of Convertible Notes for each trading day of such Measurement Period was less than 97% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate for the Convertible Notes on each such trading day; or (3) upon the occurrence of specified corporate events pursuant to the terms of the Indenture. On or after May 1, 2018, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders of the Convertible Notes may convert their Convertible Notes at any time, regardless of the foregoing circumstances. Upon conversion, the Company will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. It is the Company's intention to settle any excess conversion value in shares of the Company's common stock.

The conversion rate on the Convertible Notes will be subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest. In addition, following the occurrence of a make-whole fundamental change, the Company will, in certain circumstances, increase the conversion rate for a holder that converts its Convertible Notes in connection with such make-whole fundamental change. The Company may not redeem the Convertible Notes prior to maturity. If the Company undergoes a fundamental change, subject to certain conditions, holders may require the Company to purchase the Convertible Notes in whole or in part for cash at a fundamental change purchase price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date. For purposes of calculating earnings per share, if the average market price of the Company's common stock exceeds the applicable conversion price during the periods reported, shares contingently issuable under the Convertible Notes will have a dilutive effect with respect to the Company's common stock.

The Company reassesses the convertibility of the Convertible Notes and the related balance sheet classification on a quarterly basis. At the end of the first quarter of 2016, events for early conversion were not met, and thus the Convertible Notes were not convertible as of and for the fiscal quarter beginning April 1, 2016.

Senior Secured Revolving Credit Facility

The Company has a five-year $450,000 senior secured revolving credit facility (the "SSRCF") which matures on October 29, 2019. The SSRCF includes a $25,000 sub-limit for the issuance of swingline loans and a $100,000 sub-limit to be used for letters of credit. There is a foreign currency limit of $100,000 under the SSRCF which can be used for foreign currency denominated letters of credit and borrowings in a foreign currency, in each case in currencies agreed upon with the lenders. In addition, the facility permits borrowings up to $100,000 made by the Company's wholly-owned subsidiaries, Chart Industries Luxembourg S.à r.l. ("Chart Luxembourg") and Chart Asia Investment Company Limited ("Chart Asia"). The SSRCF also includes an expansion option permitting the Company to add up to an aggregate $200,000 in term loans or revolving credit commitments from its lenders.

The Company recorded $2,869 in deferred debt issuance costs associated with the SSRCF which are being amortized over the five-year term of the SSRCF. For the three months ended March 31, 2016 and 2015, total expense associated with the amortization of these debt issuance costs was $143 and $148, respectively.

Revolving loans under the SSRCF bear interest, at the applicable Borrower's election, at either LIBOR or the greatest of (a) the JPMorgan prime rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% or (c) the Adjusted LIBOR Rate (as defined in the SSRCF) for the relative interest period on such day (or if such day is not a business day, the immediately preceding business day) plus 1% (the "Adjusted Base Rate"), plus a margin that varies with the Company's leverage ratio. In addition, the Company is required to pay a commitment fee of between 0.25% and 0.40% of the unused revolver balance and a letter of credit participation fee equal to the daily aggregate letter of credit exposure at the rate per annum equal to the Applicable Margin for Eurocurrency Revolving Facility Borrowings (ranging from 1.5% to 2.75%, depending on the leverage ratio calculated at each fiscal quarter end). A fronting fee must be paid on each letter of credit that is issued equal to 0.125% per annum of the stated dollar amount of the letter of credit.

Significant financial covenants for the SSRCF include a minimum liquidity requirement equal to the principal amount of the Convertible Notes outstanding six months prior to the maturity date of the Convertible Notes and when holders of the Convertible Notes have the option to require the Company to repurchase the Convertible Notes, a maximum leverage ratio of 3.25 and a minimum interest coverage to EBITDA ratio of 3.0. The required leverage ratio can be relaxed on up to two occasions, upon notification to the lenders, to 3.75 for up to four consecutive fiscal quarters, for acquisitions and plant expansions of $100,000 or greater. The SSRCF contains a number of other customary covenants including, but not limited to, restrictions on the Company's ability to incur additional indebtedness, create liens or other encumbrances, sell assets, enter into sale and lease-back transactions, make certain payments, investments, loans, advances or guarantees, make acquisitions and engage in mergers or consolidations and pay dividends or distributions. At March 31, 2016, the Company was in compliance with all covenants.

As of March 31, 2016, there were no borrowings outstanding under the SSRCF. The Company had $34,897 in letters of credit and bank guarantees supported by the SSRCF, which had availability of $415,103 at March 31, 2016. The obligations under the SSRCF are guaranteed by the Company and substantially all of its U.S. subsidiaries and secured by substantially all of the assets of the Company and its U.S. subsidiaries and 65% of the capital stock of the Company's material non-U.S. subsidiaries (as defined by the SSRCF) that are owned by U.S. subsidiaries.

Foreign Facilities – China

Chart Cryogenic Engineering Systems (Changzhou) Company Limited ("CCESC"), Chart Energy & Chemicals Wuxi Co., Ltd. ("Wuxi") and Chart Biomedical (Chengdu) Co. Ltd. ("Chengdu"), wholly-owned subsidiaries of the Company, and Chart Cryogenic Distribution Equipment (Changzhou) Company Limited ("CCDEC"), a joint venture of the Company, maintain joint banking facilities (the "China Facilities") which include a revolving facility with 50.0 million Chinese yuan (equivalent to $7,739) in borrowing capacity which can be utilized for either revolving loans, bonds/guarantees, or bank draft acceptances. Any borrowings made by CCESC, CCDEC, Chengdu or Wuxi under the China Facilities are guaranteed by the Company. At March 31, 2016, there was 10.0 million Chinese yuan (equivalent to $1,548) outstanding under the revolving line, bearing interest at 4.7% on a weighted-average basis. At March 31, 2016, CCESC, CCDEC and Wuxi had 7.2 million Chinese yuan (equivalent to $1,117), 4.8 million Chinese yuan (equivalent to $747) and 0.6 million Chinese yuan (equivalent to $86) in bank guarantees, respectively.

CCDEC maintains an unsecured credit facility whereby CCDEC may borrow up to 40.0 million Chinese yuan (equivalent to $6,191) for working capital purposes. This credit facility is effective until June 30, 2016. At March 31, 2016 there was 35.0 million Chinese yuan (equivalent to $5,417) outstanding under this facility, bearing interest at 4.35%.

CCESC maintains an unsecured credit facility whereby CCESC may borrow up to 38.0 million Chinese yuan (equivalent to $5,881) for working capital purposes. This credit facility is effective until July 5, 2016. There were no borrowings under this facility at March 31, 2016.

CCESC maintains an unsecured credit facility whereby CCESC may borrow up to 30.0 million Chinese yuan (equivalent to $4,643) for working capital and bank guarantee purposes. This credit facility is effective until June 30, 2016. There were no borrowings under this facility at March 31, 2016.

Foreign Facilities – Europe

Chart Ferox, a.s. ("Ferox"), a wholly-owned subsidiary of the Company, maintains two secured credit facilities with capacity of up to 175.0 million Czech koruna (equivalent to $7,365). Both of the facilities allow Ferox to request bank guarantees and letters of credit. Neither of the facilities allow revolving credit borrowings. Under both facilities, Ferox must pay letter of credit and guarantee fees equal to 0.70% per annum on the face amount of each guarantee or letter of credit. Ferox's land and buildings secure the credit facilities. As of March 31, 2016, there were bank guarantees of 82.4 million Czech koruna (equivalent to $3,469) supported by the Ferox credit facilities.

(Dollars and shares in thousands, except per share amounts) – Continued

Chart Luxembourg maintains an overdraft facility with $5,000 in borrowing capacity. There were no borrowings under the Chart Luxembourg facility as of March 31, 2016.

Fair Value Disclosures

The fair value of the Convertible Notes was approximately 88% of their par value as of March 31, 2016 and December 31, 2015. The Convertible Notes are actively quoted instruments and, accordingly, the fair value of the Convertible Notes was determined using Level 1 inputs as defined in Note 8.

NOTE 5 — Derivative Financial Instruments

The Company utilizes certain derivative financial instruments to enhance its ability to manage foreign currency risk that exists as part of its ongoing business operations. Derivative instruments are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures. The Company does not enter into contracts for speculative purposes, nor is it a party to any leveraged derivative instruments. The Company is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. The Company utilizes foreign currency forward purchase and sale contracts to manage the volatility associated with foreign currency activity and certain intercompany transactions in the normal course of business. Contracts typically have maturities of less than one year. Principal currencies include the U.S. dollar, the euro, the Japanese yen, the Czech koruna, and the Chinese yuan. The Company’s foreign currency forward contracts do not qualify as hedges as defined by accounting guidance. Foreign currency forward contracts are measured at fair value and recorded in the condensed consolidated balance sheets as other current assets or liabilities and reported as financial assets and liabilities in Note 8. Changes in their fair value are recorded in the condensed consolidated statements of operations and comprehensive income (loss) as foreign currency gains or losses. The Company's foreign currency forward contracts are not exchange traded instruments and, accordingly, the valuation is performed using Level 2 inputs as defined in Note 8. Gains or losses on settled or expired contracts are recorded in the condensed consolidated statements of operations and comprehensive income (loss) as foreign currency gains or losses.

The changes in fair value with respect to the Company’s foreign currency forward contracts generated a net loss of $148 and a net gain of $2,495 for the three months ended March 31, 2016 and 2015, respectively.

NOTE 6 — Product Warranties

The Company provides product warranties with varying terms and durations for the majority of its products. The Company estimates its warranty reserve by considering historical and projected warranty claims, historical and projected cost-per-claim and knowledge of specific product issues that are outside its typical experience. The Company records warranty expense in cost of sales. Product warranty claims not expected to occur within one year are recorded in the long-term portion of the warranty reserve in the condensed consolidated balance sheets.

The following table represents changes in the Company’s consolidated warranty reserve:

Balance at December 31, 2015	$	20,975
Warranty expense		1,646
Warranty usage		(2,965)
Balance at March 31, 2016	$	19,656

NOTE 7 — Business Combinations

Thermax Acquisition

On July 1, 2015, the Company acquired 100% of the equity interests of Thermax, Inc. (“Thermax”) for an estimated purchase price of $29,684 after working capital adjustments, of which $24,197 was paid at closing (net of $2,307 in cash acquired). The cash purchase price is subject to post-closing adjustments. The remainder of the estimated purchase price represents the estimated fair value of the contingent consideration to be paid over four years based on the achievement of certain earnings targets. The fair value of the net assets acquired and goodwill at the date of acquisition was $19,264 and $10,420, respectively. Net assets includes $10,000 in intangible assets, which consists of customer relationships, unpatented technology and trademarks and trade names.

(Dollars and shares in thousands, except per share amounts) – Continued

Thermax, headquartered in Dartmouth, Massachusetts, designs and sells cryogenic fluid vaporizers and other ambient and powered vaporizer products utilized in industrial gas, petrochemical, and liquefied natural gas applications. Thermax's results are included in the Company's D&S business segment from the date of acquisition.

Contingent Consideration

The estimated fair value of contingent consideration relating to the Thermax acquisition was $1,800 at the date of acquisition and was valued according to a discounted cash flow model, which includes assumptions regarding the probability of achieving certain earnings targets and a discount rate applied to the potential payments. Potential payments may be paid between July 1, 2016 and July 1, 2019 based on the attainment of certain earnings targets. The potential payments related to Thermax contingent consideration is between $0 and $11,288. The fair value of the Thermax contingent consideration at March 31, 2016 was $1,761. For the three months ended March 31, 2016, there was no change in the estimated fair value of contingent consideration related to Thermax.

The potential contingent consideration related to a prior BioMedical segment acquisition expired at the end of March 2016 with no additional payment. For the three months ended March 31, 2015, the fair value of contingent consideration related to the BioMedical segment decreased by $463.

Valuations are performed using Level 3 inputs as defined in Note 8 and are evaluated on a quarterly basis based on forecasted sales and earnings targets. Contingent consideration liabilities are classified as other current liabilities and other long-term liabilities in the condensed consolidated balance sheets. Changes in fair value of contingent consideration, including accretion, are recorded as selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income (loss).

NOTE 8 — Fair Value Measurements

The Company measures its financial assets and liabilities at fair value on a recurring basis using a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies. The three levels of inputs used to measure fair value are as follows:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflect the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Financial assets and liabilities measured at fair value on a recurring basis and presented in the Company's condensed consolidated balance sheets are as follows:

	March 31, 2016		
	Total	Level 2	Level 3
Foreign currency forward contracts	$ 849	$ 849	$ —
Total financial assets	$ 849	$ 849	$ —
Foreign currency forward contracts	$ 593	$ 593	$ —
Contingent consideration liabilities	1,761	—	1,761
Total financial liabilities	$ 2,354	$ 593	$ 1,761

(Dollars and shares in thousands, except per share amounts) – Continued

	December 31, 2015		
	Total	Level 2	Level 3
Foreign currency forward contracts	$ 561	$ 561	$ —
Total financial assets	$ 561	$ 561	$ —
Foreign currency forward contracts	$ 470	$ 470	$ —
Contingent consideration liabilities	1,761	—	1,761
Total financial liabilities	$ 2,231	$ 470	$ 1,761

Refer to Note 5 for further information regarding derivative financial instruments and Note 7 for further information regarding contingent consideration liabilities.

NOTE 9 — Equity

Accumulated Other Comprehensive (Loss) Income

The following tables represent changes in accumulated other comprehensive (loss) income by component:

	Foreign currency translation adjustments	Pension liability adjustments, net of taxes	Accumulated other comprehensive (loss) income
Balance at December 31, 2015	$ (12,513)	$ (12,391)	$ (24,904)
Other comprehensive income	6,230	—	6,230
Amounts reclassified from accumulated other comprehensive (loss) income, net of income taxes of $134 [(1)]	—	250	250
Net current-period other comprehensive income, net of taxes	6,230	250	6,480
Balance at March 31, 2016	$ (6,283)	$ (12,141)	$ (18,424)

	Foreign currency translation adjustments	Pension liability adjustments, net of taxes	Accumulated other comprehensive income (loss)
Balance at December 31, 2014	$ 3,808	$ (12,494)	$ (8,686)
Other comprehensive loss	(8,048)	—	(8,048)
Amounts reclassified from accumulated other comprehensive (loss) income, net of income taxes of $125 [(1)]	—	232	232
Net current-period other comprehensive (loss) income, net of taxes	(8,048)	232	(7,816)
Balance at March 31, 2015	$ (4,240)	$ (12,262)	$ (16,502)

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(1) Amounts reclassified from accumulated other comprehensive (loss) income were expensed and included in cost of sales ($151 and $140 for the three months ended March 31, 2016 and 2015, respectively) and selling, general and administrative expenses ($233 and $217 for the three months ended March 31, 2016 and 2015, respectively) in the condensed consolidated statements of operations and comprehensive income (loss). The components in accumulated other comprehensive (loss) income are included in the computation of net periodic pension expense (income) as reported in Note 11.

(Dollars and shares in thousands, except per share amounts) – Continued

Earnings Per Share

The following table presents calculations of net (loss) income per share of common stock:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Net income (loss) attributable to Chart Industries, Inc.	$ (4,651)	$ 5,246
Net income (loss) attributable to Chart Industries, Inc. per common share:		
Basic	$ (0.15)	$ 0.17
Diluted [1]	$ (0.15)	$ 0.17
Weighted average number of common shares outstanding — basic	30,568	30,466
Incremental shares issuable upon assumed conversion and exercise of share-based awards	—	186
Weighted average number of common shares outstanding — diluted	30,568	30,652

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[1] Zero incremental shares from share-based awards are included in the computation of diluted net loss per share for periods in which a net loss occurs because to do so would be anti-dilutive.

Diluted earnings per share does not reflect the following potential common shares as the effect would be anti-dilutive:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Share-based awards	1,516	220
Warrants	3,368	3,368
Total anti-dilutive securities	4,884	3,588

NOTE 10 — Income Taxes

The effective income tax rate of negative 1.9% for the three months ended March 31, 2016 differed from the U.S. federal statutory rate of 35% primarily due to losses incurred by certain of the Company’s Chinese operations for which no benefit was recorded and the effect of income earned by certain of the Company’s international entities operating in lower taxed jurisdictions. The effective income tax rate of 31.0% for the three months ended March 31, 2015 differed from the U.S. federal statutory rate of 35% primarily due to the effect of income earned by certain of the Company's international entities operating in lower taxed jurisdictions.

As of March 31, 2016, the Company has recorded a $1,024 liability for gross unrecognized tax benefits. This amount includes $504 of unrecognized tax benefits which, if ultimately recognized, will reduce the Company’s annual effective income tax rate. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of March 31, 2016, the Company had accrued approximately $130 for the payment of interest and penalties.

NOTE 11 — Employee Benefit Plans

The Company has a defined benefit pension plan which is frozen, that covers certain U.S. hourly and salaried employees. The defined benefit plan provides benefits based primarily on the participants’ years of service and compensation. The following table represents the components of net periodic pension expense:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Interest cost	$ 571	$ 572
Expected return on plan assets	(697)	(799)
Amortization of net loss	384	357
Total net periodic pension expense	$ 258	$ 130

(Dollars and shares in thousands, except per share amounts) – Continued

NOTE 12 — Share-based Compensation

During the three months ended March 31, 2016, the Company granted 465 stock options, 249 restricted stock units and 48 performance units, while non-employee directors received 10 stock awards with a fair value of $171. During the three months ended March 31, 2016, participants in the Company's stock option plans exercised options to purchase 1 shares of the Company's common stock, while 34 stock options were forfeited and 10 stock options expired.

Stock options generally vest ratably over a four-year vesting period. Restricted stock and restricted stock units generally vest ratably over a three-year period, and performance units and leveraged restricted share units generally vest at the end of a three-year performance period based on the achievement of certain performance conditions. During the three months ended March 31, 2016, 71 restricted stock and restricted stock units vested while 16 shares of restricted stock and restricted stock units were forfeited. Also, during the three months ended March 31, 2016, 27 performance units vested while 5 performance units were forfeited. Additionally, during the three months ended March 31, 2016, 14 leveraged restricted share units vested.

Share-based compensation expense was $5,537 and $5,752 for the three months ended March 31, 2016 and 2015, respectively. Share-based compensation expense is included in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income (loss). As of March 31, 2016, total share-based compensation of $8,597 is expected to be recognized over the weighted-average period of approximately 2.3 years.

NOTE 13 — Restructuring Activities

Due to economic conditions, including low energy prices and global competition, the Company implemented a number of cost reduction or avoidance actions during 2015 and 2016, including headcount reductions. During the first quarter of 2016, the Company incurred severance expense of $3,692 associated with headcount reductions in all of its segments. These charges were recorded in cost of sales ($2,361 for the three months ended March 31, 2016) and selling, general, and administrative expenses ($1,331 for the three months ended March 31, 2016). For the three months ended March 31, 2015, charges for severance and other restructuring activities (exclusive of D&S facility closures described below) were $244 ($173 was recorded in selling, general and administrative expenses and $71 was recorded in cost of sales). The Company currently expects additional severance charges in the remaining nine months of 2016 to be approximately $2,100, primarily attributable to our D&S segment, but further actions may be required based on future business conditions.

During 2015, Chart announced its intention to close certain D&S leased facilities. These closures were cost reduction measures in response to lower orders within D&S. Cost incurred during 2015 related to these closures were $4,810 (for the three months ended March 31, 2015, charges of $500 were recorded in selling, general, and administrative expenses) and included lease exit costs, long-lived asset impairments, and other miscellaneous costs. The remaining accrual for the facility restructuring costs within D&S as of March 31, 2016 was $2,910. These costs are expected to be paid out over the terms of the associated leases which are expected to end in 2023.

The following table summarizes the Company's restructuring activities for the three months ended March 31, 2016:

	Three Months Ended March 31,				
	Energy & Chemicals	Distribution & Storage	BioMedical	Corporate	Total
Balance as of January 1, 2016	$ 1,106	$ 3,446	$ 430	$ 850	$ 5,832
Restructuring charges	281	2,193	484	734	3,692
Cash payments and other	(843)	(385)	(440)	(509)	(2,177)
Balance as of March 31, 2016	$ 544	$ 5,254	$ 474	$ 1,075	$ 7,347

(Dollars and shares in thousands, except per share amounts) – Continued

NOTE 14 — Reportable Segments

The structure of the Company's internal organization is divided into the following reportable segments, which are also the Company's operating segments: Energy & Chemicals, Distribution & Storage and BioMedical. Corporate includes operating expenses for executive management, accounting, tax, treasury, human resources, information technology, legal, internal audit and risk management.

The following table represents information for the Company's reportable segments and its corporate function:

	Three Months Ended March 31,	
	2016	2015
Sales		
Energy & Chemicals	$ 37,959	$ 87,470
Distribution & Storage	107,497	105,071
BioMedical	48,301	52,564
Consolidated	$ 193,757	$ 245,105
Operating Income (Loss) [(1)]		
Energy & Chemicals	$ (2,198)	$ 15,291
Distribution & Storage	9,830	10,312
BioMedical	6,652	3,236
Corporate	(14,247)	(13,882)
Consolidated	$ 37	$ 14,957

As described in Note 1, beginning in 2016, the Company allocates share-based compensation expense to each operating segment and maintains share-based compensation expense related to Corporate employees at Corporate. Prior to 2016, all share-based compensation expense was recorded at Corporate. Reclassifications from Corporate to the operating segments have been made to the 2015 results to conform to the 2016 presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Chart Industries, Inc. (the "Company," "Chart," or "we") is a leading diversified global manufacturer of highly engineered equipment for the industrial gas, energy and biomedical industries. A large portion of the end-use applications for our products is energy-related. Our equipment and engineered systems are primarily used for low-temperature and cryogenic applications utilizing our expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit).

Sales for the three months ended March 31, 2016 were $193.8 million compared to sales of $245.1 million for the three months ended March 31, 2015, reflecting a decrease of $51.3 million, or 20.9%. This decrease was mainly attributable to lower sales in our E&C segment across all product lines. Gross profit for the three months ended March 31, 2016 was $52.7 million, or 27.2% of sales, as compared to $72.5 million, or 29.6% of sales, for the three months ended March 31, 2015. Gross profit decreased during the period mainly as a result of lower throughput and highly competitive markets within our E&C segment. The related margin percentage decreased mainly due to product mix within our E&C segment as well as higher restructuring-related costs due to cost reduction initiatives, primarily reductions in headcount. Severance expenses of $3.7 million were recorded in the first quarter in cost of goods sold ($2.4 million) and selling, general and administrative expenses ($1.3 million). Operating income for the three months ended March 31, 2016 was $0.04 million compared to $15.0 million for the three months ended March 31, 2015, for the reasons discussed above.

As previously disclosed, low energy prices continue to delay LNG conversions and LNG-related opportunities, which has negatively impacted our sales and order trends, particularly in the E&C segment. In addition, macroeconomic headwinds and global competition continue to put pressure on pricing generally. Due to the uncertainty surrounding the price of oil and its impact on natural gas projects and our business, we continue to face challenges in the timing of orders. We have continued to focus on cost reduction or avoidance actions, including headcount reductions, to streamline our cost structure in light of the downturn in the markets we serve. As previously disclosed, these actions equate to annualized savings of approximately $60 million. We closely monitor our end markets and order rates and will continue to take appropriate and timely actions as necessary.

The following table represents selected financial data for our operating segments for the three months ended March 31, 2016 and 2015 (dollars in thousands):

	Three Months Ended March 31,	
	2016	2015
Sales		
Energy & Chemicals	$ 37,959	$ 87,470
Distribution & Storage	107,497	105,071
BioMedical	48,301	52,564
Consolidated	$ 193,757	$ 245,105
Gross Profit		
Energy & Chemicals	$ 5,471	$ 24,863
Distribution & Storage	29,415	30,048
BioMedical	17,815	17,612
Consolidated	$ 52,701	$ 72,523
Gross Profit Margin		
Energy & Chemicals	14.4 %	28.4%
Distribution & Storage	27.4 %	28.6%
BioMedical	36.9 %	33.5%
Consolidated	27.2 %	29.6%
SG&A Expenses [(1)]		
Energy & Chemicals	$ 7,065	$ 8,873
Distribution & Storage	17,943	18,432
BioMedical	10,299	11,994
Corporate	14,229	13,863
Consolidated	$ 49,536	$ 53,162
SG&A Expenses (% of Sales)		
Energy & Chemicals	18.6 %	10.1%
Distribution & Storage	16.7 %	17.5%
BioMedical	21.3 %	22.8%
Consolidated	25.6 %	21.7%
Operating (Loss) Income		
Energy & Chemicals	$ (2,198)	$ 15,291
Distribution & Storage	9,830	10,312
BioMedical	6,652	3,236
Corporate	(14,247)	(13,882)
Consolidated	$ 37	$ 14,957
Operating Margin		
Energy & Chemicals	(5.8)%	17.5%
Distribution & Storage	9.1 %	9.8%
BioMedical	13.8 %	6.2%
Consolidated	— %	6.1%

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(1) Beginning in 2016, the Company allocates share-based compensation expense to each operating segment and maintains share-based compensation expense related to Corporate employees at Corporate. Prior to 2016, all share-based compensation expense was recorded at Corporate. Reclassifications from Corporate to the operating segments have been made to the 2015 selling, general and administrative expenses (“SG&A”) to conform to the 2016 presentation.

Results of Operations for the Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015

Sales

Sales for the three months ended March 31, 2016 were $193.8 million compared to $245.1 million for the three months ended March 31, 2015, reflecting a decrease of $51.3 million, or 20.9%.

E&C segment sales decreased by $49.5 million, or 56.6%, compared to the prior-year period. This reduction was due to a $25.9 million decrease within natural gas processing (including petrochemical) applications, lower LNG applications of $22.2 million, and a decline in industrial gas applications of $1.4 million. Low energy prices have the most pronounced impact on our E&C segment. Additionally, our E&C segment completed several major projects in 2015 that are not currently expected to recur in 2016 as customers' delay or defer large projects.

D&S segment sales increased by $2.4 million, or 2.3%, compared to the prior-year period, mainly attributable to a $7.0 million increase within bulk industrial gas applications. This increase was partially offset by a $3.0 million decrease related to packaged gas industrial applications. The overall currency translation impact on sales attributable to the D&S segment was approximately $1.1 million unfavorable on a constant currency basis. Continued weakness in China was offset by improved sales in the U.S. compared to the first quarter of 2015.

BioMedical segment sales decreased by $4.3 million, or 8.1%, compared to the prior-year period. This decrease was largely driven by a $4.5 million decrease in U.S. and Europe respiratory therapy equipment sales and a decrease in commercial oxygen generation systems of $1.6 million, partially offset by an increase in life sciences of $1.8 million during the quarter. The overall currency translation impact on sales attributable to the BioMedical segment was approximately $0.5 million unfavorable on a constant currency basis.

Gross Profit and Margin

Gross profit for the three months ended March 31, 2016 was $52.7 million, or 27.2% of sales, versus $72.5 million, or 29.6% of sales for the three months ended March 31, 2015, which reflected a decrease of $19.8 million, while the related margin percentage decreased by 2.4 percentage points.

E&C segment gross profit decreased by $19.4 million mainly due to decreased volume within industrial gas and natural gas processing applications, along with decreased volume within LNG applications related to process systems. Margin decreased by 14.0 percentage points compared to the prior-year period primarily due to highly competitive market conditions, and the impact of excess capacity as a result of lower operating levels.

D&S segment gross profit decreased by $0.6 million, and the related margin decreased by 1.2 percentage points. Severance costs of $1.8 million are reflected in cost of sales which equates to a 1.7% gross margin impact. This decrease was partially offset by the finalization of an insurance claim that positively impacted gross margin by approximately $1.0 million.

BioMedical segment gross profit increased by $0.2 million, and the related margin increased by 3.4 percentage points compared to the prior-year period, primarily due to favorable product mix and lower warranty expenses. The BioMedical segment's warranty expense as a percent of sales was 2.1% during the three months ended March 31, 2016 compared to 4.0% in the prior-year quarter. We continue to pursue recovery for breaches of representations and warranties related to warranty costs for certain product lines acquired from AirSep Corporation ("AirSep") in 2012 under our representation and warranty insurance coverage that exists from the acquisition.

Selling, General & Administrative ("SG&A") Expenses

SG&A expenses for the three months ended March 31, 2016 were $49.5 million, or 25.6% of sales, compared to $53.2 million, or 21.7% of sales, for the three months ended March 31, 2015, representing a decrease of $3.6 million. SG&A expenses for the three months ended March 31, 2016 included $1.3 million in severance costs compared to $0.3 million in severance costs for the three months ended March 31, 2015.

Beginning in 2016, we allocate share-based compensation expense to each operating segment and maintain share-based compensation expense related to Corporate employees at Corporate. Prior to 2016, all share-based compensation expense was recorded at Corporate. Reclassifications from Corporate to the operating segments have been made to the 2015 SG&A to conform to the 2016 presentation. Share-based compensation expense of $5.5 million for the three months ended March 31, 2016 includes the acceleration of expense based on retirement eligibility provisions as a greater mix of share-based awards satisfied these provisions during the first quarter of 2016. We currently estimate the full year share-based compensation expense to be approximately $10.5 million.

SG&A expenses were down compared to the prior year reflecting the impact of cost reduction initiatives. Additionally, bad debt expense and commission expense were down $1.2 million and $1.1 million, respectively, compared to the three months ended March 31, 2015.

E&C segment SG&A expenses decreased by $1.8 million compared to the prior-year period mainly due to lower variable short-term incentive compensation based on current performance, lower sales commissions, decreased bad debt expense and reduced employee costs due to lower headcount.

D&S segment SG&A expenses decreased by $0.5 million compared to the prior-year period. The impact of reduced headcount and lower travel and entertainment, commission and bad debt expense was largely offset by higher incentive expense.

BioMedical segment SG&A expenses decreased by $1.7 million compared to the prior-year period primarily due to lower restructuring related expenses ($0.5 million), reduced bad debt expense ($0.5 million), lower commission expense and lower employee costs due to headcount reductions.

Corporate SG&A expenses increased by $0.4 million compared to the prior-year period mainly due to $0.7 million in severance costs related to cost reductions. This increase was partially offset by lower costs related to outside professional services and lower employee costs due to headcount reductions.

Amortization Expense

Amortization expense decreased $1.3 million compared to the prior-year period. $1.2 million of the decrease is due to the impact of intangible assets that were written off in the fourth quarter of 2015.

Operating Income

As a result of the foregoing, operating income for the three months ended March 31, 2016 was $0.04 million, a decrease of $14.9 million compared to operating income of $15.0 million, or 6.1% of sales, for the same period in 2015.

Interest Expense, Net and Financing Costs Amortization

Net interest expense for the three months ended March 31, 2016 and 2015 was $4.1 million and $3.9 million, respectively. Interest expense for the three months ended March 31, 2016 included $1.3 million of 2.0% cash interest and $3.0 million of non-cash interest accretion expense related to the carrying value of the Convertible Notes. For each of the three months ended March 31, 2016 and 2015, financing costs amortization was $0.3 million.

Foreign Currency Loss

For the three months ended March 31, 2016 and 2015, foreign currency losses were $0.2 million and $3.1 million, respectively. Losses decreased by $2.9 million during the three months ended March 31, 2016 due to reduced exchange rate volatility compared to the prior-year quarter.

Income Tax Expense

Income tax expense of $0.1 million and $2.4 million for the three months ended March 31, 2016 and 2015, respectively, represents taxes on both U.S. and foreign earnings at a combined effective income tax rate of negative 1.9% and 31.0%, respectively. The effective income tax rate of negative 1.9% for the three months ended March 31, 2016 differed from the U.S. federal statutory rate of 35% primarily due to losses incurred by certain of our Chinese operations for which no benefit was recorded and the effect of income earned by certain of our international entities operating in lower taxed jurisdictions.

Net (Loss) Income

As a result of the foregoing, net loss attributable to the Company for the three months ended March 31, 2016 was $4.7 million and net income attributable to the Company for the three months ended March 31, 2015 was $5.2 million.

Liquidity and Capital Resources

Debt Instruments and Related Covenants

Convertible Notes: The outstanding aggregate principal amount of the Company's Convertible Notes is $250.0 million. The Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 1 and August 1 of each year, and will mature on August 1, 2018. The effective interest rate at issuance, under generally accepted accounting principles, was 7.9%. Upon conversion, holders of the Convertible Notes will receive cash up to the principal amount of the Convertible Notes, and it is the Company's intention to settle any excess conversion value in shares of the Company's common stock. However, the Company may elect to settle, at its discretion, any such excess value in cash, shares of the Company's common stock or a combination of cash and shares. The initial conversion price of $69.03 per share represents a conversion premium of 30% over the last reported sale price of the Company's common stock on July 28, 2011, the date of the Convertible Notes offering, which was $53.10 per share. At the end of the first quarter of 2016, events for early conversion were not met, and thus the Convertible Notes were not convertible as of, and for the fiscal quarter beginning April 1, 2016. There have been no conversions as of the date of this filing. In the event that holders of Convertible Notes elect to convert, the Company expects to fund any cash settlement of any such conversion from cash balances or borrowings under its senior secured revolving credit facility.

Senior Secured Revolving Credit Facility: The Company has a five-year $450.0 million senior secured revolving credit facility (the “SSRCF”) which matures on October 29, 2019. The SSRCF includes a $25.0 million sub-limit for the issuance of swingline loans and a $100.0 million sub-limit to be used for letters of credit. There is a foreign currency limit of $100.0 million under the SSRCF which can be used for foreign currency denominated letters of credit and borrowings in a foreign currency, in each case in currencies agreed upon with the lenders. In addition, the facility permits borrowings up to $100.0 million made by the Company’s wholly-owned subsidiaries, Chart Industries Luxembourg S.à r.l. (“Chart Luxembourg”) and Chart Asia Investment Company Limited. The SSRCF also includes an expansion option permitting the Company to add up to an aggregate $200.0 million in term loans or revolving credit commitments from its lenders. Loans under the SSRCF bear interest at LIBOR or the Adjusted Base Rate as defined in the Debt and Credit Arrangements note (Note 4) to our condensed consolidated financial statements included elsewhere in this report, plus a margin that varies with the Company’s leverage ratio. Significant financial covenants for the SSRCF include a leverage ratio and an interest ratio. As of March 31, 2016, there were no borrowings outstanding under the SSRCF. The Company had $34.9 million in letters of credit and bank guarantees supported by the SSRCF, which had availability of $415.1 million, at March 31, 2016. The Company was in compliance with all covenants, including its financial covenants, at March 31, 2016.

Foreign Facilities – China: Chart Cryogenic Engineering Systems (Changzhou) Company Limited (“CCESC”), Chart Energy & Chemicals Wuxi Co., Ltd. (“Wuxi”) and Chart Biomedical (Chengdu) Co. Ltd. (“Chengdu”), wholly-owned subsidiaries of the Company, and Chart Cryogenic Distribution Equipment (Changzhou) Company Limited (“CCDEC”), a joint venture of the Company, maintain joint banking facilities (the “China Facilities”) which include a revolving facility with 50.0 million Chinese yuan (equivalent to $7.7 million) in borrowing capacity which can be utilized for either revolving loans, bonds/guarantees, or bank draft acceptances. Any borrowings made by CCESC, CCDEC, Chengdu or Wuxi under the China Facilities are guaranteed by the Company. At March 31, 2016, there was 10.0 million Chinese yuan (equivalent to $1.5 million) outstanding under the revolving line, bearing interest at 4.7% on a weighted-average basis. At March 31, 2016, CCESC, CCDEC and Wuxi had 7.2 million Chinese yuan (equivalent to $1.1 million), 4.8 million Chinese yuan (equivalent to $0.7 million) and 0.6 million Chinese yuan (equivalent to $0.1 million) in bank guarantees, respectively.

CCDEC maintains an unsecured credit facility whereby CCDEC may borrow up to 40.0 million Chinese yuan (equivalent to $6.2 million) for working capital purposes. This credit facility is effective until June 30, 2016. At March 31, 2016 there was 35.0 million Chinese yuan (equivalent to $5.4 million) outstanding under this facility, bearing interest at 4.35%.

CCESC maintains an unsecured credit facility whereby CCESC may borrow up to 38.0 million Chinese yuan (equivalent to $5.9 million) for working capital purposes. This credit facility is effective until July 5, 2016. There were no borrowings under this facility at March 31, 2016.

CCESC maintains an unsecured credit facility whereby CCESC may borrow up to 30.0 million Chinese yuan (equivalent to $4.6 million) for working capital and bank guarantee purposes. This credit facility is effective until June 30, 2016. There were no borrowings under this facility at March 31, 2016.

Foreign Facilities – Europe: Chart Ferox, a.s. (“Ferox”), a wholly-owned subsidiary of the Company, maintains two secured credit facilities with capacity of up to 175.0 million Czech koruna (equivalent to $7.4 million). Both of the facilities allow Ferox to request bank guarantees and letters of credit. Neither of the facilities allow revolving credit borrowings. Under both facilities, Ferox must pay letter of credit and guarantee fees equal to 0.70% per annum on the face amount of each guarantee or letter of credit. Ferox’s land and buildings secure the credit facilities. At March 31, 2016, there were 82.4 million Czech koruna (equivalent to $3.5 million) of bank guarantees supported by the Ferox credit facilities.

Chart Luxembourg maintains an overdraft facility with $5.0 million in borrowing capacity. There were no borrowings under the Chart Luxembourg facility as of March 31, 2016.

Our debt and related covenants are further described in the Debt and Credit Arrangements note (Note 4) to our condensed consolidated financial statements included elsewhere in this report.

Sources and Use of Cash

Our cash and cash equivalents totaled $159.1 million at March 31, 2016, an increase of $35.3 million from the balance at December 31, 2015. Our foreign subsidiaries held cash of approximately $57.8 million and $71.9 million at March 31, 2016 and December 31, 2015, respectively, to meet their liquidity needs. No material restrictions exist to accessing cash held by our foreign subsidiaries. We expect to meet our U.S. funding needs without repatriating non-U.S. cash and incurring incremental U.S. taxes.

Cash equivalents are invested in money market funds that invest in high quality, short-term instruments, such as U.S. government obligations, certificates of deposit, repurchase obligations and commercial paper issued by corporations that have been highly rated by at least one nationally recognized rating organization. We believe that our existing cash and cash equivalents, funds available under our SSRCF and cash provided by operations will be sufficient to finance our normal working capital needs, acquisitions, and investments in properties, facilities and equipment for the foreseeable future.

Cash provided by operating activities was $38.2 million for the three months ended March 31, 2016 compared to $0.9 million of cash provided by operating activities for the three months ended March 31, 2015. The increase in cash provided by operations was primarily due to timing of cash payments from customers which resulted in greater cash collections during the first quarter of 2016 as compared to the first quarter of 2015.

Cash used in investing activities was $5.2 million and $15.1 million for the three months ended March 31, 2016 and 2015, respectively. Capital expenditures in 2015 were largely attributed to the D&S segment capacity expansion project in China.

Cash provided by financing activities was $0.2 million for the three months ended March 31, 2016 and cash used in financing activities was $0.4 million for the three months ended March 31, 2015. During the three months ended March 31, 2016, we borrowed 25.0 million Chinese yuan (equivalent to $3.8 million) and repaid 20.0 million Chinese yuan (equivalent to $3.1 million) on our China Facilities. We used $0.6 million for the purchase of common stock which was surrendered to cover tax withholding elections during the three months ended March 31, 2016.

Cash Requirements

We do not currently anticipate any unusual cash requirements for working capital needs for the year ending December 31, 2016. Management anticipates we will be able to satisfy cash requirements for our ongoing business for the foreseeable future with cash generated by operations, existing cash balances and available borrowings under our credit facilities. We may repurchase our Convertible Notes on the open market from time to time to the extent permitted by our debt covenants with available cash. We expect capital expenditures for the remaining nine months of 2016 to be in the range of $20.0 to $25.0 million, which will be deployed primarily within our E&C operations located in LaCrosse, Wisconsin and Tulsa, Oklahoma for plant and equipment upgrades and our D&S segment for a capacity expansion project in China. We also expect to use approximately $1.2 million to fund final post-closing adjustments related to the acquisition of Thermax. For the remaining nine months of 2016, we contemplate the use of approximately $13.0 to $15.0 million of cash to pay U.S. and foreign income taxes.

Orders and Backlog

We consider orders to be those for which we have received a firm signed purchase order or other written contractual commitment from the customer. Backlog is comprised of the portion of firm signed purchase orders or other written contractual commitments received from customers that we have not recognized as revenue upon shipment or under the percentage of completion method. Backlog can be significantly affected by the timing of orders for large projects, particularly in the E&C segment, and is not necessarily indicative of future backlog levels or the rate at which backlog will be recognized as sales. Orders included in our backlog may include customary cancellation provisions under which the customer could cancel part or all of the order, potentially subject to the payment of certain costs and/or fees. Backlog may be negatively impacted by ability or likelihood of customers to fulfill their obligations. Our backlog as of March 31, 2016 was $382.4 million compared to $374.6 million as of December 31, 2015.

The table below represents orders received and backlog by segment for the periods indicated (dollar amounts in thousands):

	Three Months Ended	
	March 31, 2016	December 31, 2015
Orders		
Energy & Chemicals	$ 8,774	$ 45,446
Distribution & Storage	139,376	130,630
BioMedical	51,109	55,077
Total	$ 199,259	$ 231,153

	As of	
	March 31, 2016	December 31, 2015
Backlog		
Energy & Chemicals	$ 122,648	$ 151,638
Distribution & Storage	239,978	206,518
BioMedical	19,819	16,456
Total	$ 382,445	$ 374,612

E&C orders for the three months ended March 31, 2016 were $8.8 million compared to $45.4 million for the three months ended December 31, 2015. E&C backlog totaled $122.6 million at March 31, 2016, compared to $151.6 million as of December 31, 2015. Low energy prices continue to delay natural gas, petrochemical, and LNG-related opportunities, as evidenced by the decline in E&C order trends and backlog. Current market conditions reinforce a challenging outlook for project awards given the reduction in capital spending with our energy-related customers. Order flow in the E&C segment is historically volatile due to project size and it is not unusual to see order intake change significantly year over year.

D&S orders for the three months ended March 31, 2016 were $139.4 million compared to $130.6 million for the three months ended December 31, 2015. D&S segment orders include the previously announced AB Klaipėdos nafta LNG order. D&S backlog totaled $240.0 million at March 31, 2016 compared to $206.5 million as of December 31, 2015. Approximately 20% of the D&S backlog relates to China as of March 31, 2016.

BioMedical orders for the three months ended March 31, 2016 were $51.1 million compared to $55.1 million for the three months ended December 31, 2015. The decrease in BioMedical orders was mainly attributable to respiratory therapy applications. BioMedical backlog at March 31, 2016 totaled $19.8 million compared to $16.5 million as of December 31, 2015.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements. See “Guarantees of Third-Party Performance” disclosed in Note 1 to the condensed consolidated financial statements for further information.

Application of Critical Accounting Policies

The Company's condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. As such, some accounting policies have a significant impact on amounts reported in these condensed consolidated financial statements. A summary of those significant accounting policies can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. In particular, judgment is used in areas such as revenue recognition for long-term contracts, determining the allowance for doubtful accounts, goodwill, indefinite-lived intangibles, product warranty costs, pensions and share-based compensation. There have been no significant changes to our critical accounting policies since December 31, 2015.

Forward-Looking Statements

The Company is making this statement in order to satisfy the "safe harbor" provisions contained in the Private Securities Litigation Reform Act of 1995. This Quarterly Report on Form 10-Q includes "forward-looking statements." These forward-looking statements include statements relating to our business. In some cases, forward-looking statements may be identified by terminology such as "may," "should," "expects," "anticipates," "believes," "projects," "forecasts," "continue" or the negative of such terms or comparable terminology. Forward-looking statements contained herein (including future cash contractual obligations, liquidity, cash flow, orders, results of operations, projected revenues, and trends, among other matters) or in other statements made by us are made based on management's expectations and beliefs concerning future events impacting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by forward-looking statements. We believe that the following factors, among others (including those described under Item 1A– "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2015), could affect our future performance and the liquidity and value of our securities and cause our actual results to differ materially from those expressed or implied by forward-looking statements made by us or on our behalf:

- the cyclicality of the markets which we serve and the vulnerability of those markets to economic downturns;
- the loss of, or a significant reduction or delay in purchases by, our largest customers;
- fluctuations in energy prices;
- our ability to control our costs and successfully manage our operations;
- the potential for negative developments in the natural gas industry related to hydraulic fracturing;
- competition in our markets;
- the impairment of our goodwill or other intangible assets;
- governmental energy policies could change, or expected changes could fail to materialize;
- degradation of our backlog as a result of modification or termination of orders;
- our ability to successfully acquire or integrate companies that provide complementary products or technologies;
- economic downturns and deteriorating financial conditions;
- our ability to manage our fixed-price contract exposure;
- our reliance on the availability of key supplies and services;
- changes in government health care regulations and reimbursement policies;
- litigation and disputes involving us, including the extent of product liability, warranty, contract, employment, intellectual property and environmental claims asserted against us;
- fluctuations in foreign currency exchange rates and interest rates;
- general economic, political, business and market risks associated with our global operations;
- the loss of key employees;
- our warranty reserves may not adequately cover our warranty obligations;
- technological security threats and our reliance on information systems;
- financial distress of third parties;
- our ability to protect our intellectual property and know-how;
- United States Food and Drug Administration and comparable foreign regulation of our products;
- the pricing and availability of raw materials;
- the cost of compliance with environmental, health and safety laws and responding to potential liabilities under these laws;
- claims that our products or processes infringe intellectual property rights of others;
- additional liabilities related to taxes;

- our ability to continue our technical innovation in our product lines;
- labor costs and disputes and the deterioration of our relations with our employees;
- increased government regulation;
- the underfunded status of our pension plan;
- the risk of potential violations of the Foreign Corrupt Practices Act;
- disruptions in our operations due to severe weather;
- regulations governing the export of our products and other regulations applicable to us as a supplier of products to the U.S. government;
- fluctuations or adjustments in the Company's effective tax rate;
- risks associated with our indebtedness, leverage and liquidity;
- potential dilution to existing holders of our common stock as a result of the conversion of our Convertible Notes, and the need to utilize our cash balances and/or credit facility to fund any cash settlement related to such conversions;
- fluctuations in the price of our stock; and
- other factors described herein.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Quarterly Report and are expressly qualified in their entirety by the cautionary statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as the same may be updated from time to time. We undertake no obligation to update or revise forward-looking statements which may be made to reflect events or circumstances that arise after the filing date of this document or to reflect the occurrence of unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, the Company's operations are exposed to fluctuations in interest rates and foreign currency values that can affect the cost of operating and financing. Accordingly, the Company addresses a portion of these risks through a program of risk management.

Interest Rate Risk: The Company's primary interest rate risk exposure results from the SSRCF's various floating rate pricing mechanisms. As of March 31, 2016, there were no borrowings outstanding under the SSRCF, thus, the Company believes that interest rate exposure is not a material risk to the Company at this time.

Foreign Currency Exchange Rate Risk: The Company operates in the United States, Asia, Australia, Europe and South America, creating exposure to foreign currency exchange fluctuations in the normal course of business which can impact our financial position, results of operations, cash flow and competitive position. The financial statements of foreign subsidiaries are translated into their U.S. dollar equivalents at end-of-period exchange rates for assets and liabilities, while income and expenses are translated at average monthly exchange rates. Translation gains and losses are components of other comprehensive income (loss) as reported in the condensed consolidated statements of operations and comprehensive income (loss). Translation exposure is primarily with the euro, the Chinese yuan, and the Japanese yen. During the first quarter of 2016, the euro decreased in relation to the U.S. dollar by 4% while the Chinese yuan remained flat and the Japanese yen decreased by 7% in relation to the U.S. dollar. At March 31, 2016, a hypothetical further 10% strengthening of the U.S. dollar would not materially affect the Company's financial statements.

Chart's primary transaction exchange rate exposures are with the euro, the Japanese yen, the Czech koruna, the Australian dollar, the Norwegian krone, the Canadian dollar and the Chinese yuan. Transaction gains and losses arising from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are recognized in the condensed consolidated statements of operations and comprehensive income (loss) as a component of foreign currency loss. The Company enters into foreign exchange forward contracts to hedge anticipated and firmly committed foreign currency transactions. Chart does not use derivative financial instruments for speculative or trading purposes. The terms of the contracts are generally one year or less. At March 31, 2016, a hypothetical 10% weakening of the U.S. dollar would not materially affect the Company's outstanding foreign exchange forward contracts.

Market Price Sensitive Instruments

In connection with the issuance of the Convertible Notes, the Company entered into privately-negotiated convertible note hedge and capped call transactions with affiliates of certain of the underwriters (the "Option Counterparties"). The convertible note hedge and capped call transactions relate to, collectively, 3.6 million shares, which represents the number of shares of the Company's common stock underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes. These convertible note hedge and capped call transactions are expected to reduce the potential dilution with respect to the Company's common stock upon conversion of the Convertible Notes and/or reduce the Company's exposure to potential cash or stock payments that may be required upon conversion of the Convertible Notes, except, in the case of the capped call transactions, to the extent that the market price per share of the Company's common stock exceeds the cap price of the capped call transactions.

The Company also entered into separate warrant transactions with the Option Counterparties initially relating to the number of shares of the Company's common stock underlying the convertible note hedge transactions, subject to customary anti-dilution adjustments. The warrant transactions will have a dilutive effect with respect to the Company's common stock to the extent that the price per share of the Company's common stock exceeds the strike price of the warrants unless the Company elects, subject to certain conditions, to settle the warrants in cash. The cap price of the capped call transactions and the strike price of the warrant transactions was initially $84.96 per share. Further information is located in the Debt and Credit Arrangements note to the Company's condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

As of March 31, 2016, an evaluation was performed, under the supervision and with the participation of the Company's management including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, such officers concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

	Issuer Purchases of Equity Securities			
Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 – 31, 2016	26,278	$ 17.40	—	$ —
February 1 – 29, 2016	7,307	17.64	—	—
March 1 – 31, 2016	715	21.60	—	—
Total	34,300	$ 17.53	—	$ —

During the first quarter of 2016, 34,300 shares of common stock were surrendered to us by participants under our share-based compensation plans to satisfy tax withholding obligations relating to the vesting or payment of equity awards for an aggregate purchase price of approximately $601,300. The total number of shares repurchased represents the net shares issued to satisfy tax withholding. All such repurchased shares were subsequently retired during the three months ended March 31, 2016.

Item 4. Mine Safety Disclosures

Not applicable.

Item 6. Exhibits

The following exhibits are included with this report:

10.1	Amendment No. 1, dated March 21, 2016, to the Amended and Restated Chart Industries, Inc. Voluntary Deferred Income Plan. * (x)
10.2	Amendment No. 6, dated April 15, 2016, to the Employment Agreement dated February 26, 2008, by and between Chart Industries, Inc. and Kenneth J. Webster. * (x)
10.3	Employment Agreement, dated April 15, 2016, by and between Chart Industries, Inc. and Mary C. Cook. * (x)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer (x)
31.2	Rule 13a-14(a) Certification of Chief Financial Officer (x)
32.1	Section 1350 Certification of Chief Executive Officer (xx)
32.2	Section 1350 Certification of Chief Financial Officer (xx)
101.INS	XBRL Instance Document (xxx)
101.SCH	XBRL Taxonomy Extension Schema Document (xxx)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (xxx)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (xxx)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (xxx)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (xxx)

____

(x) Filed herewith.

(xx) Furnished herewith.

(xxx) In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Form 10-Q shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be part of any registration statement or other document filed under the Securities Act of 1933 or Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

* Management contract or compensatory plan or arrangement.

SIGNATURES

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

Chart Industries, Inc.
(Registrant)

Date: April 28, 2016

By: /s/ Kenneth J. Webster
Kenneth J. Webster
Vice President and Chief Financial Officer
(Principal Financial Officer)
(Duly Authorized Officer)

(Back To Top)

Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

AMENDMENT NO. 1 TO

AMENDED AND RESTATED

CHART INDUSTRIES, INC. VOLUNTARY DEFERRED INCOME PLAN

This Amendment No. 1 to Chart Industries, Inc. Voluntary Deferred Income Plan ("Amendment No. 1") is hereby adopted by Chart Industries, Inc., (the "Company").

WITNESSETH:

WHEREAS, the Company has established an unfunded deferred compensation plan known as the Amended and Restated Chart Industries, Inc. Voluntary Deferred Income Plan (the "Plan") primarily for the purposes of providing additional deferred compensation benefits for a select group of management or highly compensated employees; and

WHEREAS, effective July 1, 2010, the Company amended and restated the Plan; and

WHEREAS, the Company desires to amend the Plan in order to add a de minimus cash-out for the Plan; and

WHEREAS, Section 16 of the Plan permits the Company to amend the Plan;

NOW, THEREFORE, effective as of March 21, 2016, the Company hereby adopts this Amendment No. 1 as follows:

1. Section 10 of the Plan is hereby amended by the addition of the following paragraph at the end thereof:

“Notwithstanding any provision herein to the contrary, the Company in its sole discretion and without any Participant discretion or election, operationally may elect accelerations of the time or schedule of payment from the Plan in any or all of the circumstances described in

United States Code of Federal Regulations Sections 1.409A-3(j)(4)(ii) through (xiv). Such circumstances include, but are not limited to, the mandatory lump-sum payment of the Participant's entire vested Account(s) at any time provided that the Company evidences its discretion to make such payment in writing no later than the date of payment, the payment results in the termination and liquidation of the Participant's interest under the Plan and under all arrangements required to be aggregated with the Plan under Section 409A of the Code, and the payment amount does not exceed the applicable dollar amount under Section 402(g)(1)(B) of the Code.

IN WITNESS WHEREOF, the Company, by its appropriate officer duly authorized, has caused this Amendment No. 1 to be executed as of this 21st day of March, 2016.

CHART INDUSTRIES, INC

By /s/ Matthew J. Klaben

Its Vice President, General Counsel and Secretary

(Back To Top)

Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

CHART INDUSTRIES, INC.

AMENDMENT NO. 6
TO
EMPLOYMENT AGREEMENT

This Amendment No. 6 (the "Amendment") to the Employment Agreement, dated February 26, 2008 and subsequently amended effective January 1, 2009, June 1, 2010, January 1, 2012, January 1, 2013 and January 1, 2014 (the "Agreement"), by and between Chart Industries, Inc. (the "Company") and Kenneth J. Webster ("Executive"), is effective April 15, 2016.

WITNESSETH:

WHEREAS, the Company and the Executive desire to amend the Agreement; and

WHEREAS, the parties reserved the right to amend the Agreement pursuant to Section 13.c thereof.

NOW, THEREFORE, pursuant to Section 13.c of the Agreement, and effective as of April 15, 2016, the parties hereby amend the Agreement as follows:

1. Delete Section 2.a. of the Agreement in its entirety and replace with "During the Employment Term, Executive shall serve as the Company's Vice President and Chief Financial Officer, effective April 15, 2016. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Board of Directors of the Company (the "Board") or the Chief Executive Officer of the Company, which duties, authority and responsibility are consistent with the position of Vice President and Chief Financial Officer of the Company."

2. In Section 3 of the Agreement, delete the dollar amount "$260,000" and replace with "$395,000".

3. In Section 7.b. of the Agreement, delete "$800" and replace with "$1,000".

4. In Section 8(c)(v)(B)(1), delete "100%" and replace with "150%".

5. In Section 8(c)(v)(B)(2), in each case in which it appears, delete "100%" and replace with "150%".

6. In Section 8(c)(v)(C), replace "twelve (12) months" with "eighteen (18) months".

7. In Section 8(c)(vi)(B)(1), delete "100%" and replace with "200%".

8. In Section 8(c)(vi)(B)(2), in each case in which it appears, delete "100%" and replace with "200%".

9. In Section 8(c)(vi)(C), replace “twelve (12) months” with “twenty-four (24) months” and add the following at the end of such clause before the period “; provided that during any portion of that period beyond eighteen (18) months following Executive’s Date of Termination, to the extent coverage under the Company’s group health plans is not permissible under the terms of such plans, the Company may, in lieu of providing such coverage, pay Executive an amount equal to the premium subsidy the Company otherwise would have paid on Executive’s behalf for such coverage during the balance of such period.”.

10. In Section 10.a., delete subparagraph (i) before subparagraph (A) thereof and replace with “During the Employment Term and the eighteen (18) months following the date of Executive’s Termination of Employment or, if any benefits are paid to Executive pursuant to subparagraph (vi) of Section 8.c. of this Agreement, the twenty-four (24) months following the date of Executive’s Termination of Employment (the “Restricted Period”), Executive will not, whether on Executive’s own behalf or on behalf of or in conjunction with any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever (“Person”), directly or indirectly solicit or assist in soliciting in competition with the Company, the business of any client or customer or prospective client or customer:”.

11. Except as set forth herein, the Agreement is not modified or amended hereby.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment.

CHART INDUSTRIES, INC. ("Company")	KENNETH J. WEBSTER ("Executive")
By: /s/ Samuel F. Thomas	/s/ Kenneth J. Webster
Name: Samuel F. Thomas Title: Chairman, Chief Executive Officer and President	

(Back To Top)

Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the “Agreement”) dated April 15, 2016 by and between Chart Industries, Inc. (the “Company”) and Mary C. Cook (the “Executive”).

The Company desires to employ Executive and to enter into an agreement embodying the terms of such employment; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment. Subject to the provisions of Section 8 of this Agreement, Executive shall be employed by the Company, on the terms and subject to the conditions set forth in this Agreement, for the period commencing on April 15, 2016, and ending on the second anniversary of said date (the “Employment Term”). Thereafter the Employment Term shall automatically be extended on April 15 of each year for a period of one year from such date. In addition, in the event of a Change in Control, the Employment Term shall automatically be extended for a period of three years beginning on the date of the Change in Control and ending on the third anniversary of the date of such Change in Control (unless further extended under the immediately preceding sentence). The Company or Executive may give notice to the other party that the Employment Term shall no longer be extended (the “Non-Renewal Notice”), in which event the Employment Term shall expire on the latest of: (i) such second anniversary of the original Employment Term commencement date, (ii) such third anniversary of a Change in Control, or (iii) the first anniversary of the delivery of such Non-Renewal Notice. In any case, the Employment Term may be terminated earlier under the terms and conditions set forth herein.

2. Position.

a. Title. During the Employment Term, Executive shall serve as the Company’s Chief Accounting Officer and Controller. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Board of Directors of the Company (the “Board”) or the Chief Executive Officer or Chief Financial Officer of the Company, which duties, authority and responsibility are consistent with the position of Chief Accounting Officer and Controller of the Company.

b. Best Efforts. During the Employment Term, Executive will devote Executive’s full business time and best efforts to the performance of Executive’s duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 10.

c. Place of Employment. In connection with Executive's employment by the Company, Executive shall not be required to relocate or move from Executive's existing principal residence in Bay Village, Ohio, and shall not be required to perform services which would make the continuance of Executive's principal residence in Bay Village, Ohio, unreasonably difficult or inconvenient for Executive. The Company shall give Executive at least six months' advance notice of any proposed relocation of its offices at which Executive's present principal office is located to a location more than 50 miles from such present location, and, if Executive in Executive's sole discretion chooses to relocate Executive's principal residence as a result of such office relocation, the Company shall promptly pay (or reimburse Executive for) all reasonable relocation expenses (consistent with the Company's past practice for similarly situated senior executive officers) incurred by Executive relating to a change of Executive's principal residence in connection with any such relocation of the Company's offices from such present location.

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary at the annual rate of $220,000, payable in regular installments in accordance with the Company's usual payment practices. Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined from time to time in the sole discretion of the Board or any duly authorized committee thereof. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus. With respect to each full fiscal year during the Employment Term (commencing with the 2016 fiscal year), Executive shall be eligible to earn an annual bonus award (an "Annual Bonus") of an amount, expressed as a percentage of Executive's Base Salary, as determined by the Board, or any duly authorized committee thereof, within the first three months of each fiscal year of the Employment Term (with it being understood that such percentage of Executive's Base Salary is the "Target"), based upon the achievement of the performance targets established by the Board, or any duly authorized committee thereof, within the first three months of each fiscal year during the Employment Term. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable fiscal year. Any Annual Bonus payable hereunder shall be determined in accordance with the terms of the Company's Cash Incentive Plan, as currently in effect and as it may be amended from time to time, including any successor plan "(the Incentive Compensation Plan"). In the event of a Change In Control as defined in the Incentive Compensation Plan, the annual bonus may be pro-rated in accordance with the terms of the Incentive Compensation Plan.

5. Employee Benefits. During the Employment Term, Executive shall be entitled to participate in the Company's employee benefit plans (other than annual bonus and incentive plans) providing for health, life and disability insurance, retirement, deferred compensation and fringe benefits, as well as any equity compensation plans, as in effect from time to time (collectively "Employee Benefits"), on the same basis as those benefits are generally made available to other senior executives of the Company. Executive's right to participate in any Employee Benefits shall be subject to the applicable eligibility criteria for participation and Executive shall not be entitled to any benefits under, or based on, any Employee Benefits for any purposes of this Agreement if Executive does not during the Employment Term satisfy the eligibility criteria for participation in such Employee Benefits. Any equity incentive granted, awarded and held by the Executive shall be governed by the applicable terms of any such grant and award, and shall not be impacted by the terms of this Agreement, except to the extent taken into account in determinations under Section 9.

6. Vacation. During the Employment Term, Executive shall be entitled to vacation and other paid time off benefits in accordance with the policies in Garfield Heights, Ohio, and to be taken at such times as chosen by Executive.

7. Business Expenses and Perquisites.

a. Expenses. During the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by the Company in accordance with Company policies.

b. Perquisites. During the Employment Term, Executive shall be eligible for an automobile allowance of up to $800 per month, consistent with the Company's current practices.

8. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 60 days advance written notice of any resignation of Executive's employment. The provisions of this Section 8 govern Executive's rights upon Termination of Employment with the Company and its affiliates. "Termination of Employment" as used in this Agreement means the separation from service, within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended from time to time ("Code", any reference in this Agreement to a Section of the Code shall include all lawful regulations and pronouncements promulgated thereunder, as well as any successor Sections of the Code having the same or similar purpose), of Executive with the Company and all of its affiliates, for any reason, including without limitation, quit, discharge, or retirement, or a leave of absence (including military leave, sick leave, or other bona fide leave of absence such as temporary employment by the government if the period of such leave exceeds the greater of six months, or the period for which Executive's right to reemployment is provided either by statute or by contract) or permanent decrease in service to a level that is no more than Twenty Percent (20%) of its prior level. For this purpose, whether a Termination of Employment has occurred is determined based on whether it is reasonably anticipated that no further services will be performed by Executive after a certain date or that the level of bona fide services Executive will

perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than Twenty Percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if Executive has been providing services less than 36 months). The terms “Terminate” or “Terminated,” when used in reference to Executive’s employment or the Employment Period, shall refer to a Termination of Employment as set forth in this paragraph. “Date of Termination” refers to the effective date of Executive’s Termination of Employment.

a. Termination By the Company For Cause or By Executive Resignation Without Good Reason.

(i) Events. The Employment Term and Executive’s employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive’s resignation without Good Reason (as defined in Section 8(c)); provided that Executive will be required to give the Company at least 60 days advance written notice of a resignation without Good Reason.

(ii) For Cause. For purposes of this Agreement, “Cause” shall mean the Executive’s (A) willful failure to perform duties which, if curable, is not cured promptly, or in any event within ten (10) days, following the first written notice of such failure from the Company, (B) commission of, or plea of guilty or no contest to a (x) felony or (y) crime involving moral turpitude, (C) willful malfeasance or misconduct which is demonstrably injurious to the Company or its subsidiaries or affiliates, (D) material breach of the material terms of this Agreement, including, without limitation, any non-competition, non-solicitation or confidentiality provisions, (E) commission of any act of gross negligence, corporate waste, disloyalty or unfaithfulness to the Company which adversely affects the business of the Company or its subsidiaries or affiliates, or (F) any other act or course of conduct which will demonstrably have a material adverse effect on the Company, a subsidiary or affiliate’s business.

(iii) Compensation. If Executive’s employment is terminated by the Company for Cause, or if Executive resigns without Good Reason, Executive shall be entitled to receive the amounts in clauses (A) through (D) below referred to herein as “Accrued Rights”:

(A) the Base Salary through the Date of Termination;

(B) any Annual Bonus earned, but unpaid, as of the Date of Termination for the immediately preceding fiscal year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with the Company);

(C) reimbursement, within 60 days following submission by Executive to the Company of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive’s Termination of Employment; provided claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date of Executive's Termination of Employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Company, including payment for any accrued but unused vacation within 30 days following the date of Executive's Date of Termination.

Following such Termination of Employment by the Company for Cause or resignation by Executive without Good Reason, except as set forth in this Section 8(a)(iii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

b. Disability or Death.

(i) Events. The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes physically or mentally incapacitated and is therefore unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties (such incapacity is hereinafter referred to as "Disability"). In no event shall an Executive's employment be continued beyond the 29th month of absence due to Executive's Disability. Any question as to the existence of the Disability of Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of the Agreement.

(ii) Compensation. Upon Executive's Termination of Employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(E) the Accrued Rights; and

(F) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for such year based upon the Company's actual results for the year of termination and the percentage of the fiscal year that shall have elapsed through the Executive's Date of Termination, payable to Executive pursuant to Section 4 had Executive's employment not terminated.

Following Executive's Termination of Employment due to death or Disability, except as set forth in this Section 8 (b)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. Termination by the Company Without Cause or Resignation by Executive for Good Reason.

(i) Events. The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause or by Executive's resignation for Good Reason at any time including during the Protected Period.

(ii) Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without Executive's consent: (i) a material diminution in Executive's base salary (excluding any general salary reduction similarly affecting substantially all other senior executives of the Company as a result of a material adverse change in the Company's prospects or business); (ii) a material diminution in Executive's authority, duties, or responsibilities; (iii) a material change in the geographic location at which Executive must perform services; or (iv) any other action or inaction that constitutes a material breach by the Company of this Agreement; provided, however, that "Good Reason" shall not be deemed to exist unless: (A) the Executive has provided notice to the Company of the existence of one or more of the conditions listed in (i) through (iv) within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Company within 30 days after receipt of such notice. Simply the receipt by the Executive of a Non-Renewal Notice from the Company shall not, in and of itself, be deemed to be an event of "Good Reason" under this Agreement.

(iii) Protected Period. For purposes of this Agreement, "Protected Period" shall mean the period of time commencing on the date of a Change in Control and ending two years after such date.

(iv) Change in Control. For purposes of this Agreement, "Change in Control" shall mean, with respect to the Executive, the happening of any of the following events (but only if with respect to the Executive, such event would constitute a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation, as defined under Section 409A of the Code):

(A) a change in the ownership of the Company (or any affiliate which either employs the Executive or is a direct or indirect parent of such employer) by which any one person, or more than one person acting as a group, acquires ownership of stock of the Company (or such an affiliate) that, together with stock held by such person or group, constitutes more than Fifty Percent (50%) of the total fair market value or total voting power of the stock of the Company (or such an affiliate). However, if any one person, or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company (or such an affiliate), the acquisition of additional stock by the same person or persons is not considered to cause a Change in Control. (An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company (or such an affiliate) acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this definition. This parenthetical phrase applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) (or such an affiliate) and stock in the Company (or such an affiliate) remains outstanding after the transaction.)

(B) a change in effective control of the Company (or any affiliate which either employs the Executive or is a direct or indirect parent of such employer) by which:

(1) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company (or such an affiliate) possessing Thirty Percent (30%) or more of the total voting power of the stock of the Company (or such an affiliate); or

(2) a majority of members of the Board of Directors is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors before the date of the appointment or election.

(C) a change in the ownership of a substantial portion of the assets of the Company (or any affiliate which either employs the Executive or is a direct or indirect parent of such employer) by which any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company (or such an affiliate) that have a total gross fair market value equal to or more than Forty Percent (40%) of the total gross fair market value of all of the assets of the Company (or such an affiliate) immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(v) Compensation if Terminated Outside of Protected Period. If, at any time other than during the Protected Period, the Executive's employment is terminated by the Company without Cause (other than by reason of death or Disability) or if Executive resigns for Good Reason within 6 months of the condition giving rise to the good reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's (x) continued compliance with the provisions of Sections 10 and 11 and (y) execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company, payment in one lump sum of:

(1) 100% of the greater of the current Base Salary or Executive's highest Base Salary paid within the Employment Term; plus

(2) the greater of (i) 100% of Executive's Target Annual Bonus for the fiscal year in which Executive's Termination of Employment occurs or (ii) 100% of Executive's Target Annual Bonus for the fiscal year immediately preceding the fiscal year in which Executive's Termination of Employment occurs,

payable to Executive in one lump sum immediately following the expiration of the revocation period provided for in such release, but in no event later than two and a half (2-1/2) months after the end of the year in which the Executive's Termination of Employment occurred; and

(C) a lump sum payment equal to the premium subsidy the Company would have otherwise paid on Executive's behalf under the Company's health insurance plan had she remained employed for the twelve (12) months period following the Date of Termination.

(vi) Compensation if Terminated during Protected Period. If, during the Protected Period, either the Executive's employment is Terminated by the Company without Cause (other than by reason of death or Disability) or if Executive resigns for Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's (x) continued compliance with the provisions of Sections 10 and 11 and (y) execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company, payment in one lump sum of:

(1) 100% of the greater of the current Base Salary or Executive's highest Base Salary paid within the Employment Term; plus

(2) the greater of (i) 100% of Executive's Target Annual Bonus for the fiscal year in which Executive's Termination of Employment occurs or (ii) 100% of Executive's Target Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Change in Control occurs;

payable generally within ten (10) business days after Executive's Date of Termination, or, if later, upon the expiration of the revocation period provided for in such release, except when such payment is delayed and paid in accordance with Section 9(b) for a determination under Section

9, but in no event later than two and a half (2-1/2) months after the end of the year in which the Executive's Termination of Employment occurred; and

(C) a lump sum payment equal to the premium subsidy the Company would have otherwise paid on Executive's behalf under the Company's health insurance plan had she remained employed for the twelve (12) months period following the Date of Termination.

Following Executive's Termination of Employment by the Company without Cause (other than by reason of Executive's death or Disability) or by Executive's resignation for Good Reason, except as set forth in this Section 8(c), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

d. Expiration of Employment Term.

(i) Election Not to Renew the Employment Term. In the event either party provides the other with the Non-Renewal Notice pursuant to Section 1, unless Executive's employment is earlier terminated pursuant to paragraphs (a), (b) or (c) of this Section 8, the expiration of the Employment Term and the Executive's Termination of Employment hereunder (whether or not Executive continues as an employee of the Company thereafter) shall be deemed to occur on the close of business on the last day of such Employment Term and Executive shall be entitled to receive the Accrued Rights. The Company's providing of a Non-Renewal Notice under Section 1 shall not prejudice in any way Executive's right to assert an event of Good Reason (as such term is defined above), whether related to such Non-Renewal Notice or otherwise, at any time during the Employment Term.

Following such termination of Executive's employment hereunder, except as set forth in this Section 8(d)(i), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(ii) Continued Employment Beyond the Expiration of the Employment Term. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Company beyond the expiration of the Employment Term shall be deemed an employment at-will and shall not be deemed to extend any of the provisions of this Agreement and Executive's employment may thereafter be terminated at will by either Executive or the Company; provided that the provisions of Sections 10, 11 and 12 of this Agreement shall survive any termination of this Agreement or Executive's Termination of Employment hereunder.

e. Notice of Termination. Any purported Termination of Employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 13(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for Termination of Employment under the provision so indicated.

f. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates.

9. Conditional Reduction in Payments.

a. Notwithstanding anything in this Agreement to the contrary, in the event that it shall be determined (as hereafter provided) that any payment or distribution provided for pursuant to the terms of this Agreement for the benefit of Executive, when aggregated with any other payments or benefits received or receivable by Executive (individually and collectively, a "Payment"), would constitute "parachute payments" within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code or to any similar tax imposed by state or local law, or to any interest or penalties with respect to such taxes (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then Executive's payments under Section 8 hereof shall be either:

(iii) delivered in full, or

(iv) reduced to the minimum extent necessary so that no portion of the Payment, after such reduction, constitutes an Excess Parachute Payment (as defined in Section 280G(b) of the Code) (the amount of such reduction shall be referred to as the "Excess Amount");

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

b. All determinations required to be made under this Section 9, including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a reduction in the Payment is to be made and the amount of such Excess Amount, if any, shall be made by a nationally recognized accounting firm proposed by the Company and reasonably acceptable to Executive (which accounting firm shall be the "Accounting Firm" hereunder). The Company or Executive shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and Executive within 30 calendar days after the Date of Termination, if applicable, and any other time or times as may be requested by the Company or Executive. The Company shall pay Executive's payments under Section 8 hereof, as reduced or not reduced pursuant to the final determination of the Accounting Firm and Subsection 9(a) above, no later than the time otherwise required hereunder. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall, at the same time as it makes such determination, furnish the Company and Executive an opinion that Executive has substantial authority not to report any Excise Tax on Executive's federal, state or local income or other tax return.

c. As a result of the uncertainty in the application of Section 4999 of the Code and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that, pursuant to a final determination of a court or an Internal Revenue Service proceeding which has been finally and conclusively resolved, an Excess Parachute Payment was received by Executive which would have been intended to be reduced by the Excess Amount pursuant to Subsection 9(a) above. In such case, then such amount received by Executive shall be deemed to be an overpayment, and Executive shall repay the amount equal to the Excess Amount (to the extent received by Executive) to the Company on demand (but no less than ten days after Executive receives written demand).

d. The Company and Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Subsection 9(b). Any determination by the Accounting Firm as to the amount of any Excess Amount shall be binding upon the Company and Executive.

e. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Subsection 9(b) shall be borne by the Company.

10. Non-Competition.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and accordingly agrees as follows:

(vii) During the Employment Term and the twelve (12) months following the date of Executive's Termination of Employment (the "Restricted Period"), Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly solicit or assist in soliciting in competition with the Company, the business of any client or customer or prospective client or customer:

(A) with whom Executive had personal contact or dealings on behalf of the Company during the one year period preceding the earlier of the Executive's Termination of Employment or such solicitation;

(B) with whom employees reporting to Executive have had personal contact or dealings on behalf of the Company during the one year immediately preceding the Executive's Termination of Employment; or

(C) for whom Executive had direct or indirect responsibility during the one year immediately preceding Executive's Termination of Employment.

(viii) During the Restricted Period, Executive will not directly or indirectly:

(A) engage in (1) the business of manufacturing equipment used in (x) the production, storage and end-use of hydrocarbon and industrial gases business or (y) low temperature and cryogenic applications, (2) any other businesses which the Company or its subsidiaries engage in during the term of Executive's employment with the Company and (3) any businesses which, as of the date of Executive's Termination of Employment, the Company or its subsidiaries both (x) have specific plans to conduct in the future (and as to which Executive is aware of such planning) and (y) have allocated or invested capital as of the date of such Termination of Employment (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement) between the Company or any of its affiliates and customers, clients, suppliers, partners, members or investors of the Company or its affiliates.

(ix) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(x) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's Termination of Employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to or after, the termination of Executive's employment with the Company.

(xi) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 10 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

11. Confidentiality; Intellectual Property.

a. Confidentiality.

(iii) Executive will not at any time (whether during or after Executive's employment with the Company) (x) retain or use for the benefit, purposes or account of Executive or any other Person other than the Company; or (y) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations or other than in performing his or her duties on behalf of the Company consistent with Company policies), any non-public, proprietary or confidential information--including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals -- concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board or a duly authorized committee thereof.

(iv) "Confidential Information" shall not include any information that is (a) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (b) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (c) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(v) Upon termination of Executive's employment with the Company for any reason, Executive shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (y) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information; and (z) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

b. Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials) ("Works"), either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any of the Company's resources ("Company Works"), Executive shall promptly and fully disclose same, to the best of his or her knowledge, to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(ii) Executive shall take all reasonably requested actions and execute all reasonably requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works.

(iii) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. Executive hereby indemnifies, holds harmless and agrees to defend the Company and its officers, directors, partners, employees, agents and representatives from any breach of the foregoing covenant. Executive shall comply with all relevant policies and guidelines of the Company, including regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version.

(iv) The provisions of Section 11 shall survive the Executive's Termination of Employment for any reason.

12. Specific Performance. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 10 or Section 11 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

13. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 12 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Cleveland, Ohio, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 13(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses except to the extent set forth in Section 13(p), provided, however, that the Company agrees to pay the cost of the Arbitrator's fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive by the Company. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is an affiliate or a successor in interest to substantially all of the business operations of the Company. The Company will require any person or entity which is an affiliate or a successor in interest to substantially all of the business operations of the Company to assume all obligations of the Company under this Agreement.

g. Set-Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates (the "debt"), where such debt is incurred in the ordinary course of the service relationship between Executive and the Company, the entire amount of reduction in any of the Company's taxable years does not exceed $5,000 and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from Executive. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Company:

Chart Industries, Inc.
One Infinity Corporate Centre Drive, Suite 300
Garfield Heights, Ohio 44125

Facsimile: (440) 753-1491
Attention: Chief Financial Officer and General Counsel

If to Executive:

To the most recent address of Executive set forth in the personnel records of the Company.

j. Executive Representation. Executive hereby represents to the Company that the execution and delivery of this Agreement by Executive and the Company and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound.

k. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates, except that this Agreement does not supercede any stock option agreement, performance unit agreement, restricted stock agreement, restricted stock unit agreement or indemnification agreement.

l. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. This provision shall survive any termination of this Agreement.

m. Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

n. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

o. Compliance with Section 409A. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's Termination of Employment with the Company Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such Termination of Employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's Termination of Employment with the Company (or the earliest date as is permitted under Section 409A of the Code), (ii) any reimbursements provided under the Agreement, including, but not limited to, in Sections 2.c., 8.a.(iii)(C) and 13(p), shall be made no later than the end of Executive's taxable year following Executive's taxable year in which such expense was incurred; in addition, the amounts eligible for reimbursement, or in-kind benefits to be provided, during any one taxable year under this Agreement may not affect the expenses eligible for reimbursement in any other taxable year under this Agreement, (iii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Board or any duly authorized committee thereof, that does not cause such an accelerated or additional tax or result in an additional cost to the Company, and (iv) if (x) any payment under this Agreement is subject to Section 409A and is conditioned upon Executive's signing a release of claims and (y) the period for Executive to sign the release of claims (and any applicable period to revoke the release) starts in one calendar year and ends in the following calendar year, such payment will be made (or commence) in the second calendar year, subject to any payment terms provided in this Agreement. The Company shall consult with Executive in good faith regarding the implementation of the provisions of this Section 13(o); provided that neither the Company nor any of its employees or representatives shall have any liability to Executive with respect thereto.

p. Enforcement Costs. The Company is aware that upon the occurrence of a Change in Control the Board of Directors or a shareholder of the Company may then cause or attempt to cause the Company to refuse to comply with its obligations under this Agreement, or may cause or attempt to cause the Company to institute, or may institute, litigation or arbitration seeking to have this Agreement declared unenforceable, or may take, or attempt to take, other action to deny Executive the benefits intended under this Agreement. In these circumstances, the purpose of this Agreement could be frustrated. It is the intent of the Company that Executive not be required to incur the expenses associated with the enforcement of Executive's rights under this Agreement by litigation, arbitration or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder, nor be bound to negotiate any settlement of Executive's rights hereunder under threat of incurring such expenses. Accordingly, if at any time following a Change in Control, it should appear to Executive that the Company has failed to comply with any of its obligations under this Agreement or the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any litigation, arbitration or other legal action designed to deny, diminish or recover from Executive the benefits intended to be provided to Executive hereunder, and Executive has complied with all of Executive's obligations under Sections 10 and 11, then the Company irrevocably authorizes Executive from time to time to retain counsel of Executive's choice at the expense of the Company as provided in this Section 13(p) to represent Executive in connection with the initiation or defense of any litigation, arbitration or other legal action, whether by or against the Company or any Director, officer, shareholder or other person affiliated with the Company, in any jurisdiction. The Company's obligations under this Section 13(p) shall not be conditioned on Executive's success in the prosecution or defense of any such litigation, arbitration or other legal action. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Executive entering into an attorney-client relationship with such counsel, and in that connection the Company and Executive agree that a confidential relationship shall exist between Executive and such counsel. The reasonable fees and expenses of counsel selected from time to time by Executive as hereinabove provided shall be paid or reimbursed to Executive by the Company on a regular, periodic basis no later than 30 days after presentation by Executive of a statement or statements prepared by such counsel in accordance with its customary practices, up to a maximum of $250,000 per year for each of the two years following the year in which the Change in Control occurs, provided that Executive presents such statement(s) no later than 30 days prior to the end of Executive's taxable year following the year in which such expenses were incurred. Notwithstanding the foregoing, this Section 13(p) shall not apply at any time unless a Change in Control has occurred.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CHART INDUSTRIES, INC. ("Company")	Mary C. Cook ("Executive")
By: /s/ Samuel F. Thomas	/s/ Mary C. Cook
Name: Samuel F. Thomas Title: Chairman, Chief Executive Officer and President	

(Back To Top)

Section 5: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION

I, Samuel F. Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chart Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

/s/ Samuel F. Thomas

Samuel F. Thomas

Chairman of the Board, Chief Executive Officer and President

(Back To Top)

Section 6: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION

I, Kenneth J. Webster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chart Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

/s/ Kenneth J. Webster

Kenneth J. Webster

Vice President and Chief Financial Officer

(Back To Top)

Section 7: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Chart Industries, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

(a) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: April 28, 2016

/s/ Samuel F. Thomas
Samuel F. Thomas
Chairman of the Board, Chief Executive Officer and President

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

(Back To Top)

Section 8: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Chart Industries, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

(a) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: April 28, 2016

/s/ Kenneth J. Webster
Kenneth J. Webster
Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the

Securities and Exchange Commission or its staff upon request.

(Back To Top)