GARDNER DENVER INC
Form PRER14A
May 09, 2013
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to § 240.14a-12

GARDNER DENVER, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, par value $0.01 per share, of Gardner Denver, Inc.

(2) Aggregate number of securities to which transaction applies:

As of April 8, 2013, 49,207,489 shares of Gardner Denver, Inc. common stock; 553,250 shares of Gardner Denver, Inc. common stock issuable upon the exercise of stock options; and 204,125 shares of Gardner Denver, Inc. common stock issuable upon vesting and settlement of restricted stock units.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The maximum aggregate value was determined based upon the sum of: (A) 49,207,489 shares of Gardner Denver, Inc. common stock multiplied by $76.00 per share; (B) options to purchase 553,250 shares of Gardner Denver, Inc. common stock multiplied by $21.69 (the difference between $76.00 and the weighted average exercise price of $54.31 per share); and (C) 204,125 restricted stock units multiplied by $76.00 per share. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filed fee was determined by multiplying the sum calculated in the preceding sentence by 0.00013640.

(4) Proposed maximum aggregate value of transaction:

$3,767,282,656.50

(5) Total fee paid:

$513,857.36

x Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED MAY 9, 2013

[ ], 2013

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Gardner Denver, Inc. to be held on [ ], 2013 at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087, at [1:30 p.m.], Eastern time.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated March 7, 2013, by and among Gardner Denver, Inc., Renaissance Parent Corp., or Parent, and Renaissance Acquisition Corp., or Acquisition Sub, a wholly owned subsidiary of Parent. Parent and Acquisition Sub are entities that are affiliated with Kohlberg Kravis Roberts & Co. L.P. Pursuant to the terms of the merger agreement, Acquisition Sub will merge with and into Gardner Denver, and Gardner Denver will become a wholly owned subsidiary of Parent. You will also be asked to consider and vote on a non-binding, advisory proposal to approve compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

If the merger contemplated by the merger agreement is completed, you will be entitled to receive $76.00 in cash, without interest, for each share of our common stock owned by you (unless you have properly exercised your appraisal rights with respect to such shares), which represents a premium of (i) approximately 39% to Gardner Denver s closing stock price on October 24, 2012, the last trading day prior to Gardner Denver s announcement that it would evaluate strategic alternatives, and (ii) approximately 46% over the closing price of the common stock on July 26, 2012, the last trading day prior to the date on which a shareholder with a stake in excess of 5% of Gardner Denver s common stock called for Gardner Denver to sell itself in an all cash transaction.

Gardner Denver s Board of Directors, after considering factors more fully described in this proxy statement has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Gardner Denver and our shareholders, has declared advisable the merger agreement and has adopted and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. The Board of Directors recommends that you vote FOR the adoption of the merger agreement, FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and FOR the non-binding, advisory proposal to approve compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

The enclosed proxy statement provides detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. The proxy statement also describes the actions and determinations of our Board of Directors in connection with its evaluation of the merger agreement and the merger. We encourage you to read the proxy statement and its annexes, including the merger agreement, carefully and in their entirety. You may also obtain more information about Gardner Denver from documents we file with the Securities and Exchange Commission from time to time.

Table of Contents

Whether or not you plan to attend the special meeting in person, please complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the special meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares in street name, you should instruct your broker how to vote in accordance with the voting instruction form you will receive from your bank, broker or other nominee.

Your vote is very important, regardless of the number of shares that you own. We cannot consummate the merger unless the proposal to adopt the merger agreement is approved by the affirmative vote of the holders of at least a majority of the outstanding shares of our common stock. The failure of any shareholder to vote in person by ballot at the special meeting, to submit a signed proxy card or to grant a proxy electronically over the Internet or by telephone will have the same effect as a vote AGAINST the proposal to adopt the merger agreement. If you hold your shares in street name, the failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote AGAINST the proposal to adopt the merger agreement.

If you have any questions or need assistance voting your shares of our common stock, please contact Georgeson Inc., our proxy solicitor, by calling 800-314-4549 (toll-free).

On behalf of our Board of Directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely,

Diane K. Schumacher

Chairperson of the Board

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the merger, or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated [ ], 2013 and, together with the enclosed form of proxy card, is first being mailed to shareholders of Gardner Denver on or about [ ], 2013.

Table of Contents

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED MAY 9, 2013

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY.

Notice is hereby given that a special meeting of shareholders of Gardner Denver, Inc., a Delaware corporation, will be held on [ ], 2013 at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087, at [1:30 p.m.], Eastern time, for the following purposes:

1. To consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated March 7, 2013 (referred to as the merger agreement), by and among Gardner Denver, Inc., Renaissance Parent Corp., or Parent, and Renaissance Acquisition Corp., or Acquisition Sub, a wholly owned subsidiary of Parent, as it may be amended from time to time (a copy of the merger agreement is attached as Annex A to the proxy statement accompanying this notice);

2. To consider and vote on any proposal to adjourn the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting;

3. To consider and vote on a non-binding, advisory proposal to approve compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger; and

4. To transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to adopt the merger agreement. Approval of the proposal to adjourn the special meeting, whether or not a quorum is present, requires the affirmative vote of the majority of the voting power of the shares of common stock represented either in person or by proxy. Approval, by non-binding, advisory vote, of compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger requires the affirmative vote of a majority of those shares of common stock represented in person or by proxy and voting on the proposal. The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will not have any effect on the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger. If you hold your shares in street name, the failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement but will not have any effect on the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may be paid to Gardner Denver s named executive officers that is based on or otherwise relates to the merger. Abstentions will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Only shareholders of record as of the close of business on [ ], 2013 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof. A list of shareholders

Table of Contents

entitled to vote at the special meeting will be available in our principal executive offices located at 1500 Liberty Ridge Drive, Suite 3000, Wayne, Pennsylvania 19087, during regular business hours for a period of no less than ten days before the special meeting and at the place of the special meeting during the meeting.

Shareholders who do not vote in favor of the proposal to adopt the merger agreement will have the right to seek appraisal of the fair value of their shares of Gardner Denver common stock if they deliver a demand for appraisal before the vote is taken on the merger agreement and comply with all the requirements of Delaware law, which are summarized herein and reproduced in their entirety in Annex C to the accompanying proxy statement.

The Board of Directors recommends that you vote FOR the adoption of the merger agreement, FOR the adjournment of the special meeting (if necessary or appropriate) and FOR the non-binding, advisory proposal regarding compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger. In considering the recommendation of the Board of Directors, shareholders of Gardner Denver should be aware that members of the Board of Directors and its executive officers have agreements and arrangements that provide them with interests in the merger that may be different from, or in addition to, those of Gardner Denver shareholders. See The Merger Interests of the Directors and Executive Officers of Gardner Denver in the Merger.

For the Board of Directors,

Brent A. Walters

Vice President, General Counsel, Chief Compliance Officer and Secretary

Dated: [ ], 2013

Table of Contents

YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, WE ENCOURAGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE (2) THROUGH THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before the special meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished to you by such bank, broker or other nominee, which is considered the shareholder of record, in order to vote. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. Your broker or other agent cannot vote on any of the proposals, including the proposal to adopt the merger agreement, without your instructions.

If you fail to return your proxy card, grant your proxy electronically over the Internet or by telephone or vote by ballot in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. If you are a shareholder of record, voting in person by ballot at the special meeting will revoke any proxy that you previously submitted. If you hold your shares through a bank, broker or other nominee, you must obtain from the record holder a valid proxy issued in your name in order to vote in person at the special meeting.

We encourage you to read the accompanying proxy statement, including all documents incorporated by reference into the accompanying proxy statement, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the special meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of common stock, please contact our proxy solicitor:

Georgeson Inc.

480 Washington Blvd., 26th Floor

Jersey City, NJ 07310

Shareholders, call toll-free: 800-314-4549

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement related to the merger of Renaissance Acquisition Corp. with and into Gardner Denver, Inc., which we refer to as the merger, and may not contain all of the information that is important to you. To understand the merger more fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under Where You Can Find More Information beginning on page 108. The merger agreement is attached as Annex A to this proxy statement. We encourage you to read the merger agreement, which is the legal document that governs the merger.

Except as otherwise specifically noted in this proxy statement, Gardner Denver, we, our, us and similar words in this proxy statement refer to Gardner Denver, Inc. including, in certain cases, our subsidiaries. Throughout this proxy statement we refer to Renaissance Parent Corp. as Parent and Renaissance Acquisition Corp. as Acquisition Sub. In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated March 7, 2013, as it may be amended from time to time, by and among Gardner Denver, Parent and Acquisition Sub as the merger agreement.

Parties Involved in the Merger (page 29)

Gardner Denver, Inc.

Gardner Denver is a leading worldwide manufacturer of highly engineered products, including compressors, liquid ring pumps and blowers for various industrial, medical, environmental, transportation and process applications, pumps used in the petroleum and industrial market segments and other fluid transfer equipment, such as loading arms and dry break couplers, serving chemical, petroleum and food industries.

Gardner Denver s common stock is currently listed on the New York Stock Exchange under the symbol GDI.

Renaissance Parent Corp.

Parent is a Delaware corporation that is currently owned by an investment fund affiliated with Kohlberg Kravis Roberts & Co. L.P., which we refer to as KKR or the sponsor. Parent was formed solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Parent has not conducted any business operations except in furtherance of this purpose and activities incident to its formation. Upon completion of the merger, Gardner Denver will be a direct wholly owned subsidiary of Parent.

Renaissance Acquisition Corp.

Acquisition Sub is a Delaware corporation and a wholly owned subsidiary of Parent, formed solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Acquisition Sub has not conducted any business operations except in furtherance of this purpose and activities incident to its formation. Upon completion of the merger, Acquisition Sub will cease to exist.

Effect of the Merger (page 30)

Upon the terms and subject to the conditions of the merger agreement, Acquisition Sub will merge with and into Gardner Denver, with Gardner Denver continuing as the surviving corporation and a wholly owned subsidiary of Parent. Throughout this proxy statement we use the term surviving corporation to refer to Gardner

Table of Contents

Denver as the surviving corporation following the merger. As a result of the merger, Gardner Denver will cease to be a publicly traded company. If the merger is completed, you will not own any shares of the capital stock of the surviving corporation.

The time at which the merger will become effective, which we refer to as the effective time of the merger, will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware (or at such later time as we, Parent and Acquisition Sub may agree and specify in the certificate of merger).

Effect on Gardner Denver if the Merger is Not Completed (page 30)

If the merger agreement is not adopted by Gardner Denver shareholders or if the merger is not completed for any other reason, Gardner Denver shareholders will not receive any payment for their shares of common stock. Instead, Gardner Denver will remain an independent public company, the common stock will continue to be listed and traded on the New York Stock Exchange and registered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and we will continue to file periodic reports with the Securities and Exchange Commission, which we refer to as the SEC, on account of Gardner Denver s common stock. Under specified circumstances, Gardner Denver may be required to reimburse Parent s expenses or pay Parent a termination fee, or may be entitled to receive a reverse termination fee from Parent, upon the termination of the merger agreement, as described under The Merger Agreement Termination Fees beginning on page 98.

Merger Consideration (page 30)

In the merger, each outstanding share of our common stock (other than (i) shares owned by Gardner Denver in treasury, (ii) any shares owned, directly or indirectly, by Parent or Acquisition Sub and (iii) shares owned by shareholders who are entitled to and who properly exercise appraisal rights under Delaware law) will be converted into the right to receive $76.00 in cash, without interest and less any applicable withholding taxes, which amount we refer to as the per share merger consideration, and, without any action by the holders of such shares, will cease to be outstanding, be canceled and cease to exist, and each certificate formerly representing any of the shares of Gardner Denver common stock will thereafter represent only the right to receive the per share merger consideration. At or immediately prior to the effective time of the merger, Parent will deposit sufficient funds to pay the aggregate per share merger consideration with a designated paying agent. Once a shareholder has provided the paying agent with his or her stock certificates and the other items specified by the paying agent, the paying agent will promptly pay the shareholder the per share merger consideration.

After the merger is completed, under the terms of the merger agreement, you will have the right to receive the per share merger consideration, but you will no longer have any rights as a Gardner Denver shareholder as a result of the merger (except that shareholders who properly exercise their right of appraisal will have the right to receive a payment for the fair value of their shares as determined pursuant to an appraisal proceeding as contemplated by Delaware law), as described below under The Merger Appraisal Rights beginning on page 73).

The Special Meeting (page 24)

Date, Time and Place

A special meeting of our shareholders will be held on [ ], 2013 at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087, at [1:30 p.m.], Eastern time.

Record Date; Shares Entitled to Vote

You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on [ ], 2013, the record date for the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date.

Table of Contents

Purpose

At the special meeting, we will ask our shareholders of record as of the record date to vote on proposals to adopt the merger agreement, to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting, and to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Quorum

As of the record date, there were approximately [ ] shares of our common stock outstanding and entitled to be voted at the special meeting. The holders of a majority in voting power of the outstanding shares of our common stock entitled to vote thereat, present either in person or represented by proxy, will constitute a quorum at the special meeting. As a result, [ ] shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum.

Required Vote

The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to adopt the merger agreement. Approval of the proposal to adjourn the special meeting, whether or not a quorum is present, requires the affirmative vote of the majority of the voting power of the shares of common stock represented either in person or by proxy. Approval, by non-binding, advisory vote, of compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger requires the affirmative vote of a majority of those shares of common stock represented in person or by proxy and voting upon on the proposal.

Share Ownership of Our Directors and Executive Officers

As of [ ], 2013, the record date, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, [ ] shares of our common stock, representing approximately [ ]% of the outstanding shares of our common stock. Our directors and executive officers have informed us that they currently intend to vote all of their shares of Gardner Denver common stock **FOR** the adoption of the merger agreement, **FOR** the adjournment of the special meeting (if necessary or appropriate) and **FOR** the non-binding, advisory proposal regarding compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Voting and Proxies

Any Gardner Denver shareholder of record entitled to vote may submit a proxy by returning a signed proxy card by mail or voting electronically over the Internet or by telephone, or may vote in person by appearing at the special meeting. If you are a beneficial owner and hold your shares of Gardner Denver common stock in street name through a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how you wish to vote your shares of Gardner Denver common stock using the instructions provided by your broker, bank or other nominee. Under applicable rules, brokers, banks or other nominees have the discretion to vote on routine matters. The proposals in this proxy statement are non-routine matters, and brokers, banks and other nominees cannot vote on these proposals without your instructions. Therefore, it is important that you cast your vote or instruct your broker, bank or nominee on how you wish to vote your shares.

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy, signing another proxy card with a later date and returning it to us prior to the

Table of Contents

special meeting or attending the special meeting and voting in person. If you hold your shares of common stock in street name, you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your bank, broker or other nominee.

Recommendation of Our Board of Directors and Reasons for the Merger (page 41)

Our Board of Directors, after considering various factors described in the section entitled The Merger Recommendation of Our Board of Directors and Reasons for the Merger, has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Gardner Denver and our shareholders and has adopted and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. The Board of Directors recommends that you vote **FOR** the adoption of the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Opinion of Goldman, Sachs & Co. (page 47)

On March 7, 2013, Goldman, Sachs & Co., which we refer to as Goldman Sachs, delivered its opinion to the Board of Directors that, as of March 7, 2013 and based upon and subject to the factors and assumptions set forth therein, the $76.00 per share in cash to be paid to the holders of shares of Gardner Denver common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated March 7, 2013, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement. Goldman Sachs provided its opinion for the information and assistance of the Board of Directors of Gardner Denver in connection with its consideration of the transaction. The Goldman Sachs opinion does not constitute a recommendation as to how any holder of Company common stock should vote with respect to the transaction or any other matter. Pursuant to an engagement letter between Gardner Denver and Goldman Sachs, Gardner Denver has agreed to pay Goldman Sachs a transaction fee of approximately $33 million, $4 million of which became payable upon announcement of the merger agreement and the remainder of which is contingent upon the consummation of the transaction contemplated thereby.

Financing of the Merger (page 70)

We anticipate that the total amount of funds necessary to complete the merger and the related transactions, including the funds needed to:

- Pay our shareholders the amounts due under the merger agreement;
- Make payments in respect of Gardner Denver s outstanding equity-based awards and long-term cash bonuses pursuant to the merger agreement;
- Repay and discharge all amounts outstanding pursuant to the Credit Agreement, dated September 19, 2008, between Gardner Denver, Inc., the other borrowers named therein, JPMorgan Chase Bank, N.A., Bank of America, N.A., Mizuho Corporate Bank, Ltd., U.S. Bank, National Association, J.P. Morgan Securities Inc. and the other lenders named therein, as amended; and
- Pay all fees and expenses payable by Parent and Acquisition Sub under the merger agreement and Acquisition Sub s agreements with its lenders (and related transactions),

Table of Contents

will be approximately $[ ] million. This amount will be funded through a combination of:

- Equity financing of up to $1,160 million (which represents approximately 22% of the total financing required for the merger) to be provided to Parent immediately prior to the closing of the merger by KKR North America Fund XI L.P., a private equity fund affiliated with KKR, which we refer to as the KKR Fund, or other parties to which the KKR Fund assigns all or a portion of its commitment;

- Borrowings under a $2,725 million senior secured credit facility, comprised of a $1,800 million senior secured term loan facility, a $525 million senior secured term loan facility available to be drawn in Euros and a $400 million senior secured revolving credit facility;

- The issuance and sale of up to $675 million in aggregate principal amount of senior unsecured notes (or, to the extent those notes are not issued at or prior to the closing of the merger, a $675 million senior unsecured bridge loan facility); and

- Gardner Denver s freely available cash at closing, if any.

In connection with the financing of the merger, Parent has entered into an equity commitment letter, dated as of March 7, 2013, with the KKR Fund and entered into an amended and restated debt commitment letter, dated as of March 15, 2013, with Barclays Bank PLC, Citibank, N.A. (or one of its affiliates), Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, HSBC Bank USA, N.A., KKR Corporate Lending LLC, MIHI LLC, Mizuho Corporate Bank, Ltd., Royal Bank of Canada, Sumitomo Mitsui Banking Corporation and UBS Securities LLC, which we refer to as the debt commitment letter. We refer to the equity and debt commitment letters collectively as the financing commitments. See The Merger Financing of the Merger beginning on page 70. We believe the amounts committed under the financing commitments will be sufficient to complete the merger, but we cannot assure you of that. Those amounts might be insufficient if, among other things, one or more of the parties to the financing commitments fails to fund the committed amounts in breach of such financing commitments or if the conditions to such commitments are not met. Although obtaining the proceeds of any financing, including the financing under the financing commitments is not a condition to the completion of the merger, the failure of Parent and Acquisition Sub to obtain any portion of the committed financing (or alternative financing) is likely to result in the failure of the merger to be completed. In that case, Parent may be obligated to pay Gardner Denver a fee of $263.1 million, as described under The Merger Agreement Termination Fees beginning on page 98.

The funding under the financing commitments is subject to conditions, including conditions that do not relate directly to the conditions to closing in the merger agreement. See The Merger Financing of the Merger beginning on page 70.

While the obligation of Parent and Acquisition Sub to consummate the merger is not subject to any financing condition, the merger agreement provides that, without Parent s agreement, the closing of the merger will not occur earlier than the final day of the marketing period, which is the first 20 consecutive business days throughout which (i) Parent will have received information regarding Gardner Denver required in connection with Parent s obtaining the debt financing (ii) specified conditions to the obligations of Parent and Acquisition Sub to consummate the merger have been satisfied throughout such 20 business day period with others required to be satisfied on the closing date of the merger and (iii) nothing has occurred and no other condition exists that would prevent any of the conditions to the obligations of Parent and Acquisition Sub to consummate the merger from being satisfied if the closing of the merger were to be scheduled on the last day of such 20 business day period. See The Merger Agreement Marketing Period beginning on page 84.

Table of Contents

Limited Guaranty (page 72)

Pursuant to a limited guaranty delivered by the KKR Fund in favor of Gardner Denver, dated as of March 7, 2013, which we refer to as the limited guaranty, the KKR Fund has agreed to guarantee the due, punctual and complete payment of:

- The obligation of Parent under the merger agreement to pay a reverse termination fee of $263.1 million plus costs and expenses related thereto to Gardner Denver if the merger agreement is terminated by Gardner Denver because Parent has (i) breached its representations, warranties, covenants or agreements in the merger agreement or (ii) failed to consummate the merger when required;

- The indemnification obligations of Parent and Acquisition Sub in connection with any costs and expenses incurred by Gardner Denver and its affiliates in the arrangement of the debt financing; and

- The obligations of Parent and Acquisition Sub to pay their own expenses under the merger agreement.

For more information about the limited guaranty, see The Merger Agreement Limited Guaranty beginning on page 72.

Treatment of Options, Restricted Stock Units and Long-Term Cash Bonus Awards (page 61)

The merger agreement provides that Gardner Denver s equity awards and long-term cash bonus awards that are outstanding immediately prior to the effective time of the merger will be subject to the following treatment at the effective time of the merger:

Options

Each outstanding stock option to purchase shares of Gardner Denver common stock, whether or not vested, will be canceled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of Gardner Denver common stock subject to the option as of the effective time of the merger and (ii) the amount, if any, by which $76.00 exceeds the exercise price per share of Gardner Denver common stock underlying the stock option. At the request of Parent, Gardner Denver will reasonably cooperate with Parent to obtain option cancellation agreements from all option holders.

Restricted Stock Units

The vesting conditions or restrictions applicable to each restricted stock unit, which we refer to as a RSU, will lapse and each such RSU will be converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of Gardner Denver common stock subject to such RSU as of the effective time of the merger and (ii) $76.00.

Long-Term Cash Bonus Awards

Long-term cash bonus awards granted for the three year performance period beginning January 1, 2011 and ending December 31, 2013, which we refer to as the 2011-2013 performance period, will be deemed to be earned at the end of the 2011-2013 performance period at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved by Gardner Denver or the surviving corporation, as applicable, for such performance period and (ii) the payout opportunity that corresponds to the target performance level for such performance period relative to the performance targets applicable to such performance period, provided that any employee entitled to an award in respect of the 2011-2013 performance period whose employment is terminated at or after the effective time of the merger and prior to the end of the 2011-2013 performance period will instead

Table of Contents

be paid a pro-rata portion of his or her award. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2013 and ending December 31, 2015, will be deemed to be earned at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved for such partial performance period relative to the applicable performance targets for such award and (ii) the payout opportunity that corresponds to the target performance level for such performance period. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2012 and ending December 31, 2014 will be deemed to be earned at the payout opportunity that corresponds to the target performance level originally established for such performance period.

Employee Benefits (page 94)

Parent has agreed to cause the surviving corporation to honor the terms of Gardner Denver s benefit plans. Until December 31, 2014, all employees of Gardner Denver who remain employed following the merger, who we refer to as continuing employees, will be provided (i) annual base salaries or wages, (ii) annual cash-based incentive compensation target amount opportunity (excluding any long-term cash and equity-based incentive compensation) and (iii) benefits (other than benefits that are, or will be, frozen or discontinued at the effective time) that, in each case, are no less favorable in the aggregate than the employee benefits provided to the continuing employees immediately prior to the effective time of the merger. Parent will provide severance payments and benefits that are in the aggregate no less favorable than those that would have been provided by Gardner Denver before the merger (other than executives who otherwise have rights under any change in control agreement) whose employment is terminated on or before the second anniversary of the merger. Parent has agreed to assume and honor Gardner Denver s obligations under each executive change in control agreement following the merger. For more information about the employee benefits covenants affecting continuing employees, see The Merger Agreement Employee Benefits beginning on page 94.

Interests of the Directors and Executive Officers of Gardner Denver in the Merger (page 60)

When considering the recommendation of the Board of Directors that you vote to approve the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a shareholder. The Board of Directors was aware of and considered these interests to the extent such interests existed at the time, among other matters, in evaluating and negotiating the merger agreement, in approving the merger agreement and the merger and in recommending that the merger agreement be adopted by the shareholders of Gardner Denver. These interests include the following:

- Accelerated vesting of equity-based awards simultaneously with the effective time of the merger, and the settlement of such awards in exchange for cash;
- Accelerated payments of cash in respect of phantom stock units credited to nonemployee directors under our phantom stock plan in connection with the consummation of the merger;
- The entitlement of each executive officer to receive payments and benefits under his or her change in control agreement in connection with an involuntary termination of employment other than for cause, as such term is defined in his or her change in control agreements, or if the executive officer voluntarily terminates his or her employment for good reason, as such term is defined in the change in control agreements, during the 24-month period following the effective time of the merger;
- Payment of retention awards under our key management retention program, one half of which are paid upon the effective time of the merger and the other half of which are paid six months following the effective time of the merger; and
- Continued indemnification and directors and officers liability insurance to be provided by the surviving corporation.

Table of Contents

If the proposal to adopt the merger agreement is approved by our shareholders, the shares of common stock held by our directors and executive officers will be treated in the same manner as outstanding shares of common stock held by all other shareholders of Gardner Denver entitled to receive the merger consideration.

Appraisal Rights (page 73)

If the merger is adopted by Gardner Denver shareholders, shareholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the General Corporation Law of the State of Delaware, or the DGCL. This means that shareholders of Gardner Denver common stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Gardner Denver common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest based to be paid upon the amount determined to be fair value, if any, as determined by the court. Shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process.

Shareholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

To exercise your appraisal rights, you must submit a written demand for appraisal to Gardner Denver before the vote is taken on the adoption of the merger agreement, you must not submit a proxy or otherwise vote in favor of the proposal to adopt the merger agreement and you must continue to hold the shares of Gardner Denver common stock of record through the effective time of the merger. Your failure to follow exactly the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement. If you hold your shares of Gardner Denver common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such bank, brokerage firm or nominee.

Material U.S. Federal Income Tax Consequences of the Merger (page 77)

For U.S. federal income tax purposes, the receipt of cash by a U.S. Holder (as defined under The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 77) in exchange for such U.S. Holder s shares of Gardner Denver common stock in the merger generally will result in the recognition of gain or loss in an amount measured by the difference, if any, between the cash such U.S. Holder receives in the merger and such U.S. Holder s adjusted tax basis in the shares of Gardner Denver common stock surrendered in the merger. **Shareholders should consult their own tax advisors concerning the U.S. federal income tax consequences relating to the merger in light of their particular circumstances and any consequences arising under the laws of any state, local or foreign taxing jurisdiction.**

Regulatory Approvals Required for the Merger (page 79)

Under the merger agreement, the merger cannot be completed until (i) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act, has expired or been terminated (the FTC granted early termination of the waiting period under the HSR Act on March 29, 2013), (ii) the approval by the European Commission applicable to the merger has been granted, (iii) the approval by the Republic of South Africa s Competition Commission applicable to the merger has been granted or any applicable waiting period

Table of Contents

related to that approval has expired and (iv) the approval by the People s Republic of China s Ministry of Commerce applicable to the merger has been granted or any applicable waiting period related to that approval has expired.

While not a condition to the closing of the merger under the merger agreement, the parties must also file merger notifications with the appropriate regulators in Argentina, Serbia, Turkey and Ukraine pursuant to each jurisdiction s respective laws designed or intended to regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition. The parties may also be required to observe mandatory waiting periods and/or obtain the necessary approvals, clearances or consents in each of these foreign jurisdictions before completing the merger. The parties will file merger notifications with the appropriate regulators in each of the required foreign jurisdictions as promptly as practicable and work cooperatively toward expedited regulatory clearances.

Legal Proceedings Regarding the Merger (page 81)

On March 14, 2013, a purported shareholder of Gardner Denver filed a complaint styled as a class action lawsuit in the Court of Common Pleas in Chester County, Pennsylvania, which we refer to as the Chester County Common Pleas Court. The case caption of this complaint, which we refer to as the *Carson* Complaint, is: Jack Carson, Individually and on behalf of all others similarly situated, v. Gardner Denver, Inc., Renaissance Parent Corp., Renaissance Acquisition Corp., Kohlberg Kravis Roberts & Co., L.P., Michael C. Arnold, Donald G. Barger, John D. Craig, Raymond R. Hipp, David D. Petratis, Diane K. Schumacher, Charles L. Szews, Richard L. Thompson and Michael M. Larsen, No. 13-02341. On March 15, 2013, a second purported shareholder of Gardner Denver filed a substantially similar complaint, which we refer to as the *Shoemaker* Complaint, in Chester County Common Pleas Court captioned Glenn Shoemaker, Individually and on Behalf of All Others Similarly Situated, v. Gardner Denver, Inc., *et al.*, No. 13-02372. Unlike the *Carson* Complaint, the *Shoemaker* Complaint does not name Mr. Larsen or KKR as defendants. Both complaints assert that the members of the Board of Directors breached their fiduciary duties in agreeing to the merger, and that Gardner Denver, Parent, Acquisition Sub and, in the case of the *Carson* Complaint, KKR aided and abetted in the breaches of fiduciary duties. The *Carson* Complaint seeks to enjoin the merger and seeks other equitable relief. The *Shoemaker* Complaint seeks money damages. On May 2, 2013, the *Shoemaker* Complaint was voluntarily dismissed. On April 30, 2013, an amended *Carson* Complaint was filed, which we refer to as the Amended *Carson* Complaint. The Amended *Carson* Complaint adds an allegation that the members of the Board of Directors breached their fiduciary duties in failing to make material disclosures in the preliminary proxy statement filed in connection with the merger.

On March 27, 2013, a third purported shareholder of Gardner Denver filed a substantially similar complaint, which we refer to as the *White* Complaint, in the Delaware Court of Chancery captioned Daniel White, individually and on behalf of all others similarly situated, v. Larsen, et al., C.A. No. 8439-VCN. The *White* complaint asserts that the members of the Board of Directors breached their fiduciary duties in agreeing to the merger, and that Gardner Denver, Parent, Acquisition Sub and KKR aided and abetted in the breaches of fiduciary duties. The *White* Complaint seeks to enjoin the merger and an award of money damages.

On April 22, 2013, a fourth purported shareholder of Gardner Denver filed a complaint, which we refer to as the *Minzer* Complaint, in the Delaware Court of Chancery captioned Shoshana Minzer, individually and on behalf of all others similarly situated, v. Larsen, et al., C.A. No. 8498. The *Minzer* Complaint asserts that the members of the Board of Directors breached their fiduciary duties in agreeing to the merger and in failing to make material disclosures in the preliminary proxy statement filed in connection with the merger, and that Gardner Denver, Parent, Acquisition, Acquisition Sub and KKR aided and abetted in the breaches of fiduciary duties. The *Minzer* Complaint seeks to enjoin the merger and an award of money damages.

Table of Contents

On April 25, 2013, plaintiff Glenn Shoemaker filed a complaint, which we refer to as the *Shoemaker* Delaware Complaint, in the Delaware Court of Chancery captioned Glenn Shoemaker, Individually and on Behalf of All Others Similarly Situated, v. Gardner Denver, Inc., et al., C.A. No. 8505. The *Shoemaker* Delaware Complaint makes substantively identical allegations to the *Minzer* Complaint: asserting that the members of the Board of Directors breached their fiduciary duties in agreeing to the merger and in failing to make material disclosures in the preliminary proxy statement filed in connection with the merger, and that Parent, Acquisition Sub and KKR aided and abetted in the breaches of fiduciary duties. The *Shoemaker* Delaware Complaint seeks to enjoin the merger.

Restrictions on Solicitations of Other Offers (page 90)

Under the merger agreement, neither Gardner Denver nor any of its subsidiaries may (and Gardner Denver will use reasonable best efforts to cause its and its subsidiaries affiliates and representatives not to) (i) initiate, solicit or knowingly encourage or facilitate any inquiries regarding any proposal, which we refer to as a competing proposal, or offer that constitutes or would reasonably be expected to lead to such a proposal to acquire, directly or indirectly, in one transaction or a series of transactions, either beneficial ownership of 20% or more of any class of Gardner Denver s stock or assets or businesses of Gardner Denver that constitute 20% or more of the revenues or assets of Gardner Denver and its subsidiaries, taken as a whole, or (ii) engage in any negotiations or substantive discussions regarding, or provide any non-public information to, any person relating to, or that would reasonably be expected to lead to, any competing proposal.

Gardner Denver may, however, prior to the adoption of the merger agreement by Gardner Denver s shareholders, provide information in response to a request and engage or participate in negotiations or substantive discussions with a person regarding a written unsolicited bona fide acquisition proposal, if the Board of Directors determines in good faith after consultation with its outside financial advisor and its outside legal counsel that such proposal could reasonably be expected to result in a superior proposal. For the purposes of the merger agreement, a superior proposal is a proposal for either beneficial ownership of 50% or more of any class of Gardner Denver s stock or assets or businesses of Gardner Denver that constitute 50% or more of the revenues or assets of Gardner Denver and its subsidiaries, taken as a whole, that the Board of Directors considers, in good faith after consultation with its outside financial advisor and its outside legal counsel, to be more favorable to Gardner Denver s stockholders from a financial point of view than the transactions contemplated by the merger agreement (including any changes to the terms of the transactions contemplated by the merger agreement agreed to by Parent).

Changes in Board Recommendation (page 91)

Prior to the adoption of the merger agreement by Gardner Denver s shareholders, the Board of Directors may under certain circumstances withdraw its recommendation that Gardner Denver s shareholders adopt the merger agreement if it determines in good faith after consultation with its outside financial advisor and its outside legal counsel that failure to do so would be reasonably likely to be inconsistent with the Board of Director s fiduciary duties to Gardner Denver s shareholders under applicable law.

Conditions to the Closing of the Merger (page 96)

The following conditions must be satisfied or waived, where legally permissible, before the proposed merger can be consummated:

The adoption of the merger agreement by the requisite affirmative vote of Gardner Denver s shareholders;

The expiration or termination of the applicable waiting period under the HSR Act, the approval of the merger by the European Commission, the approval or clearance of the merger by the applicable

Table of Contents

governmental agency in the People s Republic of China or the expiration or termination of any applicable waiting period related to that approval and the approval or clearance of the merger by the applicable governmental agency in the Republic of South Africa or the expiration or termination of any applicable waiting period related to that approval (see The Merger Regulatory Approvals Required for the Merger beginning on page 79);

The consummation of the merger not being restrained, enjoined, rendered illegal or otherwise prohibited by any law or order of any governmental authority;

The accuracy of the representations and warranties of Gardner Denver, Parent and Acquisition Sub in the merger agreement, subject to materiality qualifiers, as of the effective time of the merger or the date in respect of which such representation or warranty was specifically made;

The performance in all material respects by Gardner Denver, on the one hand, and Parent and Acquisition Sub, on the other hand, of their respective obligations required to be performed by them under the merger agreement at or prior to the effective time of the merger; and

Receipt of certificates by senior executive officers of Gardner Denver, on the one hand, and Parent and Acquisition Sub, on the other hand, to the effect that the conditions described in the preceding two bullets have been satisfied.

Termination of the Merger Agreement (page 97)

In general, the merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the adoption of the merger agreement by Gardner Denver s shareholders, in the following ways:

By mutual written consent of Gardner Denver and Parent;

By either Gardner Denver or Parent if:

The merger has not been consummated by 5:00 p.m., New York City time, on September 7, 2013; however, if, as of September 7, 2013, the condition relating to antitrust and regulatory approvals has not been satisfied or waived but all other conditions to the merger have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the closing of the merger), the termination date will be extended to December 7, 2013, which we refer to the date on which the merger agreement may be terminated pursuant to this sentence as the termination date, provided that the right to terminate the merger agreement as a result of the occurrence of the termination date will not be available (i) to any party if the failure of such party to perform or comply with its obligations under the merger agreement has been the principal cause or resulted in the failure of the closing of the merger to have occurred on or before such date and (ii) to either party if, on or prior to the date that is 6 months from the date of the merger agreement, the closing of the merger has not occurred as a result of the marketing period delaying consummation of the merger;

A governmental authority has, by law or order, permanently restrained, enjoined, rendered illegal or otherwise prohibited the transactions contemplated by the merger agreement and such law or order has become final or nonappealable, provided that the party seeking to terminate the merger agreement pursuant to this clause has complied with its obligations described under The Merger Agreement Efforts to Close the Merger beginning on page 94 or has used its reasonable best efforts to remove the injunction, order or decree; however, the right to terminate the merger agreement pursuant to the previous sentence will not be available to a party if the issuance of such law or order was primarily due to the failure of such party (including in the case of Parent, the failure of Acquisition Sub) to perform any of its obligations under the merger agreement; or

Our shareholders have failed to adopt the merger agreement at the special meeting of shareholders, or any adjournment or postponement thereof;

Table of Contents

By Gardner Denver if:

- Parent or Acquisition Sub has breached or failed to perform any of its respective representations, warranties, covenants or other agreements set forth in the merger agreement, which (i) would give rise to the failure of a related closing condition and (ii) is not capable of being cured, or is not cured, before the earlier of the termination date or the date that is 30 calendar days following Gardner Denver s delivery of written notice of such breach; however, Gardner Denver will not have the right to terminate the merger agreement if Gardner Denver is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement;

- Prior to the adoption of the merger agreement by our shareholders and provided that Gardner Denver is not then in breach of its obligations related to competing proposals and superior proposals, in order to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement, subject to Gardner Denver paying to Parent a termination fee of $103.4 million; or

- Parent fails to consummate the closing of the merger on the date on which the closing is to occur where all of the conditions to closing have been and continue to be satisfied or have been waived (other than those conditions that by their nature cannot be satisfied other than at the closing) and Gardner Denver has notified Parent in writing that all of the conditions to closing have been satisfied, or, with respect to Gardner Denver s conditions, waived, and that it is ready and willing to consummate the closing on the date on which the closing is to occur;

by Parent if:

- Gardner Denver has breached or failed to perform any of its representations, warranties, covenants or other agreements set forth in the merger agreement such that certain conditions set forth in the merger agreement are not satisfied and such breach is not capable of being cured, or is not cured, before the earlier of the termination date or the date that is 30 calendar days following the Parent s delivery of written notice of such breach; however, Parent will not have the right to terminate the merger agreement if Parent or Acquisition Sub is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement; or

- Prior to the adoption of the merger agreement by the shareholders of Gardner Denver, the Board of Directors of Gardner Denver changes its recommendation of the merger, fails to include in this proxy statement a recommendation by the Board of Directors that our shareholders adopt the merger agreement and approve the merger, approves or recommends any competing proposal or fails (by taking no position with the acceptance of such offer within ten business days after commencement) to recommend against acceptance of a tender or exchange offer for any outstanding shares of capital stock of Gardner Denver that constitutes a competing proposal.

Termination Fees and Expense Reimbursement (page 98)

Except in specified circumstances, whether or not the merger is completed, Gardner Denver and Parent are each responsible for all of their respective costs and expenses incurred in connection with the merger and the other transactions contemplated by the merger agreement.

Under the merger agreement, Gardner Denver may be required to pay to Parent a termination fee of $103.4 million (less any Parent expenses previously reimbursed by Gardner Denver, as described below), or approximately 2.75% of the aggregate equity value of the transaction, if the merger agreement is terminated under specified circumstances. In addition, the merger agreement requires Gardner Denver to reimburse Parent s reasonably documented out-of-pocket expenses, up to $10 million, in the event that the merger agreement is terminated after the shareholders of Gardner Denver fail to approve the merger agreement and the transactions contemplated thereby.

12

Table of Contents

Under the merger agreement, Parent may be required to pay to Gardner Denver a reverse termination fee of $263.1 million, or approximately 7% of the aggregate equity value of the transaction, if the merger agreement is terminated under specified circumstances. In no event will either party be required to pay a termination fee on more than one occasion.

Specific Performance (page 99)

Parent, Acquisition Sub and Gardner Denver are entitled to seek specific performance to prevent breaches of the merger agreement and to enforce the terms of the merger agreement in addition to any other remedy to which they are entitled at law or in equity. Gardner Denver is entitled to obtain specific performance or other equitable relief to cause equity financing contemplated by the equity commitment letter to be funded on the terms and subject to the conditions set forth in the equity commitment letter and the merger agreement if and only if (i) all conditions to Parent and Acquisition Sub s obligation to consummate the merger (other than conditions to be satisfied at the closing of the merger, each of which is capable of being satisfied at that time) have been satisfied at the time when the closing of the merger would have occurred if not for the failure of the equity financing to be funded, and remain satisfied, (ii) the debt financing has been funded or will be funded at the closing of the merger if the equity financing is funded and (iii) with respect to any funding of the equity financing to occur at the closing of the merger, Gardner Denver has irrevocably confirmed that if specific performance is granted and the equity financing and debt financing are funded, then the merger closing will occur.

Market Prices and Dividend Data (page 103)

Our common stock is listed on New York Stock Exchange under the symbol GDI. On October 24, 2012, the last trading day prior to Gardner Denver s announcement that it would evaluate strategic alternatives, the closing price of our common stock was $54.75 per share. The closing price of our common stock on the New York Stock Exchange on July 26, 2012, the last trading day prior to the date on which a shareholder disclosed that it had accumulated a stake in excess of 5% of Gardner Denver s common stock and called for Gardner Denver to sell itself in an all cash transaction, was $52.14 per share. On [ ], 2013, the latest practicable trading day before the printing of this proxy statement, the closing price for our common stock on the New York Stock Exchange was $[ ] per share.

Under the terms of the merger agreement, we may continue to declare or pay quarterly dividends to our common shareholders not in excess of $0.05 per share and consistent with past practice. No adjustment to the merger consideration will be made on account of any ordinary quarterly dividends payable prior to the consummation of the merger, provided that no dividend will be payable if the closing of the merger occurs on or prior to the applicable record date for such dividend.

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the merger, or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

Table of Contents

QUESTIONS AND ANSWERS

The following questions and answers are intended to address some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a Gardner Denver shareholder. We encourage you to read carefully the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under Where You Can Find More Information beginning on page 108.

Q: Why am I receiving these materials?

A: The Board of Directors is furnishing this proxy statement and form of proxy card to the holders of Gardner Denver common stock in connection with the solicitation of proxies to be voted at a special meeting of shareholders or at any adjournments or postponements of the special meeting.

Q: When and where is the special meeting?

A: The special meeting will take place on [ ], 2013 at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087, at [1:30 p.m.], Eastern time.

Q: Who is entitled to vote at the special meeting?

A: Only shareholders of record as of the close of business on [ ], 2013 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof. Each holder of Gardner Denver common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of Gardner Denver common stock that such holder owned as of the record date.

Q: May I attend the special meeting and vote in person?

A: Yes. All shareholders as of the record date may attend the special meeting and vote in person. Seating will be limited. Shareholders will need to present proof of ownership of Gardner Denver common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the special meeting. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the special meeting. Even if you plan to attend the special meeting in person, we encourage you to complete, sign, date and return the enclosed proxy or vote electronically over the Internet or via telephone to ensure that your shares will be represented at the special meeting. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you hold your shares in street name, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your bank, broker or other nominee.

Q: What am I being asked to vote on at the special meeting?

A: You are being asked to vote on the following proposals:

To adopt the merger agreement, pursuant to which Acquisition Sub will merge with and into Gardner Denver, and Gardner Denver will become a wholly owned subsidiary of Parent;

To approve the adjournment of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting; and

Table of Contents

To approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Q: What is the proposed merger and what effects will it have on Gardner Denver?

A: The proposed merger is the acquisition of Gardner Denver by Parent pursuant to the merger agreement. If the proposal to adopt the merger agreement is approved by the holders of Gardner Denver common stock and the other closing conditions under the merger agreement have been satisfied or waived, Acquisition Sub will merge with and into Gardner Denver, with Gardner Denver continuing as the surviving corporation. As a result of the merger, Gardner Denver will become a wholly owned subsidiary of Parent, and Gardner Denver common stock will no longer be publicly traded. In addition, Gardner Denver common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934, as amended, and we will no longer file periodic reports with the SEC on account of Gardner Denver common stock.

Q: What will I receive if the merger is completed?

A: Upon completion of the merger, you will be entitled to receive the per share merger consideration of $76.00 in cash, without interest and less any applicable withholding taxes, for each share of common stock that you own, unless you have properly exercised and not withdrawn your appraisal rights under the DGCL with respect to such shares. For example, if you own 100 shares of common stock, you will receive $7,600.00 in cash in exchange for your shares of common stock, less any applicable withholding taxes. In either case, your shares will be canceled and you will not own shares in the surviving corporation.

Q: How does the per share merger consideration compare to the market price of Gardner Denver common stock (i) prior to Gardner Denver s announcement that it would evaluate strategic alternatives and (ii) prior to the date on which a shareholder accumulated a stake in excess of 5% of Gardner Denver s common stock and called for Gardner Denver to sell itself?

A: The per share merger consideration represents a premium of (i) approximately 39% to Gardner Denver s closing stock price on October 24, 2012, the last trading day prior to Gardner Denver s announcement that it would evaluate strategic alternatives and (ii) approximately 46% over the closing price of the common stock on July 26, 2012, the last trading day prior to the date on which a shareholder disclosed that it had accumulated a stake in excess of 5% of Gardner Denver s common stock and called for Gardner Denver to sell itself in an all cash transaction.

Q: What do I need to do now?

A: We encourage you to read this proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement carefully and consider how the merger affects you. Then complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone, so that your shares can be voted at the special meeting. If you hold your shares in street name, please refer to the voting instruction forms provided by your bank, broker or other nominee to vote your shares. **Please do not send your stock certificates with your proxy card.**

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, under the terms of the merger agreement, you will receive shortly thereafter the letter of transmittal instructing you to send your stock certificates to the paying agent in order to receive the cash payment of the merger consideration for each share of our common stock represented by the stock certificates. You should use the letter of transmittal to exchange your stock certificates

for the cash payment to which you are entitled upon completion of the merger. **Please do not send in your stock certificates now.**

Table of Contents

Q: What happens if I sell or otherwise transfer my shares of Gardner Denver common stock after the record date but before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date the merger is expected to be completed. If you sell or transfer your shares of our common stock after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares and each of you notifies Gardner Denver in writing of such special arrangements, you will transfer the right to receive the merger consideration, if the merger is completed, to the person to whom you sell or transfer your shares of our common stock, but you will retain your right to vote these shares at the special meeting. **Even if you sell or otherwise transfer your shares of common stock after the record date, we encourage you to complete, date, sign and return the enclosed proxy or vote via the Internet or telephone.**

Q: How does Gardner Denver s Board of Directors recommend that I vote?

A: The Board of Directors, after considering the various factors described under The Merger Recommendation of Our Board of Directors and Reasons for the Merger, the comprehensive sale process conducted by the Board of Directors and the alternatives to the merger (including remaining as a standalone company), has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of, Gardner Denver and our shareholders, has declared advisable the merger agreement and has adopted and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The Board of Directors recommends that you vote **FOR** the adoption of the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by Gardner Denver shareholders or if the merger is not completed for any other reason, Gardner Denver shareholders will not receive any payment for their shares of common stock. Instead, Gardner Denver will remain an independent public company, the common stock will continue to be listed and traded on the New York Stock Exchange and registered under the Exchange Act and we will continue to file periodic reports with the SEC on account of Gardner Denver s common stock.

Under specified circumstances, Gardner Denver may be required to reimburse Parent s expenses or pay Parent a termination fee, or may be entitled to receive a reverse termination fee from Parent, upon the termination of the merger agreement, as described under The Merger Agreement Termination Fees beginning on page 98 and The Merger Agreement Expense Reimbursement beginning on page 99.

Q: Do any of Gardner Denver s directors or officers have interests in the merger that may differ from those of Gardner Denver shareholders generally?

A: Yes. In considering the recommendation of the Board of Directors with respect to the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of our shareholders generally. The Board was aware of and considered these interests, to the extent such interests existed at the time, among other matters, in evaluating and negotiating the merger agreement and the merger, in approving the merger agreement and the merger, and in recommending that the merger agreement be adopted by the shareholders of Gardner Denver. For a description of the interests of our directors and executive officers in the merger, see The Merger Interests of the Directors and Executive Officers of Gardner Denver in the

Merger beginning on page 60.

Table of Contents

Q: What vote is required to adopt the merger agreement?

A: The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to adopt the merger agreement.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. If you hold your shares in street name, the failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. Abstentions will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

As of [ ], 2013, the record date for determining who is entitled to vote at the special meeting, there were approximately [ ] shares of Gardner Denver common stock issued and outstanding. Each holder of Gardner Denver common stock is entitled to one vote per share of stock owned by such holder as of the record date.

Q: What vote is required to approve any proposal to adjourn the special meeting to a later date if necessary or appropriate to solicit additional proxies and to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger?

A: Approval of the proposal to adjourn the special meeting, whether or not a quorum is present, requires the affirmative vote of the majority of the voting power of the shares of common stock represented either in person or by proxy. Approval, by non-binding, advisory vote, of compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger requires the affirmative vote of a majority of those shares of common stock represented in person or by proxy and voting upon on the proposal.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger. If you hold your shares in street name, the failure to instruct your bank, broker or other nominee how to vote your shares will not have any effect on the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger. Abstentions will have the same effect as a vote **AGAINST** the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are considered, with respect to those shares, to be the shareholder of record. In this case, this proxy statement and your proxy card have been sent directly to you by Gardner Denver.

If your shares are held through a bank, broker or other nominee, you are considered the beneficial owner of the shares of Gardner Denver common stock held in street name. In that case, this proxy statement has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You are also invited to attend the special meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your bank, broker or other nominee.

17

Table of Contents

Q: How may I vote?

A: If you are a shareholder of record (that is, if your shares of common stock are registered in your name with Wells Fargo Bank, N.A., our transfer agent), there are four ways to vote:

By attending the special meeting and voting in person by ballot;

By visiting the Internet at the address on your proxy card; or

By calling toll-free (within the U.S. or Canada) at the phone number on your proxy card; or

By completing, dating, signing and returning the enclosed proxy card in the accompanying prepaid reply envelope.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of common stock, and to confirm that your voting instructions have been properly recorded when voting electronically over the Internet or by telephone. Please be aware that, although there is no charge for voting your shares, if you vote electronically over the Internet or by telephone, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Even if you plan to attend the special meeting in person, you are strongly encouraged to vote your shares of common stock by proxy. If you are a record holder or if you obtain a valid proxy to vote shares which you beneficially own, you may still vote your shares of common stock in person at the special meeting even if you have previously voted by proxy. If you are present at the special meeting and vote in person, your previous vote by proxy will not be counted.

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or electronically over the Internet or by telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or via telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or nominee.

Q: If my broker holds my shares in street name, will my broker vote my shares for me?

A: No. Your bank, broker or other nominee will only be permitted to vote your shares on any proposal only if you instruct your bank, broker or other nominee how to vote. You should follow the procedures provided by your bank, broker or other nominee regarding the voting of your shares of Gardner Denver common stock. Without instructions, your shares will not be voted, which will have the same effect as if you voted against adoption of the merger agreement and approval of the transactions contemplated thereby, but will have no effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Q: If my shares are held in Gardner Denver s retirement savings plan, how do I vote?

A: Shares of our common stock held in the Gardner Denver, Inc. Retirement Savings Plan, which we refer to as the Retirement Savings Plan, will be voted by JPMorgan Chase Bank, N.A., which we refer to as JPMorgan, as trustee of this plan. Voting instructions regarding your

shares in the Retirement Savings Plan must be received by 11:59 p.m. Eastern time on [ ], 2013, in which case JPMorgan will vote your shares as you have directed. Please follow the directions on the enclosed proxy card on how to provide your voting instructions to JPMorgan. After [ ], 2013, all shares of our common stock held in the Retirement Savings Plan for which voting instructions have not been received, and all shares not yet allocated to participants accounts, will be voted by JPMorgan, as trustee, in the same proportion (**FOR** or **AGAINST**) as the shares for which instructions are received from participants in the Retirement Savings Plan.

Table of Contents

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting and voting in person.

If you hold your shares of common stock in street name, you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your bank, broker or other nominee.

Q: What is a proxy?

A: A proxy is your legal designation of another person, referred to as a proxy, to vote your shares of Gardner Denver common stock. The written document describing the matters to be considered and voted on at the special meeting is called a proxy statement. The document used to designate a proxy to vote your shares of Gardner Denver common stock is called a proxy card. Our Board of Directors has designated Michael M. Larsen and Brent A. Walters and each of them, with full power of substitution, as proxies for the special meeting.

Q: If a shareholder gives a proxy, how are the shares voted?

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, or your proxies, will vote your shares in the way that you indicate. When completing the Internet or telephone process or the proxy card, you may specify whether your shares should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted FOR the adoption of the merger agreement, FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, date, sign and return (or vote via the Internet or telephone with respect to) each proxy card and voting instruction card that you receive.

Q: Who will count the votes?

A: The votes will be counted by the independent inspector of election appointed for the special meeting.

Q: Where can I find the voting results of special meeting?

A: Gardner Denver intends to announce preliminary voting results at the special meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC following the special meeting. All reports Gardner Denver files with the SEC are publicly available when filed. See Where You Can Find More Information beginning on page 108 of this proxy statement.

Table of Contents

Q: Will I be subject to U.S. federal income tax upon the exchange of Gardner Denver common stock for cash pursuant to the merger?

A: If you are a U.S. Holder (as defined under The Merger Material U.S. Federal Income Tax Consequences of the Merger), the exchange of Gardner Denver common stock for cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes, which generally will require a U.S. Holder to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash received by such U.S. Holder in the merger and such U.S. Holder s adjusted tax basis in the shares of our common stock surrendered in the merger. A Non-U.S. Holder (as defined under The Merger Material U.S. Federal Income Tax Consequences of the Merger) generally will not be subject to U.S. federal income tax with respect to the exchange of our common stock for cash in the merger unless such Non-U.S. Holder has certain connections to the United States. Because particular circumstances may differ, we recommend that you consult your own tax advisor to determine the U.S. federal income tax consequences relating to the merger in light of your own particular circumstances and any consequences arising under the laws of any state, local or foreign taxing jurisdiction. A more complete description of the material U.S. federal income tax consequences of the merger is provided under The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 77 of this proxy statement.

Q: What will the holders of Gardner Denver stock options, restricted stock units and long-term cash bonus awards receive in the merger?

A: At the effective time of the merger, each outstanding option to purchase shares of common stock, whether or not vested, will be canceled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of common stock subject to the option as of the effective time of the merger and (ii) the amount, if any, by which $76.00 exceeds the exercise price per share under the option.

At the effective time of the merger, the vesting conditions or restrictions applicable to each restricted stock unit, or RSU, will lapse and each RSU will be converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of common stock subject to such RSU as of the effective time of the merger and (ii) $76.00.

At the effective time of the merger, long-term cash bonus awards granted for the three year performance period beginning January 1, 2011 and ending December 31, 2013, which we refer to as the 2011-2013 performance period, will be deemed to be earned at the end of the 2011-2013 performance period at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved by Gardner Denver or the surviving corporation, as applicable, for such performance period and (ii) the payout opportunity that corresponds to the target performance level for such performance period relative to the performance targets applicable to such performance period, provided that any employee entitled to an award in respect of the 2011-2013 performance period whose employment is terminated at or after the effective time of the merger and prior to the end of the 2011-2013 performance period will instead be paid a pro-rata portion of his or her award. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2013 and ending December 31, 2015, will be deemed to be earned at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved for such partial performance period relative to the applicable performance targets for such award and (ii) the payout opportunity that corresponds to the target performance level for such performance period. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2012 and ending December 31, 2014 will be deemed to be earned at the payout opportunity that corresponds to the target performance level originally established for such performance period.

Table of Contents

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible and currently expect to consummate the merger in the third calendar quarter of 2013. However, the exact timing of completion of the merger cannot be predicted because the merger is subject to specified conditions, including adoption of the merger agreement by our shareholders, the receipt of regulatory approvals and the completion of a 20-business day marketing period that Parent may use to complete its financing for the merger.

Q: Am I entitled to appraisal rights under the DGCL?

A: If the merger is adopted by Gardner Denver s shareholders, shareholders who do not vote (whether in person or by proxy) in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that shareholders of Gardner Denver common stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Gardner Denver common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest based to be paid upon the amount determined to be fair value, if any, as determined by the court. Shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement.

Q: Who can help answer my questions?

A: If you have any questions concerning the merger, the special meeting or this proxy statement, would like additional copies of this proxy statement or need help voting your shares of common stock, please contact our proxy solicitor:

Georgeson Inc.

480 Washington Blvd., 26th Floor

Jersey City, NJ 07310

Shareholders, call toll-free: 800-314-4549

Table of Contents

FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, as well as information included in oral statements or other written statements made or to be made by us or on our behalf, contain forward-looking statements that do not directly or exclusively relate to historical facts. You can typically identify forward-looking statements by the use of forward-looking words, such as may, should, could, project, believe, anticipate, expect, estimate, continue, potential, plan, forecast and other words of similar import. Shareholde that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks detailed in our filings with the SEC, including in our most recent filings on Forms 10-Q and 10-K, factors and matters described or incorporated by reference in this proxy statement, and the following factors:

- The inability to complete the merger due to the failure to obtain shareholder approval or failure to satisfy the other conditions to the completion of the merger, including receipt of required regulatory approvals;

- The risk that the definitive merger agreement may be terminated in circumstances that require us to pay Parent a termination fee of $103.4 million and/or reimbursement of Parent s expenses of up to $10 million;

- The outcome of any legal proceedings that may be instituted against us and others related to the merger agreement;

- The failure by Parent to obtain the necessary equity and debt financing set forth in the financing commitments entered into in connection with the merger, or alternative financing, or the failure of any such financing to be sufficient to complete the merger and the other transactions contemplated by the merger agreement;

- Risks that the proposed merger disrupts our current restructuring plans and operations or affects our ability to retain or recruit key employees;

- The fact that receipt of the all-cash merger consideration would be taxable to Gardner Denver s shareholders that are treated as U.S. holders for U.S. federal income tax purposes;

- The fact that Gardner Denver s shareholders would forego the opportunity to realize the potential long-term value of the successful execution of Gardner Denver s current strategy as an independent company;

- The possibility that Parent could, at a later date, engage in unspecified transactions including restructuring efforts, special dividends or the sale of some or all of Gardner Denver s assets to one or more as yet unknown purchasers that could conceivably produce a higher aggregate value than that available to the shareholders in the merger;

- The fact that under the terms of the merger agreement, Gardner Denver is unable to solicit other acquisition proposals during the pendency of the merger;

- The fact that, under specified circumstances, Gardner Denver may be required to pay fees and expenses in the event the merger agreement is terminated and the effect this could have on Gardner Denver;

The fact that, although Parent must use reasonable best efforts to obtain the financing contemplated by the debt commitment letter, there is a risk that the debt financing might not be obtained and that, in certain instances, Gardner Denver s only viable recourse would be the reverse termination fee plus the payment of expenses;

The effect of the announcement or pendency of the merger on our business relationships, operating results and business generally;

The amount of the costs, fees, expenses and charges related to the merger agreement or the merger;

Risks related to diverting management s or employees attention from ongoing business operations;

Table of Contents

Risks that our stock price may decline significantly if the merger is not completed; and

Risks related to obtaining the requisite consents to the merger, including, without limitation, the timing (including possible delays) and receipt of regulatory approvals from various domestic and foreign governmental entities (including any conditions, limitations or restrictions placed on these approvals) and the risk that one or more governmental entities may deny approval.

Consequently, all of the forward-looking statements we make in this proxy statement are qualified by the information contained or incorporated by reference herein, including, but not limited to (a) the information contained under this heading and (b) the information contained under the headings Risk Factors and information in our consolidated financial statements and notes thereto included in our most recent filings on Forms 10-K and 10-Q (see Where You Can Find More Information beginning on page 108). No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. Gardner Denver shareholders are advised, however, to consult any future disclosures we make on related subjects as may be detailed in our other filings made from time to time with the SEC.

Table of Contents

THE SPECIAL MEETING

The enclosed proxy is solicited on behalf of our Board of Directors for use at the special meeting of shareholders or at any adjournment or postponement thereof.

Date, Time and Place

We will hold the special meeting on [ ], 2013 at the Embassy Suites Philadelphia-Valley Forge, 888 Chesterbrook Boulevard, Wayne, PA 19087, at [1:30 p.m.], Eastern time.

Purpose of the Special Meeting

At the special meeting, we will ask our shareholders to vote on proposals to adopt the merger agreement, to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting, and to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Record Date; Shares Entitled to Vote; Quorum

Only shareholders of record as of the close of business on [ ], 2013 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof. A list of shareholders entitled to vote at the special meeting will be available in our principal executive offices located at 1500 Liberty Ridge Drive, Suite 3000, Wayne, PA 19087, during regular business hours for a period of no less than ten days before the special meeting and at the place of the special meeting during the meeting.

As of the record date, there were approximately [ ] shares of our common stock outstanding and entitled to be voted at the special meeting.

The holders of a majority in voting power of the outstanding shares of our common stock entitled to vote thereat, present either in person or represented by proxy, will constitute a quorum at the special meeting. As a result, [ ] shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies.

Vote Required; Abstentions and Broker Non-Votes

The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to adopt the merger agreement. Adoption of the merger agreement by our shareholders is a condition to the closing of the merger.

Approval of the proposal to adjourn the special meeting, whether or not a quorum is present, requires the affirmative vote of the majority of the voting power of the shares of common stock represented either in person or by proxy. Approval, by non-binding, advisory vote, of compensation that will or may be paid to Gardner Denver s named executive officers in connection with the merger requires the affirmative vote of a majority of those shares of common stock represented in person or by proxy and voting upon on the proposal.

If a Gardner Denver shareholder abstains from voting, the abstention will have the same effect as if the shareholder voted **AGAINST** the proposal to adopt the merger agreement. For shareholders who attend the meeting or are represented by proxy and abstain from voting, the abstention will have the same effect as if the shareholder voted **AGAINST** any proposal to adjourn the special meeting to a later date to solicit additional

Table of Contents

proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **AGAINST** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Each broker non-vote will also count as a vote **AGAINST** the proposal to adopt the merger agreement, but will have no effect on any proposal to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Shares Held by Gardner Denver s Directors and Executive Officers

At the close of business on [ ], 2013, our directors and executive officers beneficially owned [ ] shares of our common stock, which represented approximately [ ]% of the shares of our outstanding common stock on that date. The directors and executive officers have informed Gardner Denver that they currently intend to vote all of their shares of Gardner Denver common stock **FOR** the adoption of the merger agreement, **FOR** the adjournment of the special meeting (if necessary or appropriate) and **FOR** the non-binding, advisory proposal regarding compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Voting of Proxies

If your shares are registered in your name with our transfer agent, Wells Fargo Bank, N.A., you may cause your shares to be voted by returning a signed proxy card, or you may vote in person at the special meeting. Additionally, you may submit electronically over the Internet or by phone a proxy authorizing the voting of your shares by following the instructions on your proxy card. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy electronically over the Internet or by telephone. Based on your proxy cards or Internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the special meeting in person. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

If your shares of Gardner Denver common stock are held in Gardner Denver s Retirement Savings Plan, your shares will be voted by JPMorgan, as trustee of this plan. Voting instructions regarding your shares in the Retirement Savings Plan must be received by 11:59 p.m. Eastern time on [ ], 2013, in which case JPMorgan will vote your shares as you have directed. Please follow the directions on the enclosed proxy card on how to provide your voting instructions to JPMorgan. After [ ], 2013, all shares of our common stock held in the Retirement Savings Plan for which voting instructions have not been received, and all shares not yet allocated to participants accounts, will be voted by JPMorgan, as trustee, in the same proportion (**FOR** or **AGAINST**) as the shares for which instructions are received from participants in the Retirement Savings Plan.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in accordance with the instructions of the shareholder. Properly executed proxies that do not contain voting instructions will be voted **FOR** adoption of the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger. No proxy that is specifically marked against adoption of the merger agreement will be voted in favor of the proposed compensation arrangements for Gardner Denver s named executive officers in connection with the merger, unless it is specifically marked **FOR** the approval of the proposal.

Table of Contents

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or by the Internet or telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or other nominee. If you do not return your bank s, broker s or other nominee s voting form, do not vote via the Internet or telephone through your broker, bank or other nominee, if possible, or do not attend the special meeting and vote in person with a proxy from your broker, bank or other nominee, it will have the same effect as if you voted **AGAINST** the proposal to adopt the merger agreement but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Revocability of Proxies

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting and voting in person.

Please note that to be effective, your new proxy card, internet or telephonic voting instructions or written notice of revocation must be received by our Secretary prior to the special meeting and, in the case of internet or telephonic voting instructions, must be received before 11:59 p.m. Eastern time on [ ], 2013. If you have submitted a proxy, your appearance at the special meeting, in the absence of voting in person or submitting an additional proxy or revocation, will not have the effect of revoking your prior proxy.

If you hold your shares of common stock in street name, you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your bank, broker or other nominee. Any adjournment, recess or postponement of the special meeting for the purpose of soliciting additional proxies will allow Gardner Denver shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned, recessed or postponed.

Board of Directors Recommendation

The Board of Directors, after considering various factors described in the section entitled The Merger Recommendation of Our Board of Directors and Reasons for the Merger, has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of, Gardner Denver and our shareholders and has adopted and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. The Board of Directors recommends that you vote **FOR** the adoption of the merger agreement, **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Solicitation of Proxies

The expense of soliciting proxies in the enclosed form will be borne by Gardner Denver. We have retained Georgeson Inc., a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately $[ ] plus expenses. We will also indemnify Georgeson Inc. against losses arising out of its

Table of Contents

provisions of such services on our behalf. In addition, we may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies may also be solicited by some of our directors, officers and employees, personally or by telephone, facsimile or other means of communication. No additional compensation will be paid for such services.

Anticipated Date of Completion of the Merger

Assuming timely satisfaction of necessary closing conditions, including the approval by our shareholders of the proposal to adopt the merger agreement, we anticipate that the merger will be consummated in the third calendar quarter of 2013.

Rights of Shareholders Who Seek Appraisal

If the merger is adopted by Gardner Denver shareholders, shareholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the General Corporation Law of the State of Delaware, or the DGCL. This means that shareholders of Gardner Denver common stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Gardner Denver common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest based to be paid upon the amount determined to be fair value, if any, as determined by the court. Shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process.

Shareholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

To exercise your appraisal rights, you must submit a written demand for appraisal to Gardner Denver before the vote is taken on the adoption of the merger agreement, you must not submit a proxy or otherwise vote in favor of the proposal to adopt the merger agreement and you must continue to hold the shares of Gardner Denver common stock of record through the effective time of the merger. Your failure to follow exactly the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement. If you hold your shares of Gardner Denver common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such bank, brokerage firm or nominee.

Other Matters

At this time, we know of no other matters to be submitted at the special meeting.

Householding of Special Meeting Materials

Unless we have received contrary instructions, we may send a single copy of this proxy statement and notice to any household at which two or more shareholders reside if we believe the shareholders are members of the same family. Each shareholder in the household will continue to receive a separate proxy card. This process, known as householding, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

Table of Contents

If you would like to receive your own set of our disclosure documents this year or in future years, follow the instructions described below. Similarly, if you share an address with another shareholder and together both of you would like to receive only a single set of our disclosure documents, follow these instructions.

If your shares are registered in your own name, please contact us at our executive offices at Gardner Denver, Inc., Corporate Secretary, 1500 Liberty Ridge Drive, Suite 3000, Wayne, PA 19087 or Telephone: (610) 249-2005 to inform us of your request. If a bank, broker or other nominee holds your shares, please contact your bank, broker or other nominee directly.

Table of Contents

THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Parties Involved in the Merger

Gardner Denver, Inc.

1500 Liberty Ridge Drive

Suite 3000

Wayne, PA 19087

Gardner Denver is a leading worldwide manufacturer of highly engineered products, including compressors, liquid ring pumps and blowers for various industrial, medical, environmental, transportation and process applications, pumps used in the petroleum and industrial market segments and other fluid transfer equipment, such as loading arms and dry break couplers, serving chemical, petroleum and food industries.

Gardner Denver s divisional operations are combined into two major product groups: the Industrial Products Group and the Engineered Products Group. For the year ended December 31, 2012, approximately 55% of Gardner Denver s revenues were derived from sales of Industrial Products and approximately 45% of Gardner Denver s revenues were derived from sales of Engineered Products. Gardner Denver has significant operations outside the United States. For the year ended December 31, 2012, approximately 37% of Gardner Denver s revenues were derived from sales to customers in the United States and approximately 63% were derived from sales to customers in various countries outside the United States.

Gardner Denver s common stock is currently listed on the New York Stock Exchange under the symbol GDI.

Renaissance Parent Corp.

c/o Kohlberg Kravis Roberts & Co. L.P.

9 West 57th Street, Suite 4200

New York, New York 10019

Parent is a Delaware corporation that is currently owned by an investment fund affiliated with Kohlberg Kravis Roberts & Co. L.P., which we refer to as KKR or the sponsor. Parent was formed solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Parent has not conducted any business operations except in furtherance of this purpose and activities incident to its formation. Upon completion of the merger, Gardner Denver will be a direct wholly owned subsidiary of Parent.

Acquisition Sub, Inc.

c/o Kohlberg Kravis Roberts & Co. L.P.

9 West 57th Street, Suite 4200

New York, New York 10019

Acquisition Sub is a Delaware corporation and a wholly owned subsidiary of Parent, formed solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Acquisition Sub has not conducted any business operations except in furtherance of this purpose and activities incident to its formation. Upon completion of the

merger, Acquisition Sub will cease to exist.

Table of Contents

Effect of the Merger

Upon the terms and subject to the conditions of the merger agreement, Acquisition Sub will merge with and into Gardner Denver, with Gardner Denver continuing as the surviving corporation. As a result of the merger, Gardner Denver will become a wholly owned subsidiary of Parent, and Gardner Denver common stock will no longer be publicly traded. In addition, Gardner Denver common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934, as amended, and we will no longer file periodic reports with the SEC on account of Gardner Denver common stock. If the merger is completed, you will not own any shares of the capital stock of the surviving corporation.

The time at which the merger will become effective, which we refer to as the effective time of the merger, will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware (or at such later time as we, Parent and Acquisition Sub may agree and specify in the certificate of merger).

Effect on Gardner Denver if the Merger is Not Completed

If the merger agreement is not adopted by Gardner Denver shareholders or if the merger is not completed for any other reason, Gardner Denver shareholders will not receive any payment for their shares of common stock. Instead, Gardner Denver will remain an independent public company, the common stock will continue to be listed and traded on the New York Stock Exchange and registered under the Exchange Act and we will continue to file periodic reports with the SEC on account of Gardner Denver s common stock. In addition, if the merger is not completed, Gardner Denver expects that management will operate the business in a manner similar to that in which it is being operated today and that Gardner Denver shareholders will continue to be subject to the same risks and opportunities to which they are currently subject, including, without limitation, risks related to the highly competitive industry in which Gardner Denver operates and adverse economic conditions.

Furthermore, if the merger is not completed, and depending on the circumstances that would have caused the merger not to be completed, it is likely that the price of Gardner Denver s common stock will decline significantly. If that were to occur, it is uncertain when, if ever, the price of Gardner Denver s common stock would return to the price at which it trades as of the date of this proxy statement.

Accordingly, if the merger is not completed, there can be no assurance as to the effect of these risks and opportunities on the future value of your shares of Gardner Denver s common stock. If the merger is not completed, the Board of Directors will continue to evaluate and review Gardner Denver s business operations, properties, dividend policy and capitalization, among other things, make such changes as are deemed appropriate and continue to seek to identify strategic alternatives to enhance shareholder value. If the merger agreement is not adopted by Gardner Denver s shareholders or if the merger is not completed for any other reason, there can be no assurance that any other transaction acceptable to Gardner Denver will be offered or that Gardner Denver s business, prospects or results of operation will not be adversely impacted.

In addition, under specified circumstances, Gardner Denver may be required to reimburse Parent s expenses or pay Parent a termination fee, or may be entitled to receive a reverse termination fee from Parent, upon the termination of the merger agreement, as described under The Merger Agreement Termination Fees beginning on page 98.

Merger Consideration

In the merger, each share of common stock, par value $0.01 per share, of Gardner Denver common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of Gardner Denver common stock (i) held by Gardner Denver as treasury stock, (ii) held, directly or indirectly, by Parent or Acquisition Sub and (iii) shares of Gardner Denver common stock as to which holders have properly perfected and not withdrawn a demand for appraisal pursuant to the Delaware General Corporation Law) will be canceled and converted automatically into the right to receive $76.00 in cash, without interest, which amount we refer to as the per share merger consideration, less any applicable withholding taxes.

Table of Contents

After the merger is completed, under the terms of the merger agreement, you will have the right to receive the per share merger consideration, but you will no longer have any rights as a Gardner Denver shareholder as a result of the merger (except that shareholders who properly exercise their right of appraisal will have the right to receive a payment for the fair value of their shares as determined pursuant to an appraisal proceeding as contemplated by Delaware law), as described below under Appraisal Rights beginning on page 73.

Background of the Merger

As part of its ongoing evaluation of Gardner Denver s business, the Board of Directors, together with senior management, regularly reviews and assesses opportunities to increase stockholder value. From time to time, Gardner Denver has also received preliminary contacts from financial sponsors or other industry participants regarding possible interest in various types of transactions. In recent years, Gardner Denver has focused on increasing shareholder value by focusing on margin expansion, such as the restructuring of certain of our operations, and acquisitions, such as our acquisition of Robuschi in 2011. As certain of the markets in which Gardner Denver competes suffered from an adverse economic environment in 2012, Gardner Denver spent substantial time and effort examining opportunities to streamline its global manufacturing operations in light of decreased demand, particularly in Europe. As a result, Gardner Denver announced a European restructuring plan on August 16, 2012 and has explored other cost saving opportunities. The execution of these restructuring and other efforts to increase shareholder value involve a significant amount of risk and have uncertain outcomes. Gardner Denver has also returned a significant amount of capital to stockholders over recent years through dividends and stock repurchases.

On July 13, 2012, Barry L. Pennypacker, our then current President and Chief Executive Officer resigned from his positions with Gardner Denver. Effective as of that date, the Board of Directors appointed Michael M. Larsen, Gardner Denver s then current Vice President and Chief Financial Officer, to serve as Gardner Denver s interim Chief Executive Officer. In light of Mr. Pennypacker s resignation, the Directors also discussed whether the Board should consider a review of strategic alternatives that might be available to Gardner Denver. On July 16, 2012, the Monday following Mr. Pennypacker s resignation, Gardner Denver announced these management changes and Gardner Denver s share price declined 8.6% to $48.22 per share that day. Following the announcement of Mr. Pennypacker s resignation, Gardner Denver received communications from certain of its stockholders including ValueAct Capital, or ValueAct, expressing concern over Mr. Pennypacker s departure and suggesting that Gardner Denver consider potential strategic options.

On July 24, 2012, the Chairperson of the Board of Directors, Diane Schumacher, received a communication from an advisor to a corporation with common stock listed on the New York Stock Exchange, which we refer to as Party A, indicating that Party A would be sending a letter to the Board of Directors expressing Party A s interest in a potential combination of Gardner Denver and Party A. Following discussions among Mrs. Schumacher and other members of the Board of Directors with Mr. Larsen and Brent Walters, our Vice President, General Counsel, Chief Compliance Officer and Secretary, Gardner Denver contacted a representative of Goldman, Sachs & Co., which we refer to as Goldman Sachs, to advise in connection with these developments. In addition, Gardner Denver subsequently contacted the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, which we refer to as Skadden, to advise in connection with these developments.

On July 26, 2012, Gardner Denver received a letter, dated July 26, 2012, from ValueAct, in which ValueAct recommend[ed] that the board of GDI pursue a sale of Gardner Denver in light of the circumstances in which it finds itself. . . . In addition, on July 26, 2012, a representative of a financial sponsor that had previously preliminarily contacted Gardner Denver, which we refer to as Party B, telephoned Mr. Larsen regarding Party B s interest in Gardner Denver. Mr. Larsen reported these communications to Mrs. Schumacher.

On July 27, 2012, Gardner Denver confirmed receipt of ValueAct s letter, which ValueAct publicly filed as an amendment to their Schedule 13D with the SEC. ValueAct s Schedule 13D, originally filed on July 6, 2012, disclosed that it held approximately 5.1% of the outstanding common stock of Gardner Denver. In addition, on

Table of Contents

July 27, 2012, Gardner Denver received an unsolicited letter from Party A indicating interest in a potential combination, whereby Gardner Denver stockholders would receive a mix of cash and Party A stock representing an aggregate nominal value of approximately $69 for each share of Gardner Denver common stock based on the trading price of Party A s stock at that time.

On July 31, 2012, the Board of Directors met in-person to discuss ValueAct s letter as well as the unsolicited interest from Party A and Party B. Messrs. Larsen and Walters, and representatives of Goldman Sachs and Skadden participated. Representatives of Skadden discussed certain legal matters, including the directors fiduciary duties and other considerations. Representatives of Goldman Sachs provided a preliminary review of the situation, including with respect to the letter received from ValueAct, and the unsolicited indications of interest from Party A and Party B. Following discussions, the Board of Directors determined that Gardner Denver should continue to execute its business plan, including Gardner Denver s European restructuring initiative, while at the same time continuing to review various strategic alternatives available to Gardner Denver, including the proposals from Party A and Party B. The Board of Directors requested that management update Gardner Denver s business plan and financial projections for review by the Board of Directors, and with the assistance of representatives of Goldman Sachs, develop an analysis of certain strategic alternatives potentially available to Gardner Denver. The Board of Directors also reviewed how to respond to Party A.

On August 1, 2012, Mrs. Schumacher and Mr. Larsen sent a letter to Party A stating that the Board of Directors would review Party A s indication of interest. Gardner Denver then received another letter, dated August 3, 2012, from Party A indicating openness to further discussion of the financial terms of Party A s proposed transaction.

From early August 2012 through September 2012, Gardner Denver received seven additional unsolicited inquiries from financial sponsors or groups of financial sponsors, including KKR, regarding interest in a possible acquisition of Gardner Denver. Such inquiries were very preliminary in nature and generally indicated interest in participating if Gardner Denver were to pursue a potential sale transaction. In addition, on August 17, 2012, a representative of Goldman Sachs received an unsolicited proposal from an industry participant, which we refer to as Party C, proposing that Gardner Denver acquire Party C for a combination of cash and Gardner Denver common stock.

During August and September, members of Gardner Denver s management developed financial projections as requested by the Board of Directors. For a description of these initial projections see Certain Projections.

On October 1, 2012, Mrs. Schumacher received an unsolicited preliminary, non-binding indication of interest, based only on publicly available information, from KKR indicating interest in pursuing an acquisition of Gardner Denver at a price of $80 in cash per share of Gardner Denver common stock. The preliminary indication of interest, including the offered price per share of Gardner Denver s common stock, was subject to the completion by KKR of due diligence, including meeting with Gardner Denver s senior management team, on the financial condition and operations of Gardner Denver s business, including known and unknown liabilities, as well as satisfactory review of applicable legal, financial, tax, accounting, IT, and insurance matters.

On October 2, 2012, the Board of Directors met in person to review the projections prepared by management and to consider what additional steps, if any, to take in connection with the exploration of certain strategic alternatives available to Gardner Denver. Also attending the meeting were Messrs. Larsen and Walters, and representatives of Goldman Sachs and Skadden. Representatives of Skadden reviewed legal matters, including the Board of Directors fiduciary duties. In addition, representatives of Goldman Sachs reviewed and discussed with the Board of Directors its preliminary financial analysis of Gardner Denver, its preliminary analysis of certain strategic alternatives available to Gardner Denver and the preliminary proposals received. The Board of Directors considered whether to explore a potential sale or merger of Gardner Denver and determined to proceed with a process to explore such alternatives in light of the unsolicited interest in a possible transaction that had come to Gardner Denver s attention, and the possibility that this could lead to an attractive alternative for

Table of Contents

stockholders. In order to explore whether there might be sufficient credible interest in a transaction with Gardner Denver, the Board of Directors directed representatives of Goldman Sachs to contact a number of potentially interested parties to gauge their interest following provision of Gardner Denver s projections. The Board of Directors discussed with representatives of Goldman Sachs the identities of the parties to be contacted and other process matters, including confidentiality agreements with potentially interested parties. The Board of Directors determined not to pursue an acquisition of Party C at that time.

On October 5, 2012, at the direction of the Board of Directors, representatives of Goldman Sachs contacted eighteen potential bidders, including seven possible strategic buyers and eleven financial sponsors, or groups of financial sponsors, to ascertain their interest in pursuing a transaction with Gardner Denver. These eighteen parties included each of the firms that had contacted Gardner Denver with respect to an acquisition of or business combination with Gardner Denver, aside from Party C. The Board of Directors identified this set of potential bidders with the assistance of Gardner Denver s financial advisors based on their perceived ability and willingness to pursue a transaction involving Gardner Denver on favorable terms. Gardner Denver was not contacted by any other parties regarding a potential transaction.

Gardner Denver, with the assistance of representatives of Goldman Sachs and Skadden, negotiated and entered into confidentiality agreements after October 5, 2012 with fourteen of such parties, three of which were possible strategic buyers and eleven of which were financial sponsors, or groups of financial sponsors that the Board of Directors, following discussion with its advisors, had determined to allow to partner in considering a transaction. Included in this group were Party A, Party B and KKR. Each of these confidentiality agreements contained standstill provisions restricting the ability of the parties to acquire common stock or propose an acquisition of Gardner Denver, or take certain other actions with respect to seeking control of Gardner Denver without the consent of Gardner Denver. During this same period, as directed by the Board of Directors, Mr. Larsen and/or representatives of Goldman Sachs met or otherwise discussed with each of these potential bidders Gardner Denver and its business. The potential bidders also received confidential, non-public information on Gardner Denver including the initial projections developed by Gardner Denver management, as well as the opportunity to discuss such projections telephonically with members of the Gardner Denver management team. Following discussions and receipt of such information, two possible strategic buyers and one financial sponsor informed representatives of Goldman Sachs they would not participate in a potential transaction.

On October 24, 2012, at the direction of the Board of Directors, representatives of Goldman Sachs sent a letter to eleven of the eighteen potential bidders that were initially contacted on October 5, 2012 and that indicated interest in participating in a review of a potential transaction with Gardner Denver, including one possible strategic buyer and ten financial sponsors or financial sponsor groups, outlining the procedures in connection with Gardner Denver s exploratory process. The letter stated that initial indications of interest would be due by November 5, 2012.

On October 25, 2012, following media reports speculating about the potential sale of Gardner Denver, Gardner Denver issued a press release confirming the exploration of certain strategic alternatives available to Gardner Denver, including a possible sale or merger. Gardner Denver s stock price increased from $54.75 to $66.00, or 21%, on that day.

On November 5, 2012, eight of the eleven parties who expressed interest in pursuing a potential transaction following the receipt of information submitted preliminary, non-binding indications of interest, including from Party A, Party B and KKR, with indicative purchase prices as follows:

From Party A, $26.33 in cash per share and shares of Party A common stock having a market value of approximately $54.67 per share based on the trading price of Party A s stock on November 5, 2012, or $81.00 per share in the aggregate

From KKR, $80 per share, all cash

$75 per share, all cash, from two financial sponsors, which we refer to as Party D; as these two sponsors had originally contacted Gardner Denver indicating an interest in making a joint bid prior to the initiation

Table of Contents

of any potential sale process, the Board of Directors, after discussions with its advisors, had determined to allow these sponsors to partner in making their bid

$75 per share, all cash, from a financial sponsor

$73 per share, all cash, from a financial sponsor

$72-75 per share, all cash, from a financial sponsor, which we refer to as Party E

$72-74 per share, all cash, from a financial sponsor, which we refer to as Party F

From Party B, $68-70 per share, all cash

On November 7, 2012, Mrs. Schumacher received a call from the Chairman of Party A who proposed that Gardner Denver negotiate exclusively with Party A for a period of three weeks.

On November 12, 2012, the Board of Directors met in-person to discuss the preliminary indications of interest received on November 5, 2012. Also participating were Messrs. Larsen and Walters, as well as representatives from Goldman Sachs and Skadden. Mr. Larsen and representatives of Goldman Sachs provided the Board of Directors with an update on the process undertaken, at the Board of Directors direction, since the Board of Directors last meeting. Representatives of Goldman Sachs also reviewed its preliminary financial analysis of Gardner Denver and the preliminary proposals received, and representatives of Skadden reviewed certain legal matters. The Board of Directors decided to continue to explore whether a potential sale or merger of Gardner Denver was available on terms that would be in the best interests of stockholders, and to provide additional due diligence information to those parties the Board of Directors believed, after discussions with management and its advisors, to be most likely to be able to formulate an attractive proposal. The Board of Directors determined to proceed to a second round with five bidders, including, KKR, Party A, Party F, Party E and Party D. Also, after discussion with Gardner Denver s financial advisors, the Board of Directors determined that the three other financial sponsors that submitted an indication of interest, including Party B, were unlikely to seriously pursue a transaction with Gardner Denver at a price and on terms sufficiently attractive to merit further participation based on Goldman Sachs preliminary discussions with such parties, as well as each party s fund size, current portfolio of companies, ability to obtain financing and history of recent transactions. As a result, the Board of Directors determined not to invite such parties to participate in such second round and neither Gardner Denver nor its advisors received further communications from such parties regarding interest in a transaction. As part of this process, the Board of Directors authorized representatives of Gardner Denver, with the assistance of representatives of Goldman Sachs and Skadden, to facilitate the opening of a virtual data room, allow site tours of selected Gardner Denver s facilities, prepare a merger agreement, arrange additional management presentations and meet with representatives of the selected group of potential bidders and their advisors and consultants. In addition, the Board of Directors authorized representatives of Gardner Denver, with the assistance of its advisors, to pursue a customary due diligence process with respect to Party A, given the significant equity component reflected in its indication of interest. Management was instructed to consult with Mrs. Schumacher regarding questions and direction on process. The Board of Directors also instructed Mr. Larsen not to engage in discussions of potential arrangements between management and any of the possible bidders without authorization of the Board of Directors.

On November 13, 2012, at the direction of the Board of Directors, representatives of Goldman Sachs contacted all the bidders that submitted preliminary indications of interest and informed them whether they were invited to proceed with their evaluation of a potential transaction as well as certain next steps relating to the due diligence process to those proceeding into the next phase of the sale process.

From mid-November, 2012 through the first week in December 2012 Gardner Denver, with the assistance of representatives of Goldman Sachs, conducted due diligence meetings and site visits for potential bidders and responded to questions and information requests to facilitate such bidders due diligence investigation of Gardner Denver, and Skadden began preparing a draft of a merger agreement to be provided to bidders. Over this same period, Gardner Denver, with the assistance of representatives of Goldman Sachs and outside counsel, engaged in a preliminary due diligence of Party A.

34

Table of Contents

On November 15 and 16, 2012, media reports were published reporting that Gardner Denver was pursuing a potential transaction with multiple parties, including speculation regarding the potential price of a potential transaction.

On November 19, 2012, Gardner Denver announced that the Board of Directors appointed Mr. Larsen as Gardner Denver s President and Chief Executive Officer, in addition to continuing to serve as Gardner Denver s Chief Financial Officer, while a search was conducted and until a successor was named. The Board of Directors also appointed Mr. Larsen as a director of Gardner Denver.

On November 29, 2012, Mr. Larsen met for dinner with the Chairman of Party A, however transaction terms were not discussed at this dinner.

On November 30, 2012, members of senior management of Gardner Denver met with members of senior management of Party A, together with representatives of their respective financial advisors, to discuss their respective businesses and the potential benefits of combining the two companies, including preliminary perspectives on potential synergies.

On December 5, 2012, outside counsel for Party A sent an unsolicited draft of a merger agreement to representatives of Goldman Sachs.

On December 6, 2012, senior management from Gardner Denver and Party A had dinner, and, at the direction of Mrs. Schumacher on behalf of the Board of Directors, Mr. Larsen indicated to the Chairman of Party A that it would need to increase its bid if a transaction were to be feasible.

On December 7, 2012, Gardner Denver management presented to Party A regarding Gardner Denver s business.

On December 9, 2012, Party A sent a revised indication of interest reflecting proposed consideration for each outstanding share of Common Stock of $29.75 in cash and shares of Party A common stock having a market value of approximately $55.25 based on the trading price of Party A s stock as of December 7, 2012, or $85 per share in the aggregate. In addition, Party A requested that Gardner Denver deal exclusively with Party A, and sent a draft of an exclusivity agreement with its revised preliminary proposal.

On December 9, 2012, the Board of Directors met telephonically to discuss Party A s revised proposal as well as to consider its approach in dealing with Party A and the other potential bidders. Also participating were representatives of Goldman Sachs and Skadden. Representatives of Goldman Sachs reviewed with the Board of Directors the financial terms of the revised proposal received from Party A and representatives of Skadden provided an overview of other key terms of Party A s proposal, including its request for exclusivity. In addition, representatives of Skadden reviewed certain legal considerations for the Board of Directors. The Board of Directors viewed Party A s proposal as potentially attractive, subject to performing due diligence on Party A s business and operations, better understanding the sources of the potential synergies resulting from the transaction, as well as better understanding the make-up of the post-combination management team and its ability to execute on the combined business plan including such potential synergies and the likelihood of obtaining the required approval of the transaction by Party A shareholders and other matters. Accordingly, the Board of Directors instructed management to proceed with exploration of Party A s proposal. The Board of Directors determined not to grant formal exclusivity to Party A, but determined to accelerate the due diligence by and discussions with Party A. The Board of Directors also determined, in light of the management time commitment required to undertake the reciprocal diligence with Party A, to defer for the next few weeks additional due diligence by, management presentations to and solicitation of bids from KKR, Party E, Party F and Party D, the other bidders that were selected to participate in the second round. The Board of Directors directed representatives of Goldman Sachs to communicate to such other bidders that due diligence and management presentations would be deferred for the next few weeks. Management was instructed to coordinate with

Table of Contents

Mrs. Schumacher in proceeding with the steps outlined by the Board of Directors and to bring to the Board of Directors attention significant due diligence items that might be discovered.

Also on December 10, 2012, Mr. Larsen sent a letter to the Chairman of Party A declining to enter into an exclusivity agreement, but stating that Gardner Denver had determined to substantially dedicate its resources until the end of 2012 to negotiating the terms of a transaction with Party A.

Over the next week, Gardner Denver and Party A continued with their reciprocal diligence investigation, including by conducting facility tours and due diligence calls, and in-person reciprocal management due diligence on December 13, 2012. In addition, on December 12, 2012, Skadden sent a revised draft of the merger agreement to Party A s outside legal counsel.

On December 13, 2012, members of the Board of Directors of Gardner Denver, including Mrs. Schumacher, Charles Szews, Michael Arnold and Mr. Larsen, as well as Mr. Walters, and members of senior management of Party A, met for a tour of Party A s headquarters and facilities and then dinner to discuss the possibility of a transaction. Mrs. Schumacher spoke with Party A s Chairman and communicated the Board of Directors concerns, including regarding value and transactional certainty.

On December 14, 2012, members of Gardner Denver s management, along with representatives of Goldman Sachs and Skadden, met with members of Party A s management and its outside legal and financial advisors at the offices of Skadden to discuss outstanding issues related to the draft merger agreement proposed by Party A. At this meeting, the parties agreed to defer a discussion regarding the form and amount of consideration, including price protection being sought by Gardner Denver with respect to the stock portion of the consideration in the transaction, which would be discussed between Mrs. Schumacher and Mr. Larsen on behalf of Gardner Denver and Party A s Chairman and Chief Executive Officer. Among other items, the parties discussed the terms of the non-solicitation provision, the Board of Directors ability to change its recommendation of the transaction and ability to terminate the proposed agreement to enter into a superior proposal, proposed restrictions on Gardner Denver s conduct of its business between signing and closing of a potential transaction, the standard of efforts required by Party A to close the transaction including in response to any regulatory concerns, financing, and the magnitude and circumstances of payment of termination fees, including in the event that Party A s shareholders did not approve the transaction.

On December 16, 2012, the Board of Directors met telephonically to discuss the current state of the due diligence review and the negotiations with Party A. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs, Skadden, KPMG and the law firm of Baker & McKenzie LLP, which we refer to as Baker. Representatives of KPMG and Baker provided the Board of Directors with an update of the results of their due diligence investigation of Party A to date. Representatives of Goldman Sachs then reviewed with the Board of Directors its preliminary financial analysis of Gardner Denver and the current proposal received from Party A. Representatives of Skadden reviewed certain legal matters and significant issues in the merger agreement. The Board of Directors concluded that Party A had not adequately responded to Gardner Denver s information requests, and concerns regarding certain of the key outstanding contractual issues, including the economic terms of its bid as a result of a decline in Party A s stock price since its revised offer since the time of its proposal. The Board of Directors also determined that Party A needed to clarify its willingness to revise the form and amount of consideration it was offering, including price protection, and certain non-price matters including termination events and fees and the no shop provision, as well as addressing concerns of the Gardner Denver Board of Directors regarding obtaining the requisite vote of Party A s shareholders for the contemplated transaction. Mrs. Schumacher provided a summary of her meeting with representatives of Party A regarding the same issues. Mr. Larsen also summarized a conversation that he had with Party A s Chairman, done with the knowledge of Mrs. Schumacher, regarding his potential position at the combined company. The Board of Directors requested Mrs. Schumacher and Mr. Larsen to communicate the key open diligence and contractual issues to Party A, which they did that same day.

Table of Contents

Also on December 16, 2012, Party A s outside legal counsel sent a revised draft of the merger agreement to Skadden.

From December 16, 2012 through December 19, 2012, Gardner Denver continued to provide due diligence information to Party A and to seek to complete its due diligence investigation of Party A. During this period, Gardner Denver s management kept Mrs. Schumacher apprised of developments and consulted with her. On December 18, 2012, Skadden sent a revised draft of the merger agreement to Party A s outside legal counsel.

On December 17, 2012, Gardner Denver and Party A exchanged revised 2013 financial forecasts, reflecting the impact of industry developments.

On December 18, 2012, Mrs. Schumacher discussed the proposed transaction with the Chairman of Party A, outlining the Board of Directors concerns and issues with respect to a potential transaction.

On December 19, 2012, the Board of Directors met telephonically to discuss the current state of the negotiations with Party A. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs and Skadden. At the meeting, members of management reported on due diligence with respect to Party A and further synergies analysis. The representatives of Goldman Sachs reviewed with the Board of Directors its updated preliminary financial analysis of Gardner Denver and the current proposal received from Party A. The representatives of Skadden reviewed the terms of the potential merger agreement proposed by Party A and the status of discussions on open issues. After discussion of the above matters, the Board of Directors determined that it was not comfortable with the due diligence and synergies analysis performed to date with respect to Party A and the transaction, did not have sufficient understanding of the post-combination management team s ability to execute on the combined business plan including the potential synergies, was not confident in Party A s ability to obtain shareholder approval for the contemplated transaction and was not comfortable with the contract terms proposed by Party A. The Board of Directors also did not believe that a transaction with Party A could be entered into on the timetable required by Party A. The Board of Directors determined that management should complete its year end close and that a transaction, while unlikely, could be pursued if Party A desired to continue negotiations after December 31. The Board of Directors directed management to coordinate with Mrs. Schumacher to respond to Party A, and to arrange for representatives of Goldman Sachs to reach out to KKR, Party D, Party E and Party F, the bidders that were previously selected to participate in the second round, in order to restart their due diligence after December 31.

During the course of the Board of Directors meeting on December 19, 2012, Party A conveyed revised proposal terms to representatives of Goldman Sachs including, among other things, an offer of approximately $81.15 per share including consideration of $33.58 in cash per share and Party A stock at a fixed exchange ratio having an aggregate market value of approximately $47.57 per share based on the trading price of Party A s stock on December 18, 2012, with no Gardner Denver termination right in the event of a material decline in Party A s stock price or other price protection. Party A also indicated that if Gardner Denver did not accept and approve the proposal promptly then Party A would no longer be interested in pursuing a potential business combination.

On December 21, 2012, the Board of Directors met telephonically to discuss Party A s revised offer. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs and Skadden. Messrs. Larsen and Walters and certain other members of Gardner Denver s management provided the Board of Directors with an update regarding due diligence as well as other remaining issues and representatives of Skadden reviewed Party A s proposals of various contract terms. The Board of Directors deliberated and concluded that its previously discussed concerns still had not been adequately addressed, that Party A s proposal contained material risk for Gardner Denver shareholders as a result of the substantial stock component of the consideration, that there was significant uncertainty relating to Party A s ability to secure its required shareholder approval, and accordingly, the Board of Directors was not prepared to proceed at that time on the terms proposed by Party A.

Table of Contents

The Board of Directors directed Mr. Larsen to coordinate with Mrs. Schumacher, with the assistance of representatives of Goldman Sachs, on a response to Party A to the effect that the Board of Directors previously communicated concerns had not been resolved; that the Board of Directors was concerned about price protection, and receipt of the approval of Party A stockholders, and that the Board of Directors was not prepared to pursue Party A s proposal at that time; that Party A should focus on presenting a proposal that included significantly more cash; and that Gardner Denver would proceed with its strategic alternatives exploration process but would be willing to entertain a proposal from Party A that addressed the Board of Directors concerns as part of that process. At the Board of Directors direction, this message was subsequently delivered to Party A. Gardner Denver did not receive any such revised proposal from Party A.

In the days following the meeting, at the direction of the Board of Directors, Goldman Sachs reached out to KKR, Party D, Party E, and Party F in an effort to solicit their re-engagement in pursuing a potential acquisition of Gardner Denver. In connection with this re-engagement in December 2012, KKR requested permission to engage Mr. Pennypacker, Gardner Denver s former President and Chief Executive Officer, as a consultant with respect to the potential transaction; and following consultation with its outside financial and legal advisors, Gardner Denver agreed subject to acknowledgment from Mr. Pennypacker (which was subsequently received) that, among other things, he would be bound by the applicable provisions of the confidentiality agreement between KKR and Gardner Denver (as well as his existing non-disclosure obligations to Gardner Denver) and would not interact with Gardner Denver representatives. During the period from December 31, 2012 through mid-February 2013, Gardner Denver provided due diligence, management presentations and site visits to the various interested bidders.

In early January 2013, in light of continued weakness in certain segments of Gardner Denver s business and management s more muted outlook for 2013, Gardner Denver management developed updated financial forecasts to be shared with the potential bidders which reflected less favorable future financial performance than those previously provided to such bidders in October 2012 in connection with the process at that time. The Board of Directors reviewed the new financial forecasts and approved them for distribution to bidders on January 11, 2013. For information regarding the updated forecasts see Certain Forecasts.

On January 11, 2013, Gardner Denver s management met with representatives of Goldman Sachs to consider certain strategic alternatives available to Gardner Denver. Over the course of January and February 2013, Gardner Denver s management, with the assistance of representatives of Goldman Sachs, continued to evaluate certain strategic alternatives in parallel with a potential sale transaction.

Table of Contents

On January 14, 2013 Gardner Denver shared the updated and reduced management financial forecasts with KKR, Party D, Party E and Party F. During January 15-18, 2013, Gardner Denver conducted management meetings at Goldman Sachs offices in New York with KKR, Party D, Party E and Party F and reviewed, among other things, the updated financial forecasts.

On January 28, 2013, at the direction of the Board of Directors, representatives of Goldman Sachs sent a second round process letter to KKR, Party D, Party E and Party F outlining the procedures in connection with such bidders submission of their final offer. The letter indicated that such potential bidders should submit their final offers by no later than February 21, 2013, with mark-ups of the draft merger agreement, which was provided with the letter, due back no later than February 14, 2013.

On February 1, 2013, Party D notified representatives of Goldman Sachs that it had decided to withdraw from the auction process. On February 14, 2013, Party E and Party F each notified representatives of Goldman Sachs that it was unlikely to submit a proposal to acquire Gardner Denver. Party F indicated that it would be willing to consider participation in a leveraged recapitalization in the event Gardner Denver were to undertake such a transaction.

During the following weeks, Gardner Denver s management met with representatives of Goldman Sachs to consider certain strategic alternatives, other than an acquisition of Gardner Denver, available to Gardner Denver, including the possibility of Gardner Denver undertaking a leveraged recapitalization.

Also on February 14, 2013, outside legal counsel for KKR, Simpson, Thacher & Bartlett LLP, or Simpson, sent a revised draft of the merger agreement to representatives of Gardner Denver.

On February 21, 2013, KKR submitted a revised cash bid of $75 per share of Gardner Denver common stock. KKR included a revised merger agreement, fully executed debt financing commitment letters from Barclays, Deutsche Bank, UBS and Mizuho, as well as drafts of an equity commitment letter and limited guaranty, each from KKR North America Fund XI L.P. That same day, multiple media sources reported that KKR had made a cash bid for Gardner Denver at $75 per share of Gardner Denver common stock.

On February 22, 2013, ValueAct issued a press release and amended its Schedule 13D filed with the SEC stating that it strongly encourage**[**d**]** the Board to accept [the KKR] offer.

On February 25, 2013, the Board of Directors met to discuss KKR s revised offer and to consider certain strategic alternatives potentially available to Gardner Denver, including a leveraged recapitalization. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs and Skadden. Mr. Larsen, representatives of Goldman Sachs and other members of Gardner Denver s management provided the Board of Directors with an update regarding KKR s due diligence process. Mr. Larsen reviewed Gardner Denver s strategic plan and financial projections. The Board of Directors discussed Gardner Denver s prospects and the challenges facing Gardner Denver, management s ability to execute on Gardner Denver s restructuring and other business initiatives and other matters. The representatives of Goldman Sachs reviewed with the Board of Directors its preliminary financial analysis of Gardner Denver, the KKR proposal and certain strategic alternatives available to Gardner Denver. Mr. Larsen also informed the Board of Directors that while KKR had generally indicated its interest in having him remain on, he had made no decision on whether he would do so if offered and had no arrangement, agreement or understanding with KKR as to any post-transaction employment. At the conclusion of the meeting, the Board of Directors determined to take no action at that point, but to reconvene the following day to continue discussions.

The Board of Directors reconvened on the morning of February 26, 2013 to continue consideration of the KKR proposal. Mr. Walters and representatives of Skadden also participated. Representatives of Skadden provided the Board of Directors with a summary of the key terms of the merger agreement and highlighted differences between the version of the merger agreement that the Board of Directors had authorized sending to

Table of Contents

KKR, Party D, Party E and Party F and the version Simpson sent to Gardner Denver on February 14, 2013. In particular, the Board of Directors discussed, among other things, the size of Gardner Denver s termination fee, the terms of the non-solicitation provision, the circumstances under which the Board of Directors could change its recommendation or terminate the agreement in order to enter into a superior proposal, the obligation of Gardner Denver to reimburse a certain amount of KKR s expenses under certain circumstances and the restrictive nature of certain of the covenants. Following further consideration, the Board of Directors determined to continue pursuing the KKR proposal, but to seek additional cash consideration beyond the amount offered by KKR. The Board of Directors instructed Mr. Larsen to seek $78 per share from KKR and to coordinate with representatives of Goldman Sachs in conveying that request.

On February 26, 2013, at the direction of the Board of Directors, representatives of Goldman Sachs conveyed to KKR that Gardner Denver would potentially be amenable to pursuing a transaction, but at a price of $78 per share of Gardner Denver common stock.

On February 27, 2013, KKR communicated to representatives of Goldman Sachs that it was willing to raise its price to $75.75 per share of Gardner Denver common stock.

On February 28, 2013, the Board of Directors met telephonically to discuss KKR s revised offer. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs and Skadden. The representatives of Goldman Sachs reviewed with the Board of Directors its preliminary financial analysis of Gardner Denver, the KKR proposal and certain strategic alternatives available to Gardner Denver and the representatives of Skadden reviewed certain legal matters. Following its deliberations the Board of Directors determined that it should continue to seek additional consideration from KKR and that Gardner Denver should negotiate and seek to finalize a contract to effect the sale of Gardner Denver to KKR, assuming that KKR would raise its price beyond $75.75 per share of Gardner Denver common stock. The Board of Directors directed representatives of Goldman Sachs to communicate to KKR that Gardner Denver would work expeditiously to finalize the merger agreement with KKR, if KKR agreed to raise its bid to at least $76 per share of Gardner Denver common stock, and representatives of Goldman Sachs conveyed this message to KKR later on February 28, 2013 at the direction of the Board of Directors. That same day, KKR agreed to raise its price to $76 per share of Gardner Denver common stock.

On March 1, 2013, Skadden provided Simpson with a revised draft of the merger agreement, limited guaranty and the equity and debt commitment letters. The revised draft of the merger agreement reflected Gardner Denver s position on the key outstanding issues, including the size of Gardner Denver s termination fee, the terms of the non-solicitation provision, the circumstances under which the Board of Directors could change its recommendation or terminate the agreement in order to enter into a superior proposal, the obligation of Gardner Denver to reimburse a certain amount of KKR s expenses under certain circumstances, certain employee benefits matters and the restrictive nature of certain of the covenants.

On March 3, 2013, Simpson provided Skadden with a revised draft of the merger agreement.

Also on March 3, 2013, representatives of Simpson, Skadden and Gardner Denver s legal department discussed outstanding issues relating to the merger agreement and ancillary documents. Gardner Denver identified a number of issues with respect to KKR s mark-up of the merger agreement including, among other things, the size of Gardner Denver s termination fee, circumstances under which KKR s reverse termination fee is payable, the obligation of Gardner Denver to reimburse KKR s expenses under certain circumstances (as well as the potential amount of such expenses), certain employee benefits matters and the restrictive nature of certain of the covenants.

On March 4, 2013, Simpson provided Skadden with revised drafts of the equity commitment letter and limited guaranty. That same day, Skadden provided Simpson with revised drafts of the merger agreement, equity commitment letter and limited guaranty.

Table of Contents

On March 5, 2013, Simpson provided Skadden with a revised draft of the merger agreement and the equity commitment letter. That same day, representatives from Simpson, Skadden and Gardner Denver s legal department discussed the remaining outstanding issues that Gardner Denver had with KKR s most recent mark-up of the merger agreement, including the restrictive nature of certain of the covenants as well as the efforts required of KKR to consummate the transaction.

On March 6, 2013, Skadden provided Simpson with a revised draft of the merger agreement. That same day, Simpson provided Skadden with a revised draft of the merger agreement and an updated debt commitment letter.

On the evening of March 7, 2013, the Board of Directors met telephonically. Also participating were members of Gardner Denver s management and representatives of Goldman Sachs and Skadden. The representatives of Skadden reviewed the terms of the draft of the merger agreement and described changes to such agreement since the last meeting of the Board of Directors. In addition, the representatives of Skadden reviewed certain legal matters, including the Board of Directors fiduciary duties in connection with the proposed transaction. Also at the meeting, the representatives of Goldman Sachs reviewed with the Board of Directors Goldman Sachs financial analysis of the $76 per share consideration to be offered to Gardner Denver s stockholders in the proposed merger. Following this presentation, representatives of Goldman Sachs rendered its oral opinion to the Board of Directors, subsequently confirmed by delivery of a written opinion dated March 7, 2013, that, as of March 7, 2013 and based upon and subject to the factors and assumptions set forth therein, the $76 per share in cash to be paid to the holders of shares of Gardner Denver common stock pursuant to the merger agreement was fair from a financial point of view to such holders. For more information about Goldman Sachs opinion, see below under the heading Opinion of Goldman, Sachs & Co. After discussing potential reasons for and against the proposed transaction, the Board of Directors unanimously determined that the merger agreement, and the merger are fair to and in the best interests of Gardner Denver and its stockholders, approved the merger and merger agreement and recommended that Gardner Denver s stockholders vote to adopt the merger agreement at any meeting of stockholders of Gardner Denver to be called for the purposes of acting thereon.

After the Board of Directors meeting on March 7, 2013, KKR finalized the debt commitment letter with its lenders and the parties finalized the merger agreement, the equity commitment letter and the limited guaranty. Late in the evening, the parties executed the agreements in connection with the transaction. Gardner Denver also amended its rights agreement such that the merger agreement and the transactions contemplated thereby would not trigger any rights pursuant to such agreement.

On March 8, 2013, prior to the opening of trading of Gardner Denver common stock on the New York Stock Exchange, Gardner Denver and KKR issued a joint press release announcing the execution of the merger agreement.

Recommendation of Our Board of Directors and Reasons for the Merger

Recommendation of Our Board of Directors

The Board of Directors unanimously recommends that you vote FOR the proposal to adopt the merger agreement, FOR the proposal to adjourn the special meeting and FOR the non-binding, advisory proposal regarding compensation that will or may become payable by Gardner Denver to its named executive officers in connection with the merger.

Reasons for the Merger

In evaluating the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Board of Directors consulted with Gardner Denver s senior management, outside legal counsel and an independent financial advisor. In recommending that Gardner Denver s shareholders vote their shares of

Table of Contents

common stock in favor of adoption of the merger agreement, the Board of Directors also considered a number of factors, including the following (not necessarily in order of relative importance):

Gardner Denver s business and operations, and its current and historical financial condition and results of operations.

Gardner Denver s business plan and related financial projections, the difficult economic environment facing Gardner Denver and the risks and uncertainties in executing on the business plan and achieving such financial projections, including the challenges in implementing its previously announced European restructuring plan and Gardner Denver s need to attract and retain additional management in order to implement its restructuring and growth strategy.

The historic trading ranges of the common stock and the potential trading range of the common stock absent takeover speculation, including following Gardner Denver s announcement on October 25, 2012 that it was exploring strategic alternatives, and the possibility that absent such speculation it could take a considerable period of time before the trading price of the common stock would trade at a level in excess of the per share merger consideration of $76.00 on a present value basis.

The relationship of the $76.00 merger consideration to the trading price of the common stock, including that the merger consideration constituted a premium of:

Approximately 39% to the closing share price for Gardner Denver s common stock on October 24, 2012, the day before Gardner Denver s announcement that it would explore strategic alternatives; and

Approximately 46% over the closing price of the common stock on July 26, 2012, the last trading day prior to the date on which ValueAct filed a Schedule 13D disclosing that it had accumulated a stake in excess of 5% of Gardner Denver s common stock and calling for Gardner Denver to sell itself in an all cash transaction.

The financial analysis presentation of Goldman Sachs, Gardner Denver s financial advisor in connection with the merger, and the opinion of Goldman Sachs, dated as of March 7, 2013, delivered to the Board of Directors that, as of March 7, 2013, and based upon and subject to the factors and assumptions set forth therein, the $76.00 per share in cash to be paid to the holders of shares of Gardner Denver s common stock pursuant to the merger agreement was fair from a financial point of view to such holders, as more fully described below under the heading Opinion of Goldman, Sachs & Co.

The risks and opportunities associated with the potential alternative to the merger of remaining a standalone public company, pursuing Gardner Denver s business plan (including the European restructuring plan) and seeking additional debt financing to increase Gardner Denver s share repurchase program.

The fact that the all-cash merger consideration will provide certainty of value and liquidity to Gardner Denver s shareholders, while eliminating long-term business and execution risk.

The perceived risks of continuing as a standalone public company or pursuing other alternatives, including pursuing Gardner Denver s previously announced European restructuring plan or a leveraged recapitalization; the range of potential benefits to Gardner Denver s shareholders of these alternatives; and the assessment that no other alternatives were reasonably likely to create greater value for Gardner Denver s shareholders than the merger, taking into account risk of execution as well as business, competitive, industry and market risk.

The Board of Directors belief that it engaged in a thorough review of a potential sale, including that:

The Board of Directors reviewed alternatives available to Gardner Denver, including following ValueAct s July 27, 2012 Schedule 13D filing which called for Gardner Denver to engage in a sale process; and

Table of Contents

Gardner Denver issued a press release on October 25, 2012 regarding its review of strategic alternatives and the possibility of a sale.

Gardner Denver, with the assistance of Goldman Sachs, acting at the Board of Directors direction, identified and contacted 18 potential bidders, including both strategic parties and financial parties, in an effort to obtain the best value reasonably available to Gardner Denver s shareholders, including seven strategic parties and eleven financial parties that Goldman Sachs and Gardner Denver management identified as likely potential acquirors.

That KKR was the only party to submit a proposal in February 2013, that the Board negotiated an increase in such proposal from $75.00 to $76.00, and that the Board of Directors believed that KKR was unwilling to increase its proposal further.

Based on its review and the process conducted, the Board of Directors believed that $76.00 cash in the merger was the best price reasonably attainable for Gardner Denver s shareholders; and while a proposal for a transaction containing stock and cash consideration reflecting a higher nominal value than KKR s proposal was reviewed by Gardner Denver in November and December 2012, following consideration and review, the Board of Directors did not believe that such proposal was in the best interests of Gardner Denver s shareholders.

The Board of Directors view that third parties would be unlikely to be deterred from making a superior proposal by the provisions of the merger agreement, including because the Board of Directors may furnish information or enter into discussions in connection with a competing proposal if it determines in good faith, after consultation with its outside legal and financial advisors, that such competing proposal could reasonably be expected to result in a superior proposal. In this regard, the Board of Directors considered that:

- The Board of Directors could change its recommendation to Gardner Denver s shareholders with respect to adoption of the merger agreement prior to the adoption of the merger agreement by the shareholders and subject to its compliance with the merger agreement if it determines in good faith (after consultation with its legal and financial advisors) that the failure to take such action would be reasonably likely to be inconsistent with the Board of Directors fiduciary duties;

- The Board of Directors may terminate the merger agreement in order to enter into a definitive agreement with respect to a competing proposal that the Board of Directors determines, in good faith, after consultation with its legal and financial advisors, is a superior proposal, if it provides Parent prior notice and an opportunity to negotiate;

- The structure of the transaction as a merger would allow sufficient time for a third party to make a superior proposal if it desired to do so; and

- While the merger agreement contained a termination fee of $103.4 million, or approximately 2.75% of the aggregate equity value of the transaction, that Gardner Denver would be required to pay to Parent if (i) Gardner Denver enters into an agreement with respect to a superior proposal prior to approval of the merger agreement by Gardner Denver s shareholders, (ii) in connection with an adverse change in the Board of Directors recommendation to shareholders with respect to adoption of the merger agreement or (iii) under specified circumstances, if Gardner Denver enters into or consummates a competing proposal within twelve months of the termination of the agreement, the Board of Directors believed that this fee is reasonable in light of the circumstances and the overall terms of the merger agreement, consistent with fees in comparable transactions, and not preclusive of other offers.

The Board of Directors view that the merger agreement was the product of arms-length negotiations and contained customary terms and conditions.

The other terms of the merger agreement, including:

The conditions to the closing of the merger, including: the Board of Directors belief that while the closing of the merger is subject to various antitrust approvals, there were not likely to be significant

Table of Contents

antitrust or other regulatory impediments to the closing of the merger, including as a result of the obligations of Parent and KKR and the fact that there is no third-party consent condition, no shareholder litigation condition and no financing condition in the merger agreement;

The termination provisions in the merger agreement, including:

The fact that the end date under the merger agreement (which may be extended under specified circumstances to allow for regulatory approvals to be obtained) on which either party, subject to specified exceptions, can terminate the merger agreement allows for sufficient time to consummate the transaction;

The fact that the Board of Directors may terminate the merger agreement in order to enter into a definitive agreement with respect to a competing proposal that the Board of Directors determines, in good faith, after consultation with its legal and financial advisors, is a superior proposal, if it provides Parent prior notice and an opportunity to negotiate;

The fact that the Board of Directors believed that the termination fee of $103.4 million, or approximately 2.75% of the aggregate equity value of the transaction, is reasonable and not preclusive of other offers; and

The obligation of Parent to pay Gardner Denver a $263.1 million reverse termination fee, or approximately 7% of the aggregate equity value of the transaction, if Parent fails to consummate the merger if the conditions to closing are satisfied or Gardner Denver has terminated the merger agreement as a result of Parent s breach of the merger agreement;

The fact that the merger agreement does not contain a financing condition and that Parent and Acquisition Sub have received commitments for the necessary financing, including that Parent delivered an executed debt financing commitment letter to provide the debt portion of the financing from six major commercial banks with significant experience in similar lending transactions and reputations for honoring the terms of their commitment letters, which increases the likelihood of such financing being completed;

The fact that under specified circumstances, the merger agreement permits Gardner Denver to seek specific performance remedies against Parent and Acquisition Sub with respect to the debt and equity financing commitments; and

The fact that Parent agreed to use reasonable best efforts to take all steps necessary to eliminate any impediment and obtain all consents under antitrust laws, including committing to sell assets of Gardner Denver in order to avoid or vacate any order that would prevent or materially delay the merger.

The fact that the KKR Fund provided a limited guaranty in favor of Gardner Denver that guarantees the payment of the reverse termination fee and other expenses and that the KKR Fund provided an executed equity commitment letter to provide the equity portion of the financing (which represents approximately 22% of the total financing required for the merger).

The limited number and nature of the conditions to funding set forth in the debt and equity financing commitment letters and the Board of Directors expectation that such conditions will be timely met and that the financing will be provided in a timely manner.

The fact that the merger agreement was unanimously approved by the Board of Directors, which is comprised of a majority of independent directors who are not affiliated with KKR and are not employees of Gardner Denver or any of its subsidiaries, and which retained and received advice from Gardner Denver s outside financial and legal advisors in evaluating, negotiating and recommending

the terms of the merger agreement.

The availability of dissenters rights to Gardner Denver s shareholders who comply with specified procedures under Delaware law.

Table of Contents

The Board of Directors also considered a number of uncertainties and risks in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including the following (not necessarily in order of relative importance):

The fact that the merger consideration of $76.00 per share in cash represented a premium of approximately 1% to the closing price of the common stock on March 6, 2013, the last trading day prior to the execution of the merger agreement; although, the Board of Directors believed that the trading price of the common stock on such date reflected a takeover premium as a result of Gardner Denver s announcement on October 25, 2012 that it was exploring strategic alternatives as well as multiple published reports speculating about a potential takeover and the terms of the KKR proposal (including speculation about a transaction with KKR at a price of $75.00 or more).

The fact that receipt of the all-cash merger consideration would be taxable to Gardner Denver s shareholders that are treated as U.S. holders for U.S. federal income tax purposes.

The fact that Gardner Denver s shareholders would forego the opportunity to realize the potential long-term value of the successful execution of Gardner Denver s current strategy as an independent company.

The possibility that Parent could, at a later date, engage in unspecified transactions including restructuring efforts, special dividends or the sale of some or all of Gardner Denver s assets to one or more as yet unknown purchasers that could conceivably produce a higher aggregate value than that available to the shareholders in the merger.

The fact that under the terms of the merger agreement, Gardner Denver is unable to solicit other acquisition proposals during the pendency of the merger.

The fact that, under specified circumstances, Gardner Denver may be required to pay fees and expenses in the event the merger agreement is terminated and the effect this could have on Gardner Denver, including:

The fact that the termination fee could discourage other potential acquirors from making a competing offer to acquire Gardner Denver; although the Board of Directors believed that the termination fee was customary in amount and would not unduly deter any other party that might be interested in acquiring Gardner Denver;

If the merger is not consummated, Gardner Denver will be required to pay its own expenses associated with the merger agreement and the transactions contemplated thereby; and

The requirement that Gardner Denver reimburse Parent for up to $10 million of its and its affiliates reasonable documented out-of-pocket expenses in connection with the merger if the merger agreement is terminated as a result of the failure to obtain approval of Gardner Denver s shareholders; although the Board of Directors concluded that this amount was customary and reasonable.

The significant costs involved in connection with entering into and completing the merger and the substantial time and effort of management required to complete the merger, which may disrupt Gardner Denver s business operations.

The restrictions on Gardner Denver s conduct of business prior to completion of the merger, which could delay or prevent Gardner Denver from undertaking business opportunities that may arise or taking other actions with respect to its operations.

The fact that the reverse termination fee is not available in all instances where the merger agreement is terminated and may be Gardner Denver s only recourse where it is available.

The fact that Parent s and the KKR Fund s monetary damages under the merger agreement cannot exceed the amount of the reverse termination fee plus specified expenses payable by Parent and Acquisition Sub as well as specified reimbursement and indemnification obligations under the merger agreement.

Table of Contents

The fact that, while Gardner Denver expects the merger to be consummated if approved by Gardner Denver s shareholders, there can be no assurance that all conditions to the parties obligations to complete the merger will be satisfied.

The risk that the proposed merger might not be completed and the effect of the resulting public announcement of termination of the merger agreement on the trading price of Gardner Denver s common stock.

The fact that the market price of the common stock could be affected by many factors, including: (i) the reason or reasons for which the merger agreement was terminated and whether such termination resulted from factors adversely affecting Gardner Denver; (ii) the possibility that, as a result of the termination of the merger agreement, the marketplace would consider Gardner Denver to be an unattractive acquisition candidate; and (iii) the possible sale of common stock by short-term investors following an announcement that the merger agreement was terminated.

The fact that Gardner Denver s business, sales operations and financial results could suffer in the event that the merger is not consummated and that Gardner Denver s stock price would likely be adversely affected.

The fact that the announcement and pendency of the merger, or failure to complete the merger, may cause substantial harm to Gardner Denver s relationships with its employees (including making it more difficult to attract and retain key personnel and the possible loss of key management, technical, sales or other personnel), vendors and customers and may divert employees attention away from Gardner Denver s day-to-day business operations.

The fact that Gardner Denver s directors and executive officers may have interests in the merger that may be different from, or in addition to, those of Gardner Denver s shareholders. For more information about such interests, see below under the heading Interests of Certain Persons in the Merger.

The fact that, although Parent must use reasonable best efforts to obtain the financing contemplated by the debt commitment letter, there is a risk that the debt financing might not be obtained and that, in certain instances, Gardner Denver s only viable recourse would be the reverse termination fee plus the payment of expenses.

The fact that the financing contemplated by the debt commitment letter would be contingent on receipt by the lenders of financial information from KKR and the additional risk this fact poses with respect to the timing of the transaction; although, the Board of Directors believed that the amount of the reverse termination fee would provide Parent and KKR with sufficient incentive to provide such financial information on a timely basis.

The fact that the completion of the merger would require antitrust clearance in the United States, China, South Africa and with the European Commission.

The Board of Directors believed that, overall, the potential benefits of the merger to Gardner Denver s shareholders outweighed the risks and uncertainties of the merger.

The Board of Directors also considered that while Mr. Larsen advised the Board of Directors that he had no arrangements or understandings with KKR regarding his continued employment following the merger or his participation in any equity program Parent or KKR might establish following the merger, KKR had indicated its interest in such continued association and it was possible Mr. Larsen could agree to do so.

The foregoing discussion of factors considered by the Board of Directors is not intended to be exhaustive, but includes the material factors considered by the Board of Directors. In light of the variety of factors considered in connection with its evaluation of the merger, the Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Board of Directors applied his or her own

46

Table of Contents

personal business judgment to the process and may have given different weight to different factors. The Board of Directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Board of Directors based its recommendation on the totality of the information presented.

Opinion of Goldman, Sachs & Co.

Goldman Sachs delivered its opinion to the Board of Directors of Gardner Denver that, as of March 7, 2013 and based upon and subject to the factors and assumptions set forth therein, the $76.00 per share in cash to be paid to holders of shares of Gardner Denver common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated March 7, 2013, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement. Goldman Sachs provided its opinion for the information and assistance of the Board of Directors of Gardner Denver in connection with its consideration of the transaction. The Goldman Sachs opinion does not constitute a recommendation as to how any holder of Gardner Denver common stock should vote with respect to the transaction or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the merger agreement;
- annual reports to stockholders and Annual Reports on Form 10-K of Gardner Denver for the five years ended December 31, 2012;
- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Gardner Denver;
- certain other communications from Gardner Denver to its shareholders;
- certain publicly available research analyst reports for Gardner Denver; and
- certain internal financial analyses and forecasts for Gardner Denver prepared by its management, as approved for Goldman Sachs use by Gardner Denver, which we refer to as the Updated Forecasts.

Goldman Sachs also held discussions with members of the senior management of Gardner Denver regarding their assessment of the past and current business operations, financial condition and future prospects of Gardner Denver; reviewed the reported price and trading activity for the shares of Gardner Denver common stock; compared certain financial and stock market information for Gardner Denver with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the diversified industrial machinery sector (including flow management equipment) and in other industries; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs, with Gardner Denver s consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed, with Gardner Denver s consent, that the Updated Forecasts had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Gardner Denver. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Gardner Denver or any of its subsidiaries and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental,

47

Table of Contents

regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on the expected benefits of the transaction in any way meaningful to Goldman Sachs analysis. Goldman Sachs has assumed that the transaction will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs analysis.

Goldman Sachs opinion does not address the underlying business decision of Gardner Denver to engage in the transaction, or the relative merits of the transaction as compared to any strategic alternatives that may be available to Gardner Denver; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs opinion addresses only the fairness from a financial point of view to the holders of shares of Gardner Denver common stock, as of the date of the opinion, of the $76.00 per share in cash to be paid to such holders pursuant to the merger agreement. Goldman Sachs does not express any view on, and Goldman Sachs opinion does not address, any other term or aspect of the merger agreement or transaction or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transaction, including the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Gardner Denver; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Gardner Denver, or class of such persons, in connection with the transaction, whether relative to the $76.00 per share in cash to be paid to the holders of shares of Gardner Denver common stock pursuant to the merger agreement or otherwise. Goldman Sachs does not express any opinion as to the impact of the transaction on the solvency or viability of Gardner Denver or Parent or the ability of Gardner Denver or Parent to pay their respective obligations when they come due. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of Goldman Sachs opinion. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to Gardner Denver s Board of Directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 1, 2013, and is not necessarily indicative of current market conditions.

Implied Premium Based on Historical Stock Price Analysis. Goldman Sachs reviewed the historical trading prices for shares of Gardner Denver common stock for the period beginning on July 26, 2012, one trading day prior to the date ValueAct Capital Master Fund, L.P. filed a statement on Schedule 13D that included a letter to Gardner Denver s Board of Directors recommending the retention of advisors for purposes of running a sale process targeting an all cash offer for 100% of the shares of Gardner Denver common stock. Goldman Sachs compared the $76.00 per share in cash proposed to be paid to the holders of the shares of Gardner Denver common stock pursuant to the merger agreement in relation to the closing price for shares of Gardner Denver common stock as of July 26, 2012 (one day prior to the ValueAct Capital Master Fund, L.P. Schedule 13D described above), October 24, 2012 (one trading day prior to Gardner Denver confirming its exploration of strategic alternatives to enhance shareholder value following media speculation of a potential sale of Gardner Denver), and March 1, 2013.

Table of Contents

The $76.00 per share in cash to be paid to Gardner Denver stockholders pursuant to the merger agreement represented:

a premium of 45.8% to the closing price of $52.14 per share of Gardner Denver common stock as of July 26, 2012;

a premium of 38.8% to the closing price of $54.75 per share of Gardner Denver common stock as of October 24, 2012; and

a premium of 7.0% to the closing price of $71.03 per share of Gardner Denver common stock as of March 1, 2013.

Implied Multiples Analysis. Based on information obtained from Gardner Denver s SEC filings, Bloomberg, the Updated Forecasts, estimates from the Institutional Brokers Estimate System, which we refer to in this section as IBES, and market data, Goldman Sachs performed certain analyses and calculated certain financial multiples for Gardner Denver based on the closing price of $54.75 per share of Gardner Denver common stock as of October 24, 2012 (one trading day prior to Gardner Denver confirming its exploration of strategic alternatives to enhance shareholder value following media speculation of a potential sale of Gardner Denver), which we refer to in this section as the undisturbed share price, and the $76.00 per share in cash to be paid to the holders of shares of Gardner Denver common stock pursuant to the merger agreement. Goldman Sachs first calculated the implied market capitalization of Gardner Denver by multiplying the undisturbed share price by the assumed number of total shares of Gardner Denver common stock as of March 6, 2013 (including 49,166,053 shares of Gardner Denver common stock, 594,367 options with a weighted average strike price of $53.40 per share and 102,640 restricted stock units per management of Gardner Denver). Goldman Sachs then calculated the implied enterprise value of Gardner Denver, which is the market capitalization of Gardner Denver plus the book value of its debt less cash and cash equivalents, by adding the implied market capitalization to the assumed amount of Gardner Denver s net debt of $118 million (including minority interest) as of December 31, 2012 per management of Gardner Denver. Goldman Sachs then calculated such implied enterprise value as a multiple of Gardner Denver s estimated earnings before interest, taxes and depreciation and amortization (which we refer to in this section as EBITDA) for the 2013 calendar year based on the Updated Forecasts and IBES estimates, respectively, and as a multiple of Gardner Denver s EBITDA for the 2012 calendar year. Based on the same methodologies, Goldman Sachs also calculated the implied enterprise value based on the $76.00 per share in cash to be paid to the holders of shares of Gardner Denver common stock pursuant to the merger agreement as a multiple of Gardner Denver s estimated EBITDA for the 2013 calendar year based on the Updated Forecasts and IBES estimates, respectively, and as a multiple of Gardner Denver s EBITDA for the 2012 calendar year. The following table presents the results of Goldman Sachs analysis:

	Implied enterprise value as a multiple of EBITDA	
	$54.75 per share of Gardner Denver common stock as of October 24, 2012	**$76.00 per share of Gardner Denver common stock**
2012A	6.1x	8.3x
2013E (per Updated Forecasts)	6.6x	9.1x
2013E (per IBES estimates)	6.6x	9.1x

Goldman Sachs also calculated the implied estimated price-to-earnings ratios of Gardner Denver based on each of the $54.75 undisturbed share price and the $76.00 per share in cash to be paid to holders of shares of Gardner Denver common stock pursuant to the merger agreement by dividing the respective share prices by the

Table of Contents

estimated earnings per share of Gardner Denver for 2013 based on the Updated Forecasts and IBES estimates, respectively. The following table presents the results of Goldman Sachs analysis:

	Implied Price-to-earnings ratio	
	$54.75 per share of Gardner Denver common stock as of October 24, 2012	**$76.00 per share of Gardner Denver common stock**
2013E (per Updated Forecasts)	10.8x	14.9x
2013E (per IBES estimates)	10.6x	14.7x

Public Trading Multiples Analysis. Goldman Sachs reviewed and compared certain financial information, ratios and multiples for Gardner Denver to corresponding financial information, ratios and multiples for the following publicly traded corporations in the diversified industrial machinery sector (including flow management equipment):

Atlas Copco AB	*Exterran Holdings, Inc.*
Baker Hughes Incorporated	*Flowserve Corporation*
Burckhardt Compression Holding Ltd	*The Gorman-Rupp Company*
Cameron International Corporation	*IDEX Corporation*
Colfax Corporation	*National Oilwell Varco, Inc.*
CIRCOR International, Inc.	*SPX Corporation*
Dover Corporation	*Sulzer Ltd*
Dresser-Rand Group Inc.	*The Weir Group PLC*

Although none of the selected companies is directly comparable to Gardner Denver, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Gardner Denver.

Goldman Sachs calculated and compared various financial multiples and ratios based on information it obtained from SEC filings, median IBES estimates and Bloomberg. The multiples and ratios for each of the selected companies were based on market data as of March 1, 2013. The multiples and ratios of Gardner Denver were based on information provided by Gardner Denver s management and market data as of October 24, 2012, the trading day immediately prior to Gardner Denver confirming its exploration of strategic alternatives to enhance shareholder value following media speculation of a potential sale of Gardner Denver. With respect to each of the selected companies, Goldman Sachs calculated the average enterprise value as a multiple of one year forward estimated EBITDA (per IBES) over the last 5 years and the enterprise value as a multiple of one year forward estimated EBITDA (per IBES) as of March 1, 2013. With respect to Gardner Denver, Goldman Sachs calculated the average enterprise value as a multiple of one year forward estimated EBITDA (per IBES) over the last 10 years, 5 years and 1 year and the enterprise value as a multiple of one year forward estimated EBITDA (per IBES) as of October 24, 2012, the trading day immediately prior to Gardner Denver confirming its exploration of strategic alternatives to enhance shareholder value following media speculation of a potential sale of Gardner Denver. With respect to the selected companies (as a group), Goldman Sachs calculated the average

Table of Contents

enterprise value as a multiple of one year forward estimated EBITDA (per IBES) over the last 10 years, 5 years and 1 year. The following tables present the results of Goldman Sachs analysis:

	Enterprise value as a multiple of EBITDA:	
Selected Companies	**5-Year Average**	**March 1, 2013**
Atlas Copco AB	9.9x	10.8x
Baker Hughes Incorporated	6.8x	6.2x
Burckhardt Compression Holding Ltd	8.3x	11.2x
Cameron International Corporation	9.3x	9.8x
Colfax Corporation	8.5x	10.1x
CIRCOR International, Inc.	7.4x	8.1x
Dover Corporation	7.9x	8.5x
Dresser-Rand Group Inc.	9.1x	9.3x
Exterran Holdings, Inc.	6.9x	6.5x
Flowserve Corporation	8.3x	9.8x
The Gorman-Rupp Company	10.2x	10.6x
IDEX Corporation	9.6x	10.2x
National Oilwell Varco, Inc.	6.7x	6.3x
SPX Corporation	8.5x	7.1x
Sulzer Ltd	6.9x	9.6x
The Weir Group PLC	9.0x	10.4x

	Enterprise value as a multiple of EBITDA:			
	10-Year Average	**5-Year Average**	**1-Year Average**	**October 24, 2012**
Gardner Denver	8.3x	7.8x	7.2x	6.6x

	Enterprise value as a multiple of EBITDA:		
	10-Year Average	**5-Year Average**	**1-Year Average**
Selected Companies	9.0x	8.2x	8.8x

Illustrative Recapitalization Analysis. Based on Gardner Denver s SEC filings, IBES estimates, the Updated Forecasts and information provided by Gardner Denver s management, Goldman Sachs performed an illustrative recapitalization analysis to show the implied effect on Gardner Denver s estimated 2013 earnings per share resulting from a hypothetical debt-financed $500 million open market repurchase of a portion of Gardner Denver s outstanding common stock at share prices ranging from $58.00 to $71.00. In performing its analysis, Goldman Sachs also assumed that Gardner Denver would use net proceeds from new debt financing sources, including a $500 million revolving credit facility and $650 million term loan, to replace Gardner Denver s existing credit facilities based on information provided by Gardner Denver s management.

Goldman Sachs first calculated the range of shares of Gardner Denver common stock that could be repurchased in 2013 with $500 million in the open market at share prices ranging from $58.00 to $71.00, then divided the estimated earnings for 2013 per the Updated Forecasts adjusted to reflect the new capital structure, by the pro forma weighted average number of outstanding shares of Gardner Denver common stock. Goldman Sachs then compared such estimated pro forma earnings per share to the estimated earnings per share for 2013 per the Updated Forecasts exclusive of the pro forma stock repurchase to calculate whether such repurchase would be accretive or dilutive to Gardner Denver s earnings per share. Finally, Goldman Sachs also calculated what percentage of market capitalization a $500 million share repurchase would represent at share prices ranging from $58.00 to $71.00. The following table presents the results of Goldman Sachs analysis:

Share Repurchase As % of Implied Market Capitalization	17.5% - 14.3%
Implied FY2013E earnings per share Accretion / (Dilution)	6.3% - 5.0%

Table of Contents

Illustrative Present Value of Future Share Price Analysis. Goldman Sachs performed illustrative analyses of the present value of the potential future price per share of Gardner Denver common stock at the year-end of each of the calendar years 2013 through 2016 using one-year forward EBITDA estimates based on the Updated Forecasts for the calendar years 2014 through 2017, respectively. Goldman Sachs first calculated illustrative enterprise values of Gardner Denver at the year-end of each of the calendar years 2013 through 2016 by multiplying the respective one-year forward EBITDA estimates for the calendar years 2014 through 2017 by one-year forward enterprise value to EBITDA multiples ranging from 6.5x to 8.5x. Goldman Sachs then subtracted the assumed amount of net debt as of the relevant year-end per the Updated Forecasts (including approximately $3 million of minority interest each year) from such enterprise values in order to calculate the implied future aggregate equity values. The implied future aggregate equity values in turn were divided by the projected year-end diluted shares outstanding based on information provided by Gardner Denver s management (such diluted share count reflected management s assumed repurchase of approximately 3.5% of the then outstanding shares of Gardner Denver common stock for each applicable year). The illustrative midpoint of the range of one-year forward enterprise value to EBITDA multiples of 7.5x for the calendar years 2013 through 2016 resulted in an illustrative per share future value for Gardner Denver common stock ranging from $76.00 to $113.87. Goldman Sachs then calculated the present values of the implied per share future values for Gardner Denver common stock by discounting the implied per share future values to December 31, 2012, using a discount rate of 13.0%, reflecting an estimate of Gardner Denver s cost of equity. The following table presents the results of Goldman Sachs analysis:

Year	Implied Present Value Per Share of Gardner Denver Common Stock Based on Illustrative Enterprise Value to Forward EBITDA Multiple of 6.5x to 8.5x
YE2013	$58.66 - $75.86
YE2014	$61.53 - $78.44
YE2015	$62.44 - $78.50
YE2016	$62.34 - $77.33

Illustrative Discounted Cash Flow Analysis. Goldman Sachs performed an illustrative discounted cash flow analysis for Gardner Denver based on Gardner Denver s SEC filings and the Updated Forecasts to determine a range of per share equity values for Gardner Denver. Goldman Sachs conducted its discounted cash flow analysis using estimated unlevered free cash flows (calculated as after-tax earnings before interest, plus depreciation and amortization, less increases in working capital or plus any decrease in working capital, less capital expenditures) for Gardner Denver for the calendar years ending 2013 through 2017. The unlevered free cash flows were discounted to December 31, 2012 by assuming mid-year convention and using illustrative discount rates ranging from 11.5% to 12.5% reflecting estimates of Gardner Denver s weighted average cost of capital. Goldman Sachs then calculated an illustrative range of terminal values as of December 31, 2017 for Gardner Denver using (i) the terminal EBITDA multiple method and (ii) the perpetuity growth rate method.

With respect to the terminal EBITDA method, Goldman Sachs calculated illustrative terminal values for Gardner Denver in the calendar year 2017 by applying illustrative enterprise value to EBITDA multiples ranging from 7.0x to 8.0x to the estimated EBITDA for the calendar year 2017 per the Updated Forecasts. Goldman Sachs then discounted these terminal values to December 31, 2012 using the same range of discount rates as described above. Goldman Sachs then aggregated the present values of the illustrative terminal values with the present values of the illustrative cash flows for each of the calendar years ending 2013 through 2017 and subtracted the assumed amount of Gardner Denver s net debt as of December 31, 2012 to calculate the present values of illustrative equity values of Gardner Denver as of December 31, 2012. Goldman Sachs then divided such present values of such equity values by the number of shares of Gardner Denver common stock on a fully diluted basis to calculate the illustrative per-share equity values. This analysis resulted in a range of illustrative value indications of $69.81 to $79.56 per share of Gardner Denver common stock.

With respect to the perpetuity growth rate method, Goldman Sachs calculated illustrative terminal values for Gardner Denver in the calendar year 2017 by using perpetuity growth rates ranging from 2.5% to 3.5%.

Table of Contents

Goldman Sachs then discounted these terminal values using the same range of discount rates, as described above. By applying the same methodologies above, Goldman Sachs calculated the illustrative per-share equity values. This analysis resulted in a range of illustrative value indications of $68.09 to $82.89 per share of Gardner Denver common stock.

Summary of Selected Precedent Transactions. Goldman Sachs reviewed certain information relating to the following selected transactions in the diversified industrial machinery sector (including flow management equipment).

Announcement Date	Acquiror	Target
August 24, 2011	SPX Corporation	CLYDEUNION Pumps
September 12, 2011	Colfax Corporation	Charter International plc
March 28, 2012	Tyco International Ltd.	Pentair, Inc.
July 25, 2012	BC Partners and The Carlyle Group	Hamilton Sundstrand Industrial
August 9, 2012	National Oilwell VarCo Inc.	Robbins & Myers Inc.

For each of the above selected transactions, Goldman Sachs calculated and compared, based on information it obtained from Thomson Reuters, SEC filings, press releases, investor presentations, Wall Street research and the Updated Forecasts (i) the implied enterprise value as a multiple of EBITDA for the applicable last twelve months (based on the latest publicly available financial statements as of the date on which such selected transaction was announced) and (ii) the implied enterprise value as a multiple of one-year forward EBITDA, in each case, including and excluding certain estimated synergies, respectively. While none of the companies that participated in the selected transactions are directly comparable to Gardner Denver, the companies that participated in the selected transactions are companies with operations that, for the purposes of analysis, may be considered similar to certain of Gardner Denver s results, market size, industry and product profile. The following table presents the results of this analysis:

	Selected Transactions			
	Announced Enterprise Value as a Multiple of		Implied Enterprise Value as a Multiple of (Including Estimated Synergies)	
	LTM EBITDA	One-fiscal year forward EBITDA	LTM EBTIDA	One-fiscal year forward EBITDA
Mean	11.0x	9.4x	8.7x	7.6x
Median	11.3x	9.4x	8.1x	7.3x

Public Deal Premia Review. Goldman Sachs reviewed the implied premia paid in all transactions involving U.S. public companies taken private by financial sponsors having transaction enterprise values between $3 billion and $10 billion from 2000 through March 1, 2013 (exclusive of transactions where a financial sponsor had a significant equity ownership in the target company and transactions where a strategic acquiror was involved with the financial sponsor or the acquiror already owned a significant equity interest in the target company). For each of the transactions, Goldman Sachs compared, based on information it obtained from Thomson Reuters, the implied premium paid in such transaction represented by the per share acquisition price as compared to the acquired company s closing share price one trading day prior to announcement (except for those transactions subject to pre-announcement media speculation and/or transactions where the target company announced it was considering strategic alternatives, in which case the premiums reviewed were those calculated on an undisturbed basis). The following table presents the results of this review:

	Selected Transactions			
	Low	Average	Median	High
Transaction Premia	6.7%	23.9%	20.2%	46.8%

Table of Contents

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Gardner Denver or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to Gardner Denver s Board of Directors as to the fairness from a financial point of view of the $76.00 per share in cash to be paid to holders of shares of Gardner Denver common stock pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Gardner Denver, Goldman Sachs or any other person assumes responsibility if future results are materially different from those projections.

The consideration to be paid pursuant to the merger agreement was determined through arm s-length negotiations between Gardner Denver and Parent and was approved by Gardner Denver s Board of Directors. Goldman Sachs provided advice to Gardner Denver during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Gardner Denver or Gardner Denver s Board of Directors or that any specific amount of consideration constituted the only appropriate consideration for the transaction.

As described above, Goldman Sachs opinion to Gardner Denver s Board of Directors was one of many factors taken into consideration by Gardner Denver s Board of Directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B to this proxy statement.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Gardner Denver, Parent, any of their respective affiliates and third parties, including KKR, an affiliate of Gardner Denver, and its affiliates and portfolio companies, or any currency or commodity that may be involved in the transaction contemplated by the merger agreement for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as financial advisor to Gardner Denver in connection with, and participated in certain of the negotiations leading to, the transaction. Goldman Sachs has provided certain investment banking services to Gardner Denver and its affiliates from time to time for which the Investment Banking Division of Goldman Sachs may receive compensation. Goldman Sachs also has provided certain investment banking services to KKR and its affiliates and portfolio companies from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as joint book-running manager in connection with the public offering of 145,000,000 shares of common stock of HCA Holdings Inc., a portfolio company of funds affiliated with KKR, in March 2011; as joint book-running manager in connection with the public offering by Dollar General Corporation, a portfolio company of funds affiliated with KKR, of (i) 25,000,000 shares of common stock in March 2012, (ii) Senior Notes due 2017 (aggregate principal amount $500,000,000) in June 2012 and (iii) 30,000,000 shares of common stock in September 2012; as joint book-running manager and initial purchaser

Table of Contents

in connection with the issuance by Energy Future Intermediate Holding Company LLC, a portfolio company of funds affiliated with KKR, of 11.750% Senior Second Lien Notes due 2022 (aggregate principal amount $800,000,000) in February 2012; and as joint book-running manager in connection with the public offering of 38,500,000 shares of common stock of Nielsen Holdings N.V., a portfolio company of funds affiliated with KKR, in February 2013. During the two year period ended March 7, 2013, the Investment Banking Division of Goldman Sachs received compensation for services provided directly to KKR and to its affiliates and portfolio companies (including companies which are not controlled by KKR) of approximately $190 million. Goldman Sachs may also in the future provide investment banking services to Gardner Denver, Buyer and their respective affiliates and KKR and its affiliates and its affiliated portfolio companies for which the Investment Banking Division of Goldman Sachs may receive compensation. Affiliates of Goldman Sachs also may have co-invested with KKR and its affiliates from time to time and may have invested in limited partnership units of affiliates of KKR from time to time and may do so in the future.

Gardner Denver s Board of Directors selected Goldman Sachs as their financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction. Pursuant to a letter agreement, dated November 19, 2012, Gardner Denver engaged Goldman Sachs to act as financial advisor to Gardner Denver s Board of Directors in connection with the transaction. Pursuant to the terms of this engagement letter, Gardner Denver has agreed to pay Goldman Sachs a transaction fee of approximately $33 million, $4 million of which became payable upon announcement of the merger agreement and the remainder of which is contingent upon consummation of the transaction contemplated thereby, and Gardner Denver has agreed to reimburse Goldman Sachs expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of its engagement.

Projections Prepared by Gardner Denver s Management

Gardner Denver does not, as a matter of course, publicly disclose projections as to its future financial performance. However, in October 2012, we provided potential bidders in connection with their due diligence review with non-public financial forecasts prepared by Gardner Denver s management, which we refer to as the Initial Forecasts. In January 2013, we provided potential bidders with updated financial forecasts which reflected revised expectations with respect to Gardner Denver s financial performance based on market developments and Gardner Denver s year-end strategic planning exercise, which we refer to as the Updated Forecasts. Copies of the Initial and Updated Forecasts were also provided to Goldman Sachs, and Goldman Sachs relied on the Updated Forecasts in performing its financial analysis summarized under Opinion of Goldman, Sachs & Co. Together, we refer to the Updated Forecasts relied upon by Goldman Sachs in its financial analysis (which are set forth in Table 2 below) and the Initial Forecasts provided to potential bidders (which are set forth in Table 1 below) as the Forecasts. In April 2013, in connection with the syndication of their unsecured bridge loan facility, Parent and Acquisition Sub provided to potential lenders certain financial information for certain of the periods covered by the Forecasts, which we refer to as the Lender Financial Information. On April 29, 2013, Gardner Denver publicly disclosed on Form 8-K the Lender Financial Information.

The Initial Forecasts and Updated Forecasts were not prepared with a view to public disclosure and are included in this proxy statement only because such information was made available, in whole or in part, to potential bidders in connection with their due diligence review of Gardner Denver, and the information with respect to the Updated Forecasts was made available to Goldman Sachs for use in connection with its financial analysis summarized under Opinion of Goldman, Sachs & Co. The Forecasts and the Lender Financial Information were not prepared with a view to compliance with generally accepted accounting principles as applied in the United States, which we refer to as GAAP, the published guidelines of the SEC regarding projections and forward-looking statements or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Furthermore, Ernst & Young LLP, our independent auditor, has not examined, reviewed, compiled or otherwise applied procedures to the Forecasts or the Lender Financial Information and, accordingly, assumes no responsibility for, and expresses no opinion on, them. The Forecasts included in this proxy statement have been prepared by, and are the

Table of Contents

responsibility of, our management. The Forecasts were prepared solely for internal use of Gardner Denver and are subjective in many respects.

Although a summary of the Forecasts and the Lender Financial Information is presented with numerical specificity, they reflect numerous assumptions and estimates as to future events made by our management that our management believed were reasonable at the time the Forecasts and the Lender Financial Information were prepared, taking into account the relevant information available to management at the time. However, this information is not fact and should not be relied upon as being necessarily indicative of actual future results. Important factors that may affect actual results and cause the Updated Forecasts and the Lender Financial Information not to be achieved include general economic conditions, the timing and magnitude of recovery in Gardner Denver s Petroleum & Industrial Pumps business (a unit within the Engineered Products Group segment), the ability to achieve anticipated savings assumed in Gardner Denver s European Restructuring plan and successful execution of other cost saving strategies, accuracy of certain accounting assumptions, changes in actual or projected cash flows, competitive pressures, changes in tax laws, and integration risks associated with recent acquisitions. In addition, the Forecasts and the Lender Financial Information do not take into account any circumstances or events occurring after the date that they were prepared and do not give effect to the merger. As a result, there can be no assurance that the Forecasts and the Lender Financial Information will be realized, and actual results may be materially better or worse than those contained in the Forecasts or the Lender Financial Information. The inclusion of this information should not be regarded as an indication that the Board of Directors, Gardner Denver, Goldman Sachs or any other recipient of this information considered, or now considers, the Forecasts or the Lender Financial Information to be predictive of actual future results. The summary of the Forecasts and the Lender Financial Information is not included in this proxy statement in order to induce any shareholder to vote in favor of the proposal to adopt the merger agreement or any of the other proposals to be voted on at the special meeting.

The Forecasts and the Lender Financial Information are forward-looking statements. For information on factors that may cause Gardner Denver s future results to materially vary, see Cautionary Statement Concerning Forward-Looking Information.

The key assumptions underlying the Initial Forecasts and the Updated Forecasts were substantially similar except for the forecasts associated with the Petroleum and Industrial Pumps unit in the Updated Forecasts (which is reported within Gardner Denver s Engineered Products Group segment), which were altered due to management s belief that such unit s recovery would not occur until 2014, as opposed to the second half of 2013, as reflected in the Initial Forecasts. The change in this assumption lowered the projected profitability for Gardner Denver in all projected years, not just 2013, given the expected delayed recovery in the above referenced business unit. The other material assumptions underlying the Forecasts include:

Industrial Products Group

Growth assumptions were based on expected GDP growth trends in each of the regions in which Gardner Denver operates; specifically, Europe was assumed to experience a decline in revenue in 2013 driven by the challenging economic environment, and in China, growth assumptions from 2012/2013 were assumed to be below trend given observed slowdown in activity. However, from 2014 through 2017, all geographies were expected to grow at growth rates which were generally in line with expectations for GDP growth in each respective region.

Profitability assumptions were made for each region separately with North America and Asia Pacific demonstrating modest margin improvement over the forecast period. In Europe, margin improvement was primarily assumed to be driven by European Restructuring of $20 million, $40 million and $45 million for FY2013E-FY2015E before reaching a run rate of $46 million in FY2016E. The associated EU Restructuring costs of $2mm, $45mm, $25mm and $9mm in FY2012E-FY2015E are included in the Forecasts however not reflected in Adjusted EBITDA given the one-time, exceptional nature of such costs.

Table of Contents

Engineered Products Group, comprised of four separate businesses, each of which have unique growth and profitability assumptions

Petroleum and Industrial Pumps: Experienced a material slowdown in activity in the second half of 2012, after experiencing a record first half. The Initial Forecasts assumed the business would start recovering in the second half of 2013, an assumption which was subsequently revised in the Updated Forecasts, which reflected a recovery in 2014. The Updated Forecasts assumed 44% decline in revenue from 2012 to 2013. This business line generates significantly higher margins than the rest of Gardner Denver, therefore having a large impact on the overall profitability of Gardner Denver. The decline in Adjusted EBITDA from the Initial Forecast to the Updated Forecasts was $57 million in 2013, with each subsequent forecast year also being lower than in the Initial Forecasts.

EMCO: Assumed 5%-6% growth per year driven by expected growth in global infrastructure spend as well as anticipated modest market share gain and assumed a stable margin profile throughout the projection period.

Nash: Assumed growth slightly ahead of global industrial products group business driven by anticipated modest market share gains, a modest gross margin improvement through 2015E.

Thomas: Assumed 4%-5% growth per year driven by underlying exposure to medical device end-market, modest gross margin improvement through 2015E.

Except to the extent required by applicable federal securities laws, we do not intend, and expressly disclaim any responsibility, to update or otherwise revise the Forecasts or the Lender Financial Information to reflect circumstances existing after the date when Gardner Denver prepared the Forecasts or the Lender Financial Information or to reflect the occurrence of future events or changes in general economic or industry conditions, even in the event that any of the assumptions underlying the Forecasts or the Lender Financial Information are shown to be in error.

Certain of the measures included in the Forecasts or the Lender Financial Information may be considered non-GAAP financial measures, including Adjusted EBIT and Adjusted EBITDA. Adjusted EBIT means earnings before interest and taxes and Adjusted EBITDA means earnings before interest, taxes depreciation and amortization, in each case exclusive of certain planned restructuring costs. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by Gardner Denver may not be comparable to similarly titled amounts used by other companies.

Table 1

Initial Forecasts

(US$ in millions, except per share amounts)	**Historicals**			**Management Projections**				
FYE 31-Dec	**FY2010A**	**FY2011A**	**FY2012E**	**FY2013E**	**FY2014E**	**FY2015E**	**FY2016E**	**FY2017E**
Revenue	$ 1,895	$ 2,371	$ 2,378	$ 2,381	$ 2,505	$ 2,628	$ 2,756	$ 2,879
Operating Earnings	$ 252	$ 401	$ 374	$ 360	$ 439	$ 490	$ 528	$ 554
GAAP Net Income	$ 173	$ 278	$ 258	$ 250	$ 308	$ 345	$ 372	$ 390
Adjusted EBIT (Excl. Planned Restructuring Costs)(1)	$ 260	$ 414	$ 397	$ 405	$ 464	$ 499	$ 528	$ 554
Adjusted EBITDA (Excl. Planned Restructuring Costs)(2)	$ 320	$ 474	$ 462	$ 461	$ 522	$ 557	$ 587	$ 613
GAAP earnings per share				$ 5.16	$ 6.59	$ 7.65	$ 8.54	$ 9.27
Adjusted earnings per share				$ 5.82	$ 6.98	$ 7.80	$ 8.54	$ 9.27

Source: Company Management as of October 2012

57

Table of Contents

Table 2

Updated Forecasts

(US$ in millions, except per share amounts)	Historicals			Management Projections				
FYE 31-Dec	FY2010A	FY2011A	FY2012E	FY2013E	FY2014E	FY2015E	FY2016E	FY2017E
Revenue	$ 1,895	$ 2,371	$ 2,354	$ 2,217	$ 2,384	$ 2,557	$ 2,704	$ 2,835
Operating Earnings	$ 252	$ 401	$ 368	$ 315	$ 406	$ 473	$ 517	$ 545
GAAP Net Income	$ 173	$ 278	$ 256	$ 214	$ 281	$ 331	$ 362	$ 382
Adjusted EBIT (Excl. Planned Restructuring Costs)(1)	$ 260	$ 414	$ 394	$ 360	$ 431	$ 482	$ 517	$ 545
Adjusted EBITDA (Excl. Planned Restructuring Costs)(2)	$ 320	$ 474	$ 459	$ 426	$ 486	$ 538	$ 575	$ 603
GAAP earnings per share				$ 4.42	$ 6.01	$ 7.32	$ 8.29	$ 9.06
Adjusted earnings per share				$ 5.09	$ 6.40	$ 7.47	$ 8.29	$ 9.06

Source: Company Management as of January 2013

(1) Adjusted EBIT means earnings before interest and taxes excluding, certain planned restructuring costs. Adjusted EBIT is a common financial measure in the industrial sector but is not defined under GAAP.

(2) Adjusted EBITDA means earnings before interest, taxes, depreciation and amortization excluding, certain planned restructuring costs. Adjusted EBITDA is a common financial measure in the industrial sector but is not defined under GAAP. We believe that Adjusted EBITDA is a performance measure that provides securities analysts, investors and other interested parties with a measure of operating results unaffected by differences in capital structures, capital investment cycles, ages of related assets and certain non-recurring restructuring costs among otherwise comparable companies in our industry. We further believe that Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an Adjusted EBITDA measure when reporting their results. We believe that Adjusted EBITDA facilitates company-to-company operating performance comparisons by adjusting for potential differences caused by variations in capital structures (affecting net interest expense), taxation (such as the impact of differences in effective tax rates or net operating losses), the age and book depreciation of facilities and equipment (affecting relative depreciation expense) and certain non-recurring restructuring costs, which may vary for different companies for reasons unrelated to operating performance. Adjusted EBITDA has limitations, including that it is not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation.

Table of Contents

Table 3

Lender Financial Information

The following reconciliation is included for illustrative purposes only and represents a sample presentation of Pro Forma Adjusted EBITDA based on and for purposes of the expected EBITDA definitions under Gardner Denver s new debt agreements. As a result, Pro Forma Adjusted EBITDA includes adjustments to exclude/include certain items such as: non-cash and non-recurring items; foreign currency items; cost savings initiatives (not retroactive; only applied to 2012 and 2013E); and other adjustment items expected to be permitted under the Company s debt agreements.

($ in millions)

	Reconciliation:	2012	Q1 2012	Q1 2013	LTM Q1 2013	Full Year 2013E1
	Net income attributable to Gardner Denver	$ 263.3	$ 54.8	$ 45.7	$ 254.2	$ 215.5
	Interest expense	14.7	3.8	2.7	13.6	12.7
	Provision for income taxes	97.1	22.1	16.1	91.1	82.2
	Depreciation and amortization	63.8	19.1	14.9	59.6	62.6
	EBITDA	$ 438.9	$ 99.8	$ 79.4	$ 418.5	$ 373.0
(A)	Restructuring costs	18.7	14.4	2.1	6.4	46.2
(B)	Non-cash purchase accounting adjustments	3.4	3.9	(0.1)	(0.6)	
(C)	Stock-based compensation expense	5.4	2.3	2.0	5.1	5.1
(D)	Other employee termination and certain retirement costs	2.3	0.1	0.8	3.0	
(E)	Foreign currency (gains) / losses	3.4	1.5	(0.1)	1.8	
(F)	Pension and OPEB adjustment	1.8	0.6	0.4	1.6	1.0
(G)	Other adjustments	3.2	(0.4)	6.0	9.6	2.3
	Adjusted EBITDA	$ 477.1	$ 122.2	$ 90.5	$ 445.4	$ 427.6
(H)	Future cost savings illustratively pulled forward	45.2	12.0	6.4	39.6	25.7
	Adjusted EBITDA Illustratively Pro Forma for Future Cost Savings	$ 522.3	$ 134.2	$ 96.9	$ 485.0	$ 453.3

Note: Does not represent management s expectation for earnings performance in these periods

(1) Estimated full year 2013 net income attributable to Gardner Denver is based on the midpoint of diluted earnings per share guidance provided in Gardner Denver s press release for the first quarter and full year 2013, dated April, 26, 2013 (as such press release was amended to correct a typographical error on that same day). The average diluted shares outstanding used to calculate the net income attributable to Gardner Denver was 49,316,000. Full Year 2013E amounts do not include merger-related costs associated with the proposed buyout transaction. The Full Year 2013E was also included in Gardner Denver s 8-K filing submitted to the SEC on April 22, 2013.

(A) Represents historical restructuring costs incurred in connection with the closure and consolidation of certain facilities and functions.

(B) Represents the reversal of the income statement impacts of non-recurring Robuschi purchase accounting adjustments associated with (1) the write-up of the fair value of inventory and (2) the amortization of favorable and unfavorable leases.

(C) Represents non-cash stock-based compensation expense relating to stock options and restricted share awards.

(D) Represents certain non-recurring employee related costs resulting from terminations (non-restructuring).

Table of Contents

(E) Represents gains and losses on transactions denominated in currencies other than our functional currency, including gains and losses on intercompany transactions.

(F) Represents the effects of amortization of prior service costs and amortization of losses (gains) in pension and OPEB expense.

(G) Represents non-cash, non-operating, or non-recurring adjustments, consisting of (1) gains / losses on disposal of assets, (2) third-party costs associated with successful / abandoned transactions, (3) investment gains and losses associated with our deferred compensation plan, (4) board of directors fees, (5) non-cash income associated with a decrease of inventories in certain LIFO pools and the resulting liquidations of LIFO inventory layers and (6) other minor miscellaneous adjustments.

(H) Represents savings Gardner Denver expects to realize during 2013 and 2014 from optimizing IPG Europe s operations and achieving sourcing savings, resulting in reduced costs and margin expansion. The IPG Europe initiative is expected to leverage lower cost locations, as well as reduce excess capacity and average labor costs, while the sourcing savings will be achieved by developing a global procurement organization and strategically managing direct materials spend. The pro forma adjustments in 2012 and 2013 represent expected future cost savings not realized during each respective period.

Interests of the Directors and Executive Officers of Gardner Denver in the Merger

When considering the recommendation of the Board of Directors that you vote to approve the proposal to adopt the merger agreement, you should be aware that some of our directors and executive officers have interests in the merger that are different from, or in addition to, the interests of our shareholders generally, as more fully described below. The Board of Directors was aware of and considered these interests, among other matters, in approving the merger agreement and the merger and recommending that the merger agreement be adopted by the shareholders of Gardner Denver.

Arrangements with Parent

As of the date of this proxy statement, none of our executive officers has entered into any agreement with Parent or any of its affiliates regarding employment with, or the right to purchase or participate in the equity of, the surviving corporation or one or more of its affiliates. Prior to or following the closing of the merger, however, some or all of our executive officers may discuss or enter into agreements with Parent or Acquisition Sub or any of their respective affiliates regarding employment with, or the right to purchase or participate in the equity of, the surviving corporation or one or more of its affiliates.

Insurance and Indemnification of Directors and Executive Officers

The surviving corporation and Parent will indemnify, defend and hold harmless, and advance expenses to current or former directors, officers and employees of Gardner Denver and its subsidiaries with respect to all acts or omissions by them in their capacities as such at any time prior to the effective time of the merger (including any matters arising in connection with the merger agreement or the transactions contemplated thereby), to the fullest extent that Gardner Denver or its subsidiaries would be permitted by applicable law and to the fullest extent required by the organizational documents of Gardner Denver or its subsidiaries as in effect on the date of the merger agreement. Parent will cause the certificate of incorporation, bylaws or other organizational documents of the surviving corporation and its subsidiaries to contain provisions with respect to indemnification, advancement of expenses and limitation of director, officer and employee liability that are no less favorable to the current or former directors, officers and employees of Gardner Denver and its subsidiaries than those set forth in the Gardner Denver s and its subsidiaries organizational documents as of the date of the merger agreement. The surviving corporation and its subsidiaries will not, for a period of six years from the effective time of the merger, amend, repeal or otherwise modify these provisions in the organizational documents in any manner that would adversely affect the rights of the current or former directors, officers and employees of Gardner Denver and its subsidiaries.

Table of Contents

The merger agreement also provides that prior to the effective time of the merger, Gardner Denver may purchase a six year tail prepaid policy on the same terms and conditions as the Parent would be required to cause the surviving corporation and its subsidiaries to purchase as discussed below. Gardner Denver s ability to purchase a tail policy is subject to a cap on the premium equal to 600% of the aggregate annual premiums currently paid by the Gardner Denver for its existing directors and officers liability insurance and fiduciary insurance as of the date of the merger agreement. If Gardner Denver does not purchase a tail policy prior to the effective time, for at least six years after the effective time, (i) Parent will cause the surviving corporation and its other subsidiaries to maintain in full force and effect, on terms and conditions no less advantageous to the current or former directors, officers and employees of Gardner Denver and its subsidiaries, the existing directors and officers liability insurance and fiduciary insurance maintained by the Gardner Denver as of the date of the merger agreement and (ii) Parent will not, and will not permit the surviving corporation or its other subsidiaries to, take any action that would prejudice the rights of, or otherwise impede recovery by, the beneficiaries of any such insurance, whether in respect of claims arising before or after the effective time of the merger. The tail policy will cover claims arising from facts, events, acts or omissions that occurred at or prior to the effective time, including the transactions contemplated in the merger agreement. The obligation of the parent or surviving corporation, as applicable, is subject to an annual premium cap of 300% of the aggregate annual premiums currently paid by Gardner Denver for such insurance, but the parent or surviving corporation will purchase as much of such insurance coverage as possible for such amount. Please see The Merger Agreement Directors and Officers Indemnification and Insurance section for additional information.

Treatment of Equity-Based Awards

Treatment of Stock Options

As of [ ], there were [ ] outstanding stock options held by directors and executive officers. As of the effective time of the merger, each outstanding stock option to purchase shares of Gardner Denver common stock, whether or not vested, will be canceled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of Gardner Denver common stock subject to the option as of the effective time of the merger and (ii) the amount, if any, by which $76.00 exceeds the exercise price per share of Gardner Denver common stock underlying the stock option.

Treatment of Restricted Stock Units

As of [ ], there were [ ] outstanding RSUs held by directors and executive officers. As of the effective time of the merger, the vesting conditions or restrictions applicable to each RSU will lapse and each such RSU will be converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts as required by law) equal to the product of (i) the total number of shares of Gardner Denver subject to such RSU as of the effective time of the merger and (ii) $76.00.

Treatment of Gardner Denver Long-Term Cash Bonus Awards

The Compensation Committee grants long-term cash bonus awards to the named executive officers under Gardner Denver s long-term incentive plan. Long-term cash bonuses are tied to the achievement of Gardner Denver s performance targets over a predetermined performance period, which historically has been three years. Under the merger agreement, each long-term cash bonus award will be deemed to be earned on a prorated basis, based on the portion of the applicable performance period elapsed.

At the effective time of the merger, long-term cash bonus awards granted for the three year performance period beginning January 1, 2011 and ending December 31, 2013, which we refer to as the 2011-2013 performance period, will be deemed to be earned at the end of the 2011-2013 performance period at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved by Gardner Denver or the

Table of Contents

surviving corporation, as applicable, for such performance period and (ii) the payout opportunity that corresponds to the target performance level for such performance period relative to the performance targets applicable to such performance period, provided that any employee entitled to an award in respect of the 2011-2013 performance period whose employment is terminated at or after the effective time of the merger and prior to the end of the 2011-2013 performance period will instead be paid a pro-rata portion of his or her award. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2013 and ending December 31, 2015, will be deemed to be earned at the greater of (i) the payout opportunity that corresponds to the actual performance level achieved for such partial performance period relative to the applicable performance targets for such award and (ii) the payout opportunity that corresponds to the target performance level for such performance period. Long-term cash bonus awards granted for the three year performance period beginning January 1, 2012 and ending December 31, 2014 will be deemed to be earned at the payout opportunity that corresponds to the target performance level originally established for such performance period.

Treatment of Gardner Denver Phantom Stock Units

Under Gardner Denver s Phantom Stock Plan for Outside Directors, which we refer to as the Phantom Stock Plan, each nonemployee director may elect to defer all or a portion of his or her annual retainers into phantom stock units. Each phantom stock unit represents the right to receive the fair market value of one share of Gardner Denver common stock. Upon election, the phantom stock units are credited to the nonemployee director s account in equal quarterly amounts based on the average closing price per share of our common stock during the 30 trading days immediately preceding (but not including) the last business day of the quarter as reported on the composite tape of the New York Stock Exchange. Dividend equivalents are credited to the nonemployee director s account on the dividend record date as dividends are declared by the Board of Directors. In connection with the consummation of the merger, the cash value of each nonemployee director s account will be distributed to such nonemployee director on the first day of the month following the effective time of the merger.

The following table summarizes the aggregate number of phantom stock units credited to each nonemployee director s account as of March 31, 2013.

Name	Phantom Stock Units (1)
Michael C. Arnold	137
Donald G. Barger, Jr.	21,863
John D. Craig	0
Raymond R. Hipp	9,587
David D. Petratis	14,184
Diane K. Schumacher	4,057
Charles L. Szews	9,288
Richard L. Thompson	17,158
Total	76,274

(1) The number of phantom stock units has been rounded to the nearest whole number of units.

Under the merger agreement, Gardner Denver is restricted from granting additional phantom stock units other than any phantom stock units that were required to be granted, as of March 7, 2013, pursuant to elections previously made by nonemployee directors of Gardner Denver. Such elections, and any phantom stock units credited to the account of a nonemployee director, will be credited in accordance with the terms the Phantom Stock Plan.

Table of Contents

Payments Upon Termination Following Change-in-Control

Executive Change in Control Agreements

Gardner Denver enters into change in control agreements, which we refer to as CIC Agreements, with certain of its executive officers, which generally remain in effect as long as the executive officer is an employee of Gardner Denver. Michael M. Larsen, Brent A. Walters, T. Duane Morgan, Susan A. Gunn and Barry L. Pennypacker, who are all listed in the table entitled All Golden Parachute Compensation set forth below, were our named executive officers for 2012. On July 13, 2012, Mr. Pennypacker resigned from his position as President and Chief Executive Officer of Gardner Denver. In connection with his resignation, Mr. Pennypacker s CIC Agreement is no longer in effect. The consummation of the merger will constitute a change of control under the CIC Agreements. Except as noted below, each CIC Agreement has substantially identical terms and is intended to encourage each applicable executive officer to continue to carry out his or her respective duties in the event of a change in control of Gardner Denver.

Under each CIC Agreement, if, during the 24-month period following the effective time of the merger, the surviving corporation terminates the applicable executive officer s employment other than for cause, as defined below, or if the applicable executive officer voluntarily terminates his or her employment for good reason, as defined below, such executive officer will be entitled to receive:

- Accrued but unpaid compensation and benefits through the date of termination;
- A severance payment of two times the sum of: (i) the executive officer s annual base salary; and (ii) the target annual cash bonus amount for the last full fiscal year prior to the executive officer s termination of employment pursuant to Gardner Denver s Executive Annual Bonus Plan, which we refer to as the Executive Annual Bonus Plan;
- To the extent not included in accrued but unpaid compensation, a pro-rata bonus for the year of termination, based on the executive officer s target annual cash bonus paid or payable pursuant to the Executive Annual Bonus Plan for the last full fiscal year ending immediately before notice of termination;
- Continued medical, dental and life insurance benefits for a period of two years; provided, however, that if the executive officer becomes eligible to receive such benefits under another employer-provided plan, such continuation of benefits will cease; and
- The cash amounts payable under the CIC Agreements are required to be paid in a single lump sum payment on the regularly scheduled payroll day immediately following the 30th day after the executive s termination.

For the purposes of the CIC Agreements, cause means:

- The executive officer s willful and continued failure to substantially perform his or her reasonably assigned duties with Gardner Denver, the surviving corporation or their affiliates, which failure continued for at least 30 days after written demand for substantial performance signed by a duly authorized officer of Gardner Denver was delivered to the executive officer identifying the manner in which Gardner Denver believed that the executive officer s duties have not been substantially performed;
- The executive officer s breach of a fiduciary duty involving personal profit, commission of a felony or a crime involving fraud or moral turpitude, or material breach of any provision of the CIC Agreement; or
- The executive officer willfully engages in illegal conduct or gross misconduct which is materially and demonstrably injurious to Gardner Denver or the surviving corporation.

No act or failure to act on the part of the executive officer will be considered willful unless it is done, or omitted to be done, in bad faith or without a reasonable belief that the action or omission was legal, proper, and in the best interests of Gardner Denver, the surviving corporation or their affiliates. Any act, or failure to act,

Table of Contents

based on authority given pursuant to a resolution duly adopted by the Board of Directors, the instructions of a more senior executive or the advice of counsel to Gardner Denver or its affiliates will be conclusively presumed to be done, or omitted to be done, by the executive in good faith and in the best interests of Gardner Denver, the surviving corporation and their affiliates.

For purposes of the CIC Agreements, good reason means, unless the executive officer has consented in writing, the occurrence after a change in control of any of the following events or conditions:

- The actual assignment (not merely the announcement of a plan or present intention) to the executive officer of any duties that would constitute a material diminution in the executive officer s position as in effect immediately prior to the change in control, including any material diminution in status, title, authority, duties or responsibilities or any other action which results in the same, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by Gardner Denver promptly after receipt of notice from the executive officer;

- A material diminution (5% or greater) of in the executive officer s base salary;

- Gardner Denver or the surviving corporation requires the executive officer to be based at any location that is a material change of more than 40 miles from his or her regular place of employment immediately prior to the change in control;

- Following a change in control, unless a plan providing a substantially similar compensation or benefit is substituted: (i) the failure by Gardner Denver, the surviving corporation or their affiliates to continue in effect any material fringe benefit or compensation plan, retirement plan, life insurance plan, health and accident plan or disability plan in which the executive officer is participating prior to the change in control; or (ii) the taking of any action by Gardner Denver, the surviving corporation or its affiliates which would adversely affect the executive officer s participation in or materially reduce his or her benefits under any of such plans or deprive him or her of any material fringe benefit;

- Following a change in control, Gardner Denver s failure to obtain the assumption in writing of its obligation to perform the CIC Agreement by Parent within 15 days after the effective date of the merger; or

- Any purported termination of the executive officer s employment by Gardner Denver or the surviving corporation, which is not effected pursuant to a notice of termination satisfying the requirements of the CIC Agreement; and for purposes of the CIC Agreement, no such purported termination will be effective.

For CIC Agreements entered into before July 2012, which we refer to as the Original CIC Agreements, in the event that any payments under the CIC Agreements are subject to excise tax, the executive will be entitled to an amount, which on an after-tax basis equals the excise tax, provided that if the total payments do not exceed 110% of the greatest amount that could be made to the executive without giving rise to excise tax, the total payments will be reduced to the excise limit. The CIC Agreements for each of Michael M. Larsen, our President and Chief Executive Officer, Brent A. Walters, our Vice President, General Counsel, Chief Compliance Officer and Secretary, and Susan A. Gunn, our Vice President of Human Resources, have the Original CIC Agreement terms.

In July 2012, the form of CIC Agreement was modified to eliminate the excise tax gross up and modify the alternative cap provision, which we refer to as the Modified CIC Agreement. In the event any payments made to an executive officer in connection with a change in control of Gardner Denver, including any payments under a CIC Agreement, become subject to excise tax, and any related interest or penalties, then the payments will be reduced (but not below zero) to the greatest amount which may be paid without the executive officer becoming subject to the excise tax, but only to the extent the reduced amount would provide a greater benefit to the executive officer than an unreduced payment that would be subject to the excise tax. T. Duane Morgan, our Vice President and President of the Engineered Products Group, received the Modified CIC Agreement in September 2012.

64

Table of Contents

Bonuses

Executive Annual Bonus Plan

The merger agreement permits Gardner Denver to pay a pro-rata portion, calculated at the target performance level, of the annual cash bonuses payable pursuant to the Executive Annual Bonus Plan to those executive officers who, at the effective time of the merger, are eligible to receive such pro-rata bonus amounts in respect of the 2013 fiscal year in accordance with the terms of the Executive Annual Bonus Plan.

Key Management Retention Program

In November 2012, the Compensation Committee developed and put in place a Key Management Retention Program, which we refer to as the Retention Program, to retain a core group of senior executive officers while Gardner Denver explored strategic alternatives to enhance shareholder value. Executive officer participants in this Retention Program include Messrs. Larsen, Trupiano and Walters and Ms. Gunn. Cash retention awards are based on a multiple of salary at the time the Retention Program was approved. Under the terms of the Retention Program, Messrs. Larsen and Walters and Ms. Gunn will receive a cash bonus equal to 100% of their base salary.

Cash awards under the Retention Program are payable in two tranches. Fifty percent of each award is payable at the effective time of the merger and the balance is payable six months after the effective time of the merger. In the event the merger is not consummated the cash awards will be paid out on November 11, 2013.

If Messrs. Larsen, Trupiano and Walters and Ms. Gunn are terminated without cause or voluntarily resign for good reason at any time prior to receiving the payments noted above, then the remaining amounts will be accelerated and paid in cash as soon as reasonably practical. No payouts will be made upon separation from service as a result of disability, retirement, voluntary resignation (other than voluntary resignation for good reason), or death.

Golden Parachutes

In accordance with Item 402(t) of Regulation S-K, the table below entitled Golden Parachute Compensation sets forth the compensation that is based on or otherwise relates to the merger that will or may become payable to each of Gardner Denver s named executive officers in connection with the merger. Please see the previous portions of this section for further information regarding this compensation.

The amounts indicated in the table below titled All Golden Parachute Compensation are estimates of the amounts that would be payable assuming, solely for purposes of this table, that the merger is consummated on September 30, 2013, and the employment of each of the named executive officers (other than Mr. Pennypacker, who is no longer a Gardner Denver employee) was terminated other than for cause or the named executive officer resigned for good reason, in each case on that date. The amounts indicated in the table below titled Golden Parachute Compensation Subject to the Non-Binding Advisory Proposal are estimates of the amounts that would be payable assuming, solely for the purposes of this table, that the merger is consummated on September 30, 2013, and the employment of each of the specified named executive officers was terminated other than for cause or such named executive officer resigned for good reason, in each case on that date.

As described below, some of the amounts set forth in the table would be payable by virtue of the consummation of the merger (single-trigger payments), while other amounts would be payable only if such a termination of employment occurs in connection with the merger (double-trigger payments). In addition to the assumptions regarding the consummation date of the merger and termination of the employment of the named executive officers, these estimates are based on certain other assumptions that are described in the footnotes

Table of Contents

accompanying both tables below. Accordingly, the ultimate values to be received by a named executive officer in connection with the merger may differ from the amounts set forth below.

All Golden Parachute Compensation

Name	Cash ($)(1)	Equity ($)(2)	Pension/ NQDC ($)(3)	Perquisites/ Benefits ($)(4)	Tax Reimbursements ($)(5)	Other ($)(6)	Total ($)
Michael M. Larsen	6,043,322	3,914,311		39,756	2,908,054		12,905,443
Brent A. Walters	2,751,265	1,111,088		37,520			3,899,873
T. Duane Morgan	2,332,619	1,490,723	19,758	37,410			3,880,510
Susan A. Gunn	1,962,500	413,921		14,213	722,702		3,113,336
Barry Pennypacker(a)						2,000,000	2,000,000

(a) Mr. Pennypacker ceased to be a Gardner Denver director, executive officer and employee on July 13, 2012 and therefore will not receive any payments from Gardner Denver. Mr. Pennypacker will receive a payment from KKR in the event the merger is consummated as explained more fully under note 6 below.

Golden Parachute Compensation Subject to the Non-Binding Advisory Proposal

Name	Cash ($)(1)	Equity ($)(2)	Pension/ NQDC ($)(3)	Perquisites/ Benefits ($)(4)	Tax Reimbursements ($)(5)	Other ($)	Total ($)
Michael M. Larsen	6,043,322	3,914,311		39,756	2,908,054		12,905,443
Brent A. Walters	2,751,265	1,111,088		37,520			3,899,873
T. Duane Morgan	2,332,619	1,490,723	19,758	37,410			3,880,510
Susan A. Gunn	1,962,500	413,921		14,213	722,702		3,113,336

(1) Cash: The amounts in this column reflect the cash severance payment to which the executive officers would be entitled based upon the CIC Agreements and the Executive Annual Bonus Plan, the Retention Program, payment of deferred compensation pursuant to the Excess Contribution Plan (as defined below) and the long-term cash bonus awards under the Long-Term Incentive Plan. The following table breaks down the amounts in column (1) by type of payment.

Name	Payments of Annual Salary and Bonus ($)(a)	Management Retention Program ($)(b)	Lump Sum Payment of All Deferred Compensation ($)(c)	Payment of All Outstanding Long-Term Cash Bonuses at Target Levels ($)(d)	Total ($)(e)
Michael M. Larsen	3,502,000	781,600	80,822	1,678,900	6,043,322
Brent A. Walters	1,299,400	345,000	529,848	577,017	2,751,265
T. Duane Morgan	1,658,925		309,664	364,030	2,332,619
Susan A. Gunn	1,137,375	327,000	73,505	424,620	1,962,500

(a) Under their respective CIC Agreements, Messrs. Larsen, Walters and Morgan and Ms. Gunn would be entitled to a severance payment equal to (i) two times the named executive officer s base salary plus the target bonus provided under the Executive Annual Bonus Plan for 2012 and (ii) to the extent not included in accrued but unpaid compensation, a pro-rata bonus for the year of termination, based on the

named executive officer s target annual cash bonus paid or payable pursuant to the Executive Annual Bonus Plan for 2012. The amounts payable in this column are attributable to a double trigger arrangement under the CIC Agreements.

(b) Messrs. Larsen and Walters and Ms. Gunn would be entitled to a cash bonus of $781,600, $345,000 and $327,000, respectively, which is equal to their base salary as of the date of the Retention Program. Amounts

Table of Contents

payable pursuant to the Retention Program are generally single-trigger, provided, however, that if Mr. Larsen, Mr. Walters or Ms. Gunn is terminated without cause or voluntarily resigns for good reason at any time prior to receiving the payments noted above, then the remaining amounts will be accelerated and paid in cash as soon as reasonably practical. The accelerated payment feature of the Retention Program is a double-trigger arrangement.

(c) Under Gardner Denver s Supplemental Excess Defined Contribution Plan, which we refer to as the Excess Contribution Plan, Messrs. Larsen, Walters and Morgan and Ms. Gunn would be entitled to a lump sum payment of all compensation previously earned and deferred, Gardner Denver contributions and all interest and earnings accrued thereon (unless the executive officer elects to defer this payment). The amount included is the vested balance of Messrs. Larsen s, Walters s and Morgan s and Ms. Gunn s non-qualified Excess Contribution Plan account as of March 31, 2013. The non-elective Gardner Denver contribution becomes fully vested after three years of employment. The total non-vested amount for Mr. Larsen and Ms. Gunn was $306,273 and $17,580, respectively. In addition, Messrs. Larsen, Walters and Morgan and Ms. Gunn would also be entitled to a lump sum payment under the qualified Retirement Savings Plan, which they would be eligible to receive regardless of the reason for termination but are not included in the numbers above. These payments are attributable to a single trigger arrangement.

(d) For purposes of this table, we have assumed bonuses will be paid at target performance levels as a result of the merger. Under the Long-Term Incentive Plan and merger agreement, the long-term cash bonuses amounts are attributable to a single trigger arrangement, subject to the completion of certain performance periods. For further discussion of the payments of the long-term cash bonus awards under the merger agreement, please see the Treatment of Gardner Denver Long-Term Cash Bonus Awards section above.

(e) This amount reflects the cash severance payment to which the executive officers would be entitled based upon the CIC Agreements and the Executive Annual Bonus Plan, the Retention Program, payment of deferred compensation pursuant to the Excess Contribution Plan and the long-term cash bonus awards under the Long-Term Incentive Plan. Under the CIC Agreements, the listed named executive officers are also entitled to accrued but unpaid base salary through the date of termination and a prorated bonus for the year of termination, calculated based upon the named executive officer s target annual cash bonus amount for the previous year pursuant to the Executive Annual Bonus Plan (provided the executive officer is not receiving such a pro-rata bonus under the Executive Annual Cash Bonus Plan).

(2) Equity: The amounts in this column reflect the value of the accelerated vesting of the executive officers unvested equity awards that would occur at the effective time of the merger, as provided by the merger agreement. All of the amounts payable are attributable to a single trigger arrangement upon the occurrence of a change in control under Gardner Denver s Long-Term Incentive Plan and stock option and RSU award agreements. The following table breaks down these amounts by type of award.

Name	Accelerated Stock Options($)(a)	Accelerated RSUs ($)(b)	Total ($)(c)
Michael M. Larsen	199,583	3,714,728	3,914,311
Brent A. Walters	388,936	722,152	1,111,088
T. Duane Morgan	783,239	707,484	1,490,723
Susan A. Gunn	20,013	393,908	413,921

(a) As of the effective time of the merger, each outstanding stock option to purchase shares of Gardner Denver common stock, whether or not vested, will be canceled and converted into the right to receive an amount in cash (subject to any applicable withholding or other taxes, or other amounts required by law) equal to the product of (i) the total number of shares of Gardner Denver common stock subject to the option as of the effective time of the merger and (ii) the amount, if any, by which $76.00 exceeds the exercise price per share of Gardner Denver common stock underlying the stock option.

(b) As of the effective time of the merger, the vesting conditions or restrictions applicable to each RSU will lapse and each such RSU will be converted into the right to receive an amount in cash (subject to any

Table of Contents

applicable withholding or other taxes, or other amounts required by law) equal to the product of (i) the total number of shares of Gardner Denver common stock subject to such RSU as of the effective time of the merger and (ii) $76.00.

(c) Mr. Pennypacker resigned from Gardner Denver, effective July 13, 2012, and currently holds no options or RSUs.

(3) Pension/NQDC: The amounts in this column reflect additional age and service credit benefits under Gardner Denver s Pension Plan, as of March 31, 2013, to which Mr. Morgan would be entitled. No other Gardner Denver named executive officers were eligible to participate in the Gardner Denver Pension Plan.

(4) Perquisites/Benefits: The amounts in this column reflect the value of medical, dental and life insurance benefits to which the executive officers would be entitled under their CIC Agreements. Under the CIC Agreements, all of these amounts are attributable to a double trigger arrangement. Messrs. Larsen, Walters and Morgan and Ms. Gunn would be entitled to continued medical, dental and life insurance benefits for two years. The calculation for the value of continued health insurance and life insurance is based on the premiums paid, which is fully insured and renewed annually. Gardner Denver is unable to fully calculate the value of the continued dental insurance due to being self-insured. The total amount of cost for these benefits is calculated based on the total annual life insurance premiums paid, the annual health insurance premiums and the dental insurance administration fee in 2012 for each such named executive officer. If the executive becomes re-employed with another employer and is eligible to receive medical, dental and/or life insurance benefits under another employer provided plan, these benefits will cease under the CIC Agreement.

The following table breaks down these amounts by type of benefit:

Name	Medical ($)	Dental ($)	Life Insurance ($)	Total ($)
Michael M. Larsen	33,336	2,280	4,140	39,756
Brent A. Walters	33,336	2,280	1,904	37,520
T. Duane Morgan	33,336	2,280	1,794	37,410
Susan A. Gunn	11,400	1,008	1,805	14,213

(5) Tax Reimbursements: Gardner Denver has two forms of CIC Agreements, which provide for distinct tax benefits pursuant to a double trigger arrangement. Messrs. Larsen and Walters and Ms. Gunn have the Original CIC Agreement form, which provides that for any payments subject to excise tax, the executive will be entitled to an amount, which on an after-tax basis, equals the excise tax; provided, however, if the total payments do not exceed 110% of the greatest amount that could be made to the executive without giving rise to excise tax, the total payments will be reduced to the excise limit. Mr. Morgan received the Modified CIC Agreement in September 2012. Under his Modified CIC Agreement, in the event any payments made to Mr. Morgan in connection with a change in control of Gardner Denver, including any payments under a CIC Agreement, become subject to the excise tax, and any related interest or penalties, then the payments will be reduced (but not below zero) to the greatest amount which may be paid without the named executive officer becoming subject to the excise tax, but only to the extent the reduced amount would provide a greater benefit to the named executive officer than an unreduced payment that would be subject to the excise tax.

(6) Other: After he resigned from Gardner Denver in July 2012, Mr. Pennypacker and KKR entered into a consulting agreement dated October 10, 2012, which was subsequently amended on January 16, 2013, pursuant to which Mr. Pennypacker provided consulting services to KKR. The terms of this agreement provide for a cash payment to Mr. Pennypacker of $2,000,000 if the merger is completed. Gardner Denver is not a party to this agreement and the Board of Directors was unaware of the terms thereof, including the amount payable thereunder, until preparation of this proxy statement.

Vested Equity Interests of Gardner Denver s Executive Officers and Non-Employee Directors

The following table sets forth the number of shares of Gardner Denver common stock and the number of shares of Gardner Denver common stock underlying stock options currently held by each of Gardner Denver s

Table of Contents

executive officers and non-employee directors, in each case that either are currently vested or that are scheduled to vest before the effective time of the merger, assuming that the effective time of the merger occurs on September 30, 2013, whether or not the merger is completed. The table also sets forth the values of these vested shares and stock options based on the $76.00 per share merger consideration (minus the applicable exercise price for the options) and, in the case of non-employee directors, any deferred director fees. For the values of the executive officers unvested equity awards, see the Equity column of the table under All Golden Parachute Compensation beginning on page 66 of this proxy statement. No new shares of Gardner Denver common stock were granted to any executive officer or non-employee director in contemplation of the merger. The incremental value to the executive officers and non-employee directors resulting from the completion of the merger (which is not what the following table reflects) in respect of vested shares is the difference between the stock price immediately prior to the announcement of the proposed merger and the merger consideration of $76.00. The incremental value to the executive officers and non-employee directors resulting from the completion of the merger (which is not what the following table reflects) in respect of vested options is the difference between the spread of the vested options based on the stock price immediately prior to the announcement of the proposed merger and the spread of the vested options based on the merger consideration of $76.00 per share.

Name	Shares Held (#) (1)	Shares Held ($)	Vested Options (#)	Vested Options ($)	Total ($)
Michael M. Larsen	3,988	303,088	12,375	117,464	420,552
Brent A. Walters	5,012	380,912	14,714	371,575	752,487
T. Duane Morgan	15,217	1,156,492	25,937	760,239	1,916,731
Susan A. Gunn	475	36,100	1,414	6,674	42,774
Barry Pennypacker	43,054	3,272,104			3,272,104
Michael C. Arnold	4,400	334,400	7,200	214,942	549,342
Donald G. Barger, Jr.	8,172	621,072	8,400	275,222	896,294
John D. Craig	2,100	159,600	840		159,600
Raymond R. Hipp	17,564	1,334,864	1,500		1,334,864
David D. Petratis	17,585	1,336,460	8,400	275,222	1,611,682
Diane K. Schumacher	54,427	4,136,452	8,400	275,222	4,411,674
Charles L. Szews	8,329	633,004	8,400	275,222	908,226
Richard L. Thompson	85,466	6,495,416	1,500		6,495,416
Vincent Trupiano	19	1,444	4,268	13,503	14,947

(1) Includes shares directly held and shares that will become held by directors and executive officers due to the vesting and settlement of stock options and RSUs as of September 30, 2013. Also includes shares indirectly held by directors and executive officers as follows:

(a) Indirect ownership includes shares owned by executive officers in Gardner Denver Retirement Savings Plan, a 401(k) plan, as follows: 26 shares for Mr. Larsen; 254 shares for Mr. Walters; 93 shares for Ms. Gunn; and 627 shares for Mr. Pennypacker.

(b) Shares held indirectly in The Michael C. Arnold Family Trust. Mr. Arnold serves as trustee of The Michael C. Arnold Family Trust.

(c) Shares held indirectly in the John D. Craig Trust. Mr. Craig serves as trustee and his spouse is the beneficiary of the John D. Craig Trust.