



INFORMATION STATEMENT

MESTEK, INC. SPIN-OFF OF ANEMOSTAT, INC. AND ANEMOSTAT DOOR PRODUCTS, INC.

Mestek, Inc. ("Mestek") is furnishing this information statement to holders of Mestek common stock in connection with the pro rata distribution by Mestek to its shareholders of record as of December 30, 2015 (the "Record Date"), of all of the shares of common stock that Mestek holds in its subsidiaries, Anemostat, Inc. ("Anemostat") and Anemostat Door Products, Inc., ("Anemostat Door", and together with Anemostat, the "Companies").

As part of the separation, Anemostat will distribute its shares of Anemostat Door, a wholly owned subsidiary of Anemostat, to Mestek, with the result that Anemostat Door will separate from Anemostat and become a direct wholly owned subsidiary of Mestek. Following that transaction, Mestek will immediately complete the separation by distributing all shares of Anemostat and Anemostat Door common stock on a pro rata basis to the holders of Mestek common stock. We refer to this pro rata distribution as the "distribution," and we refer to the separation, including distribution, as the "spin-off."

Mestek intends that your receipt of shares of Anemostat and Anemostat Door common stock in the distribution be tax-free for U.S. federal income tax purposes. Every share of Mestek common stock outstanding as of the close of business, Eastern Standard Time, on December 30, 2015, the Record Date for the distribution, will entitle the holder thereof to receive one share of Anemostat common stock and one share of Anemostat Door common stock. The distribution of shares will be made in book-entry form. The distribution will be effective as of 11:59 p.m., Eastern Standard Time, on December 31, 2015 (the "Distribution Date"). Immediately after the distribution becomes effective, Anemostat and Anemostat Door each will be stand-alone, private companies.

If you sell any or all of your shares of Mestek common stock after the Record Date and prior to the Distribution Date, you will still receive shares of Anemostat and Anemostat Door common stock in the distribution. If you sell your Mestek common stock before the Record Date, you will not receive any shares of Anemostat or Anemostat Door common stock in the distribution.

Mestek currently owns all outstanding shares of Anemostat and Anemostat Door common stock. Accordingly, there is no current trading market for their common stock. The shares of Anemostat and Anemostat Door common stock being distributed to Mestek shareholders will not be listed on any stock exchange or the OTC markets. Accordingly, no trading market may develop for shares of their common stock. Neither the Anemostat nor the Anemostat Door common stock is being registered under the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We expect, however, that the Companies will take steps to have their shares of common stock quoted on the "Pink Sheets" following provision by the Companies of certain information to market makers. Still, there can be no guarantee that any market for shares of Anemostat or Anemostat Door common stock will develop and, even if one does, it is likely to be a limited trading market.

You will not be required to make any payment for the shares of Anemostat and Anemostat Door common stock that you will receive in the distribution, nor will you be required to surrender or exchange your shares of Mestek common stock or take any other action in order to receive shares of Anemostat and Anemostat Door common stock in the distribution. No approval of the distribution is required or is being sought from Mestek shareholders

In reviewing this information statement, you should carefully consider the risks under “Risk Factors” included in this information statement.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this information statement is December 11, 2015.

This information statement was first mailed to Mestek shareholders on or about December 11, 2015.

TABLE OF CONTENTS

	Page
Summary	4
Questions and Answers about the Distribution	6
Risk Factors	8
Special Note Regarding Forward-Looking Statements	13
The Distribution	13
Tax Consequences of the Distribution	14
Description of Capital Stock and Governance	16
Where You Can Find More Information	19
Valuation Report ¹	Annex A

¹ Please note that Anemostat, Inc. does business as Anemostat Air Products and Anemostat Door Products, Inc. does business as Anemostat Door Products. Therefore, as used in the Valuation, Anemostat Air Products refers to Anemostat, Inc. and Anemostat Door Products refers to Anemostat Door Products, Inc.

SUMMARY

This summary highlights information contained in this information statement and provides an overview of Anemostat and Anemostat Door, their separation from Mestek and the distribution of shares of Anemostat and Anemostat Door common stock by Mestek to its shareholders. For a more complete understanding of our business and the spin-off, you should read this entire information statement carefully, particularly the discussion set forth under "Risk Factors" beginning on page 7 of this information statement, the Companies' unaudited historical financial statements and the valuation report prepared in connection with the distribution. The discussion of the Companies below assumes the separation of Anemostat Door from Anemostat, such that Anemostat Door becomes a wholly owned subsidiary of Mestek, has been completed.

Anemostat

Anemostat®, which was acquired by Mestek in 1999, is the name of the pioneer company in air distribution equipment. The name, which is a registered trademark, comes from two Greek words: anemos (meaning "wind") and statikos (meaning "causing to stand"). What that name stands for is an over half-century old tradition of being first and finest in individual products and systems which control air flow in commercial, government, and educational buildings, medical and research facilities, aviation, and other transportation equipment, and more. Its products are widely specified in engineering building specifications throughout the commercial construction industry and are designed and tested to meet performance for energy efficient and occupant comfort standards established by industry standard authorities, including ASHRAE and AHRI.

Anemostat has been operating in the HVAC air distribution space for 80 years. Currently, Anemostat has 225 employees, including 10 members of management, many who have collectively been with the company for more than 250 years. Anemostat's Chief Executive Officer is Mr. Mark Cassidy. He has held an executive position with Anemostat for 34 years and has a thorough knowledge of Anemostat's business, and has assessed with Mestek's management the opportunities and challenges that Anemostat will face as a stand-alone company. Anemostat's Chief Engineer is Mr. Christopher Abbey, who has held this position for 25 years. Mr. Abbey, like Mr. Cassidy, has a thorough knowledge of Anemostat. Each of Messrs. Cassidy and Abbey has extensive industry and leadership experience and a successful track record in driving operating efficiency and leading improvements in the business. The management team is committed to creating shareholder value. To help ensure their alignment with holders of Anemostat common stock, it is intended that Anemostat will adopt an equity incentive plan and enter into employment agreements with Messrs. Cassidy and Abbey, pursuant to which they are expected to receive an amount of common stock expected to equal 15% of the shares of Anemostat common stock after the spin-off. For more information about the business, industry and financial details of Anemostat, please see the attached Valuation Report and the historical unaudited financials for Anemostat included therein.

Anemostat Door

Anemostat Door, which has been a product line of Anemostat since Mestek acquired Anemostat in 1999, operates within the door hardware industry which consists of products manufactured and distributed to meet building standards primarily for commercial, industrial fire and/or impact rated wood, composite and hollow metal doors. These doors and the products associated with them, such as hardware and glazing products, are designed and tested to comply with a variety of critical safety standards including fire and impact resistance as established and tested by various governing building codes and testing agencies.

Anemostat Door was formed in 2015. Currently, Anemostat Door has 100 employees, including 5 members of management, many who have been with the company for more than 25 years. Anemostat Door's Chief Executive Officer is Mr. Dave Chipman. He has held this position for 36 years and has a thorough knowledge of Anemostat Door's business, and has assessed with Mestek's management the opportunities and challenges that Anemostat Door will face as a stand-alone company. Anemostat Door's Vice President and Director of Sales and Marketing is Mr. Hank Krueger, who has held this position for 26 years. Mr. Krueger will be appointed Vice President and Director of Sales and Marketing of Anemostat Door following the spin-off. Mr. Krueger, like Mr. Chipman, has a thorough knowledge of Anemostat Door. Each of Messrs. Chipman and Krueger has extensive industry and leadership experience and a successful track record in driving operating efficiency and leading improvements in the business. The management team is committed to creating shareholder value. To help ensure

their alignment with holders of Anemostat Door common stock, it is intended that Anemostat Door will adopt an equity incentive plan and enter into employment agreements with Messrs. Chipman and Krueger, pursuant to which they are expected to receive an amount of common stock expected to equal 15% of the shares of Anemostat Door common stock after the spin-off. For more information about the business, industry and financial details of Anemostat Door, please see the attached Valuation Report and the historical unaudited financials for Anemostat Door included therein.

Spin-off Transaction Explanation and Reasoning

For a number of business reasons, the Board of Directors of the Companies and Mestek have agreed to distribute to the Mestek shareholders the common stock of Anemostat and Anemostat Door in the distribution, which will result in both Anemostat and Anemostat Door being separate, free-standing companies subsequent to the distribution. Management believes that overall shareholder value will be enhanced by the separation of these entities from Mestek under a plan that will allow each company greater future opportunity.

The Mestek, Anemostat and Anemostat Door management teams believe that the long term effect of the spin-off and the Anemostat Door relocation plan will be an enhanced value for both the Anemostat Door franchise and the Anemostat air distribution products franchise, as well as, an opportunity for the Mestek management team to focus on its core hydronic HVAC and metal forming equipment segments, which is to say, longer term, an overall value enhancement for Mestek shareholders.

The door products and air distribution products are increasingly less integral to Mestek's core focus on the hydronic HVAC, architectural and metal forming equipment segments. The spin-off of Anemostat and Anemostat Door will provide the respective entities the ability to have greater freedom and flexibility to concentrate on their respective markets, while affording Mestek's management to place its attention on the core markets. In addition, through the spin-off will provide an equity incentive to the leadership of each of Anemostat and Anemostat Door to invigorate their efforts to maximize the potential of each group.

Given this background, and after careful study, the boards of directors of Anemostat, Anemostat Door and Mestek have agreed to distribute to the Mestek shareholders the stock of Anemostat and Anemostat Door in a "spin-off" transaction, which will result in both Anemostat and Anemostat Door being separate free-standing companies subsequent to the "spin-off" transaction and will allow for the Companies to operate more efficiently. Management believes that overall shareholder value will be enhanced by the separation of these entities from Mestek under a plan that will allow each company greater future opportunity by shortening manufacturing lead times and promoting prompt deliveries.

Anemostat currently shares manufacturing and office space and operating costs with Anemostat Door in a leased 109,150 sq. foot commercial manufacturing building in Carson, California. Over the past four decades, there has been a systematic transfer of air distribution products from other Mestek companies for the integrated purpose of manufacturing those products in Carson. The production of such products consumes a large amount of floor space. The Carson facility has been expanded once, but the need for floor space between the air products and the door products has grown to an untenable situation. In addition, most of the fabricated products require a finished coating (powder or paint) through the Carson facility paint line, which is also used for the door products, primarily of vision frames and louvers. Due to demand, up to three shifts have been used to accommodate the painting of all products. As a result, it has become increasingly more difficult to meet demanded and scheduled ship dates and lead times for both the air and the door products because the orders are constantly delayed in having to wait for many other orders of varying finishes before they are painted.

This additional delay in time extends the respective customer order lead times and jeopardizes the reliability of Anemostat and Anemostat Door's committed schedule dates and order status updates provided to its customers and sales representatives. The delays have damaged Anemostat and Anemostat Door's credibility in the market place.

The marketplace for commercial HVAC air distribution products is increasingly characterized by a need for shorter manufacturing lead times and prompt "quick ship" delivery capabilities. The bottlenecks caused by the aforementioned delays have greatly hindered Anemostat's position versus its competitors.

The door products market is driven by fast lead times of manufactured products and lower costs to delivered markets. The majority of the door products customers are geographically located throughout the Midwest, South and East Coast of the United States. The current operational delays that impact order performance, compounded by Carson's distant West Coast geographic location, greatly hinders Anemostat Door's ability to compete in the market when its major competitors are located closer to the referenced markets. The result is that Anemostat Door's competitors have a strategic advantage due to shorter lead times and lower cost to customers.

Per the foregoing, Anemostat and Anemostat Door are losing customers, representatives and market share to its competitors. Thus, it has been concluded that the most effective way to improve Anemostat Door's lead times and costs of order deliveries to combat our competition is to manufacture and ship from an origin closer to these door products markets.

Moreover, it is widely recognized that California has become increasingly less hospitable to traditional manufacturing operations. The margins on all Anemostat and Anemostat Door products manufactured in Carson, California, have been impacted by ever increasing wage, fringe benefit, freight, energy, tax and other costs which, longer term, threaten the value of the Companies' products and products franchises.

To further this end, Anemostat Door plans to relocate its manufacturing, sales and engineering functions from Carson, California to San Antonio, Texas. The relocation will be undertaken over a period of several months in early 2016 as it moves manufacturing operations into a modern leased manufacturing and office space in San Antonio. Once relocated, Anemostat Door expects to have a substantially improved manufacturing cost structure with, over time, an improved manufacturing throughput and delivery time capability.

Anemostat will remain in Carson, California engineering, manufacturing and distributing the air distribution products mentioned above and will enjoy the benefit of increased manufacturing capacity of which it is planning to capitalize on to create "quick ship" and other customer-focused programs, and will need to meet the challenges to fill some excess capacity created by Anemostat Door's departure.

QUESTIONS AND ANSWERS ABOUT THE DISTRIBUTION

How will the distribution work?

7,490,716 shares of Anemostat common stock and 7,490,716 shares of Anemostat Door common stock held by Mestek will be distributed pro rata to the holders of Mestek common stock as of the Record Date, which is the close of business Eastern Standard Time on December 30, 2015. In the distribution, each holder of Mestek common stock will be entitled to one share of Anemostat common stock and one share of Anemostat Door common stock for each share of Mestek common stock held as of the Record Date for the distribution.

The common shares of Anemostat and Anemostat Door to be distributed on December 31, 2015 will be held by the Company's Transfer Agent, Computershare, Inc. ("Computershare") in "book entry form" on behalf of each shareholder. Shareholders will receive an account statement promptly after December 31, 2015 documenting the shares held on their behalf by Computershare. Should any shareholder wish to hold shares in certificate form, a request to this effect should be directed to Computershare directly at Computershare Inc., PO Box 30170, College Station, TX 77842-3170.

What will Anemostat and Anemostat Door's relationship with Mestek be after the distribution?

After the distribution, Anemostat, Anemostat Door and Mestek will be independent, stand-alone, private non-reporting companies. Initially, they will have substantially the same ownership at the shareholder level, but will not have parent-subsiidiary, affiliate or any other corporate relationship with Mestek. See "Risk Factors—The One-Time and Ongoing

Costs of The Spin-Off May Be Greater Than We Expected and Anemostat and Anemostat Door Will Be Subject to Continuing Contingent Tax Liabilities of Mestek Following The Spin-Off,” for more information.

When will the distribution be completed?	It is expected to be completed December 31, 2015.
What is the Record Date for the distribution?	The Record Date is the close of business Eastern Standard Time on December 30, 2015.
What do I have to do to participate in the distribution?	You do not have to take any action to receive shares of Anemostat and Anemostat Door common stock (or cash for fractional shares) in the distribution. No vote of Mestek shareholders is required and none will be conducted for the distribution. You do not need to mail in or do anything else with your Mestek common stock certificate(s), and you are not required to take any other action in connection with the distribution.
Is the distribution taxable for U.S. federal income tax purposes?	Mestek intends that the distribution will not be taxable to Mestek, Anemostat or Anemostat Door or any of their shareholders. However, Mestek has not received and does not intend to receive an opinion from tax counsel regarding the U.S. federal income tax consequences of the distribution and has not applied and does not intend to apply for a private letter ruling from the Internal Revenue Service (“IRS”) with respect to the expected U.S. federal income tax consequences of the spin-off. Accordingly, there can be no assurance that the IRS or another taxing authority will not assert that the distribution is taxable to Mestek, Anemostat, Anemostat Door and/or their shareholders. See “The Distribution—U.S. Federal Income Tax Consequences of the Distribution,” for more information.
How will the distribution affect my tax basis in Mestek common stock?	Your tax basis in the Mestek common stock held by you immediately prior to the distribution will be allocated between your Mestek common stock and the Companies’ common stock that you receive in the distribution, in proportion to the relative fair market values of each on the Distribution Date, assuming that the distribution is tax-free to Mestek shareholders. In order to obtain guidance as to your individual circumstances, you must consult with your tax advisor on this matter. See “The Distribution—U.S. Federal Income Tax Consequences of the Distribution” and the attached Valuation Report for more information.
Does Anemostat and Anemostat Door intend to pay dividends on Anemostat and Anemostat Door common stock?	Anemostat and Anemostat Door’s respective board of directors will determine the payment and amount, if any, of future dividends on the basis of each company’s respective financial condition, earnings, capital requirements, legal and regulatory constraints and other relevant factors. See “Risk Factors—Anemostat and Anemostat Door Do Not Currently Plan To Pay Cash Dividends” for further information.
Will I be able to trade my shares of Anemostat and Anemostat Door common stock?	The shares of Anemostat and Anemostat Door’s common stock that are being distributed by Mestek are not being registered with the SEC, and thus there will be no public trading market for these shares. Unless and until Anemostat and Anemostat Door’s management registers these shares of its common stock with the SEC (and there is no current plan for management to do so and to do so would require significant work and expense), or the shares qualify for an exemption from the registration requirement, there will be no public trading in the shares of Anemostat and Anemostat Door common stock to be distributed by Mestek in the spin-

off. The Anemostat and Anemostat Door shares being distributed may be transferred by only means of a private sale or other exemption, if available, from registration under the Securities Act.

Whom should I contact if I have questions regarding the Anemostat and Anemostat Door distribution?

Attn: Steven F. Olearcek
Vice President, General Counsel
260 N. Elm Street, Westfield, MA 01085
Telephone: (413) 564-5768

RISK FACTORS

You should carefully consider the risks described below and all of the other information in this information statement in evaluating Anemostat and Anemostat Door. Anemostat and Anemostat Door's business, financial condition, cash flows and/or results of operations could be materially adversely affected by any of these risks.

This information statement also contains forward-looking statements that involve risks and uncertainties. Anemostat and Anemostat Door's actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including the risks faced by Anemostat and Anemostat Door described below and elsewhere in this information statement. See also "Special Note Regarding Forward-Looking Statements."

Risks Related to the Spin-off and Distribution

The spin-off could result in substantial tax liabilities to Mestek, Anemostat, Anemostat Door and the holders of shares of Anemostat and Anemostat Door common stock.

It is Mestek's intent that the spin-off be tax-free to Mestek and Mestek's shareholders for U.S. federal income tax purposes. We are not, however, obtaining an opinion from tax counsel that the spin-off will in fact be tax free to Mestek and Mestek's shareholders for U.S. federal income tax purposes. If the factual assumptions underlying Mestek management's views of the tax-free nature of the spin-off are inaccurate or incomplete in any material respect, it is possible that their conclusion could be incorrect. In any event, the IRS may challenge Mestek's views and any such challenge could prevail. If, notwithstanding the intent of Mestek, the spin-off or a related transaction is determined to be taxable, Mestek could be subject to substantial tax liabilities. In such case, each member of the Mestek consolidated group immediately before the spin-off, including Anemostat and Anemostat Door, would be jointly and severally liable, under U.S. Treasury Regulations, for the entire amount of the resulting U.S. federal income tax liabilities of Mestek. In addition, if the spin-off is determined to be taxable, each holder of Mestek common stock who receives shares of Anemostat and Anemostat Door common stock in the distribution generally would be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the Anemostat and Anemostat Door shares received. See "The Distribution—U.S. Federal Income Tax Consequences of the Distribution," for more information.

The combined post-separation value of Mestek, Anemostat and Anemostat Door stock may not equal or exceed the pre-separation value of Mestek common stock.

As a result of the distribution, Mestek expects the trading price of Mestek common shares immediately following the distribution to be lower than the "regular-way" trading price of such shares immediately prior to the distribution because the trading price will no longer reflect the value of Anemostat and Anemostat Door. There can be no assurance that the aggregate market value of the Mestek common stock, the Anemostat common stock and the Anemostat Door common stock following the separation will be higher than or the same as the market value of Mestek common stock if the separation did not occur, particularly since the shares of common stock of Anemostat and Anemostat Door are not expected to trade on the OTC with Mestek, but instead are expected to be quoted on the pink sheets.

Anemostat and Anemostat Door will be subject to continuing contingent tax liabilities of Mestek following the spin-off.

Under the Internal Revenue Code of 1986, as amended, (the “Code”) and U.S. Treasury Regulations, each corporation that was a member of the Mestek consolidated group for U.S. federal income tax purposes during any taxable period (or portion thereof) ending on or before the effective time of the distribution is jointly and severally liable for the entire U.S. federal income tax liability of the Mestek consolidated group for that taxable period. In connection with the spin-off, Anemostat and Anemostat Door intend to enter into a Tax Matters Agreement with Mestek that generally will allocate economic responsibility for taxes of the Mestek consolidated group to Mestek. However, if Mestek is unable to pay any such taxes, the Companies could be liable for the entire amount of such taxes, which would include taxes arising out of the distribution if Mestek were to take an action (over which the Companies may have no control) that causes the spin-off to be taxable to Anemostat and Anemostat Door.

The one-time and ongoing costs of the spin-off may be greater than we expected.

There are risks and uncertainties relating to the execution of the spin-off, including the timing and certainty of the completion of the separation of Anemostat Door from Anemostat prior to the distribution, particularly as Mestek does not intend to execute formal agreements documenting certain intended activities or transactions between the companies. For example, Mestek has not formally documented its negotiations with Anemostat and Anemostat Door in the context of the spin-off, among other things, allocations of assets, liabilities, rights, indemnifications and other obligations among Mestek and Anemostat or Anemostat Door and there is no formal agreement relating to transition services. The lack of formal agreements may complicate, delay or even inhibit certain efficiencies and benefits anticipated as a result of the spin-off and may result in increased costs, expenses or risks of litigation.

In addition, Mestek and the Companies will incur costs in connection with the transition of Anemostat and Anemostat Door to becoming stand-alone companies that relate primarily to: (a) accounting, tax, legal and other professional costs, (b) obtaining their own financing as stand-alone companies, (c) compensation costs, such as modifications to certain incentive awards upon completion of the spin-off, (d) recruiting and relocation costs associated with hiring their senior management personnel and Anemostat Door’s anticipated relocation to Texas, and (e) costs to separate information systems. These costs, whether incurred before or after the spin-off, may be greater than anticipated and could have a material adverse effect on the financial position, results of operations and cash flows of Mestek, Anemostat and Anemostat Door.

Risks Related to Anemostat and Anemostat Door

Neither Anemostat nor Anemostat Door has an operating history as an independent company and their historical financial information may not be reliable indicators of their future results.

The historical financial information included in this information statement has been derived from Mestek’s consolidated financial statements and accounting records and does not necessarily reflect the financial position, results of operations and cash flows, respectively, of Anemostat or Anemostat Door had each been a separate, stand-alone entity during the periods presented. Mestek did not account for Anemostat or Anemostat Door, and neither Anemostat nor Anemostat Door was operated as a single stand-alone entity for the periods presented. The actual costs that may have been incurred if each of Anemostat and Anemostat Door had been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure. In addition, the historical information may not be indicative of the future results of operations, financial position and cash flows of either Anemostat or Anemostat Door. For example, following the spin-off, changes will occur to the cost structure, funding and operations of each of Anemostat and Anemostat Door, including changes in the tax structure and increased costs associated with each of Anemostat and Anemostat Door becoming a stand-alone company.

The shares of Anemostat and Anemostat common stock will not be registered for public trading under the Securities Act or the Securities Exchange Act, as amended, or listed on any stock exchange or traded on the OTC.

The shares of Anemostat and Anemostat Door’s common stock that will be distributed by Mestek are not being registered with the SEC under either the Securities Act or the Exchange Act. Thus there will be no public

trading market for these shares. Unless the shares qualify for public trading under an exemption from the registration requirement, there will be no public trading in the shares of Anemostat and Anemostat Door common stock. However, the Anemostat and Anemostat Door shares being distributed may, depending on the circumstances, be transferred by means of a private sale or, if available, an exemption from registration that would permit public trading.

The common stock of Anemostat and Anemostat Door will be concentrated in the hands of a small number of shareholders, who currently hold approximately 80% of Mestek common stock, and will be held collectively by approximately 150 shareholders.

Mestek currently has 150 shareholders of record, of which a much smaller number of shareholders, currently five, currently hold approximately 80% of Mestek's outstanding common stock. After the spin-off these same shareholders will own the shares of Anemostat and Anemostat Door common stock, and approximately 80% of Anemostat and Anemostat Door's outstanding common stock will continue to be concentrated in the hands of a small number of stockholders of those companies. The concentration of ownership of Anemostat and Anemostat Door common stock in the hands of a few shareholders may inhibit liquidity in the stock of those Companies. In addition, these shareholders will have more control over the Companies' liquidity than if the ownership was spread across a larger number of shareholders. The Chief Executive Officer and other members of management of Mestek own a significant amount of Mestek common stock and will, as a result of the spin-off, own a significant amount of the common stock of Anemostat and Anemostat Door following the spin-off. It is possible that these stockholders could determine all matters required or otherwise put for shareholder vote.

Neither Anemostat nor Anemostat Door is obligated to make publicly available the information that publicly-traded companies generally must disclose.

Anemostat and Anemostat Door do not and will not have a duty to file periodic reports with the SEC. Although the Companies intend to voluntarily disseminate press releases, quarterly financial statements and audited annual financial statements, neither is obligated to do so or to disclose the information that most publicly-traded companies must disclose. Anemostat and Anemostat Door will not be subject to certain liability provisions of the Exchange Act, and its officers will not have to make the certifications required by the Sarbanes-Oxley Act of 2002, as amended. The Companies' shareholders will find that the information provided to them is significantly more limited than for publicly-traded companies generally, and that their recourse for any alleged disclosure deficiencies is also more limited.

Anemostat and Anemostat Door are and will continue to be subject to laws, regulations and potential liability relating to claims, complaints and proceedings, including those relating to environmental and other matters.

Anemostat and Anemostat Door each is subject to various laws, ordinances, regulations and other requirements of government authorities in the United States and other nations. With respect to the continuing operations, each of Anemostat and Anemostat Door may acquire or retain liabilities of which we are not aware, or which are of a different character or magnitude than expected. Additionally, changes in laws, ordinances, regulations or other governmental policies may significantly increase their expenses and liabilities.

Anemostat and Anemostat Door are subject to domestic environmental, employee and labor protection laws and regulations with respect to their business operations and are operating in compliance with, or taking action aimed at ensuring compliance with, these laws and regulations. There can be no assurance that the Companies will always be in compliance with such laws and regulations or that their compliance obligations with environmental, employment and labor protection laws and regulations, individually or in the aggregate, will not have a material adverse effect on their financial position, results of operations or cash flows. Anemostat is and will continue to remain a California corporation. Anemostat Door is and will continue to remain a Delaware corporation. For an initial period following the spin-off Anemostat Door will continue to operate its business at Anemostat's manufacturing facilities in Carson, CA. However, as discussed in above in the section describing the spin-off transaction background and reasoning, Anemostat Door intends to relocate its operations to San Antonio, Texas before the end of fiscal 2016. The laws and regulations of California are generally broader, more complex and more costly to comply with than the laws and regulations of Texas. As a stand-alone company, Anemostat may face greater challenges in fully meeting its compliance obligations with respect to its California operations.

In the past, Anemostat and Anemostat Door, as separate entities and as subsidiaries of Mestek have been the subject of claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), employee, labor and environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers' compensation claims). Claims have been filed or are pending against the Companies (and their current parent, Mestek). From time to time, the Companies face actions by governmental authorities, both in and outside the United States. Additionally, they may become subject to significant claims of which we are currently unaware or the claims of which we are aware may result in the Companies incurring a significantly greater liability than anticipated. The Companies' insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect them against potential loss exposures.

The Companies may devote significant time and expense to defend against the various claims, complaints and proceedings brought against them, and we cannot assure you that the expenses or distractions from operating their businesses arising from these defenses will not increase materially.

We cannot assure you that the Companies' reserves or accruals and rights to indemnity and insurance will be sufficient, that recoveries from insurance or indemnification claims will be available or that any of their current or future claims or other matters will not have a material adverse effect on their financial position, results of operations or cash flows.

Governmental laws and regulations could negatively affect the businesses of each of Anemostat and Anemostat Door.

Changes in laws and regulations to which the Companies are or may become subject could have a significant negative impact on their business. In addition, they could face material costs and risks if it is determined that they have failed to comply with relevant law and regulation. Failure to comply with U.S. or non-U.S. laws regulating trade, such as the U.S. Foreign Corrupt Practices Act, as amended, and other anti-corruption laws, could result in adverse consequences, including fines, criminal sanctions, or loss of access to markets.

In addition, costs associated with regulatory compliance can be difficult to predict. If the Companies underestimate the time or costs required to comply with their legal and regulatory obligations, their actual costs may significantly exceed their projections, which could impact their results of operations.

Each of Anemostat and Anemostat Door operate in highly competitive markets. Their failure to compete effectively could harm their business.

Each of Anemostat and Anemostat Door sell their products in highly competitive markets, which could result in pressure on their profit margins and limit their ability to maintain or increase the market share of their products. The Companies compete on a number of fronts, including on the basis of product offerings, technical capabilities, quality, service and pricing. They have a number of competitors with substantial technological and financial resources, brand recognition and established relationships with global service providers. Some of their competitors have low cost structures, support from local governments, or both. In addition, new competitors may enter the markets in which they participate. Competitors may be able to offer lower prices, additional products or services or a more attractive mix of products or services, or services or incentives that they cannot or will not match. These competitors may be in a stronger position to respond quickly to new or emerging technologies and may be able to undertake more extensive marketing campaigns, and make more attractive offers to potential customers, employees and strategic partners. In addition, competitive environments in slow-growth markets, to which some of the Companies' businesses have exposure, have been inherently more influenced by pricing and domestic and global economic conditions. To remain competitive, they must invest in manufacturing, marketing, customer service and support and their distribution networks. No assurances can be made that they will have sufficient resources to continue to make the investment required to maintain or increase their market share or that their investments will be successful. If they do not compete successfully, their business, financial condition, results of operations and cash flows could be materially adversely affected.

Anemostat and Anemostat Door do not currently plan to pay cash dividends.

Whether Anemostat or Anemostat Door pay cash dividends in the future will be at the discretion of their respective boards of directors and will be dependent upon the Companies' legal obligations, financial condition, results of operations, capital requirements, and any other factors that Anemostat and Anemostat Door's Boards of Directors decide are relevant. By way of example, the existing credit agreements for each company subject the payment of dividends to compliance with certain conditions. Moreover, credit agreements which Anemostat and Anemostat Door may enter into in the future with institutional lenders may restrict the ability to pay dividends.

At the time of the distribution, Anemostat and Anemostat Door's management and other employees are not under contractual or other obligation to remain in their employment.

At the time of the distribution, Anemostat and Anemostat Door are expected to have executive officers and craft employees (e.g., outside plant technicians, central office engineers, etc.) who will be responsible for the day-to-day management and operation, but who will not be contractually or otherwise obligated to continue in their employment for Anemostat or Anemostat Door. Most of Anemostat and Anemostat Door's current management team and other employees have been in place for a number of years, but these persons are not bound by employment contracts and may leave their current positions at any time without further obligation to Anemostat or Anemostat Door. If that were to occur, Anemostat and Anemostat Door would attempt to recruit replacement management and craft personnel with appropriate qualifications to meet Anemostat and Anemostat Door's needs. However, it is not certain that Anemostat and Anemostat Door would be able to acquire experienced management or craft employees on favorable terms or in a timely fashion, if the Companies' current managers or employees decided to resign. Notwithstanding the foregoing, it is anticipated that each of Anemostat and Anemostat Door will enter into employment contracts with its senior executives and that such executives will have an equity position in the respective Companies.

Anemostat and Anemostat Door may have difficulty raising additional capital to meet the Companies' business objectives.

Anemostat and Anemostat Door, as stand-alone companies following the spin-off, may need additional capital to meet the Companies' business objectives and obligations and develop their operations. Such additional capital may need to be in the form of debt, and Anemostat and Anemostat Door may not be able to borrow or to raise sufficient additional capital at all or on terms that they consider acceptable. The inability to raise capital as needed or on favorable terms could adversely affect the Companies' existing operations and Anemostat and Anemostat Door's ability to expand or otherwise develop their businesses.

The Market for Anemostat's products and services is cyclical and subject to industry events, and its results have been and could be affected as a result.

Many of the markets in which it operates are subject to general economic cycles or industry events. In addition, certain of its businesses are subject to market-specific cycles, including, but not limited to seasonal demand in the heating and cooling business and the effect of the general economic and employment conditions on the construction market.

Contract timing on large construction projects, the effect of temperature on demand for heating and cooling services and general economic conditions may cause significant fluctuations in revenues and profits from period to period.

The businesses of many of its customers, particularly construction companies, are often cyclical and have experienced, and may continue to experience, periodic downturns. Cyclical changes and specific industry events could adversely affect sales of products. Downturns in the business cycles of its different operations may occur at the same time, which could exacerbate any adverse effects on its business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Statement contains forward-looking statements, which are subject to inherent uncertainties which are difficult to predict, and may be beyond the ability of Anemostat, Anemostat Door and Mestek to control. Certain statements in this letter constitute forward-looking statements with the meaning of the Private Securities Litigation Reform Act of 1995 that are not historical facts, but rather reflect Mestek and the Companies' current expectations concerning future results and events. The words "believes," "expects," "intends," "plans," "anticipates," "hopes," "likely," "will," and similar expressions identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Mestek and the Companies or their subsidiaries or industry results, to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's view only as of the date of this letter.

THE DISTRIBUTION

Manner of Effecting the Distribution

7,490,716 shares of Anemostat common stock and 7,490,716 shares of Anemostat Door common stock held by Mestek will be distributed pro rata to the holders of Mestek common stock as of the Record Date, which is the close of business Eastern Standard Time on December 30, 2015. In the distribution, each holder of Mestek common stock will be entitled to one share of Anemostat common stock and one share of Anemostat Door common stock for each share of Mestek common stock held as of the Record Date for the distribution. The common shares of Anemostat and Anemostat Door to be distributed on the Distribution Date, December 31, 2015, will be held by the Company's Transfer Agent, Computershare, in "book entry form" on behalf of each shareholder. Shareholders will receive an account statement promptly after the Distribution Date documenting the shares held on their behalf by Computershare. Should any shareholder wish to hold shares in certificate form, a request to this effect should be directed to Computershare directly at Computershare Inc., PO Box 30170, College Station, TX 77842-3170.

Results of the Distribution

Following the distribution, Anemostat and Anemostat Door will be independent companies owning and managing assets that previously belonged to Mestek. Anemostat and Anemostat Door expect to have approximately one hundred and fifty (150) shareholders of record and approximately 7,490,716 shares of their common stock outstanding immediately following the distribution.

You will not be required to make any payment for the shares of Anemostat common stock and Anemostat Door common stock that you will receive in the distribution, nor will you be required to surrender or exchange your shares of Mestek common stock or take any other action in order to receive shares of Anemostat common stock and Anemostat Door common stock in the distribution.

U.S. Federal Income Tax Consequences of the Distribution

The following discussion is a summary of certain U.S. federal income tax consequences of the distribution to Mestek, Anemostat, Anemostat Door and U.S. Holders (as defined below) of Mestek common stock who hold their Mestek common stock as capital assets (generally, for investment). This discussion is based on the Code, Treasury Regulations promulgated thereunder and judicial and administrative interpretations thereof, all as in effect as of the date of this information statement and all of which are subject to change at any time, possibly with retroactive effect. This discussion assumes that the distribution will be consummated as described in this information statement.

This discussion is not a complete description of all tax consequences of the distribution and, in particular, may not address U.S. federal income tax considerations that affect the treatment of certain Mestek shareholders, including broker-dealers, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, S corporations, tax exempt organizations, persons who acquired their Mestek

common stock pursuant to the exercise of an employee stock option or otherwise as compensation, persons who hold their Mestek common stock as part of a “hedge,” “straddle,” “conversion” or “constructive sale” transaction, non-U.S. Holders, former citizens or former long-term residents of the United States, persons whose functional currency is not the U.S. dollar or persons who are subject to the alternative minimum tax. In addition, no information is provided herein with respect to U.S. federal gift or estate taxes or the tax consequences under applicable state, local or foreign laws.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of Mestek common stock that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any political subdivision thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (1) in general, a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (2) it has in effect a valid election under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership holds Mestek common stock, the tax treatment of the distribution to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding Mestek common stock should consult its own tax advisor.

TAX CONSEQUENCES OF THE DISTRIBUTION

Mestek has not requested, and does not intend to request, a private letter ruling from the IRS regarding the qualification of the spin-off as a transaction that generally is tax-free to Mestek and Mestek shareholders under Section 355 of the Code, and there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions are taxable. Mestek has not requested and does not intend to receive an opinion of tax counsel concluding that the spin-off is, or consistent with Mestek’s intent that the spin-off be, tax-free to Mestek and Mestek’s shareholders for U.S. federal income tax purposes. Mestek’s views that the distribution should be tax-free are based on, among other things, certain facts and assumptions and undertakings, relating to, among other things, the business reasons of Mestek, Anemostat and Anemostat Door for engaging in the spin-off, the nature and value of the assets to remain in Mestek and to be contributed to Anemostat and Anemostat Door by Mestek in connection with the spin-off, Mestek’s historical active conduct of the business of Anemostat and Anemostat Door and the businesses to remain with Mestek, and the intentions of Mestek, Anemostat and Anemostat Door not to materially modify the ownership or capital structure of either Mestek, Anemostat or Anemostat Door following the spin-off. If any of assumptions or undertakings are, or become, inaccurate or incomplete, the spin-off may not be tax-free and Mestek, Anemostat and Anemostat Door and their shareholders may face tax liabilities.

In connection with the spin-off, Mestek and Anemostat and Anemostat Door will enter into a Tax Matters Agreement. For a discussion of the Tax Matters Agreement, please refer to “Certain Relationships and Related Party Transactions—Agreements with Mestek Relating to the Spin-Off—Tax Matters Agreement.”

Material U.S. Federal Income Tax Consequences if the Spin-Off Qualifies as a Transaction That Generally is Tax-Free to Mestek and U.S. Holders of Mestek Common Stock Under Section 355 of the Code.

Assuming the spin-off qualifies as a transaction that generally is tax-free to Mestek and U.S. Holders of Mestek common stock, for U.S. federal income tax purposes, under Section 355 of the Code, the U.S. federal income tax consequences of the distribution will be as follows:

- the distribution generally will not result in any taxable income, gain or loss to Mestek, other than taxable income or gain possibly arising out of internal reorganizations and restructurings undertaken in connection with the distribution and with respect to items required to be taken into account under U.S. Treasury Regulations relating to consolidated federal income tax returns;

- no gain or loss generally will be recognized by (and no amount will be included in the income of) U.S. Holders of Mestek common stock upon their receipt of shares of Anemostat common stock and shares of Anemostat Door common stock in the distribution;
- the tax basis in shares of Mestek common stock that a U.S. Holder holds immediately prior to the distribution will be allocated between such shares and the shares of shares of Anemostat common stock and shares of Anemostat Door common stock that such U.S. Holder receives in the distribution in proportion to the relative fair market values of such shares immediately following the distribution; and
- the holding period of the shares of Anemostat common stock and shares of Anemostat Door common stock received by each U.S. Holder of Mestek common stock in the distribution generally will include the holding period at the time of the distribution for the Mestek common stock with respect to which the distribution is made.

U.S. Treasury Regulations provide that if a U.S. Holder holds different blocks of Mestek common stock (i.e., shares of Mestek common stock purchased or acquired at different times or for different amounts), the aggregate basis for each block of Mestek common stock will be allocated, to the greatest extent possible, between such block of Mestek common stock and the shares of Anemostat and Anemostat Door common stock received in the distribution in respect of such block of Mestek common stock, in proportion to their respective fair market values, and the holding period of the shares of Anemostat and Anemostat Door common stock received in the distribution in respect of such block of Mestek common stock generally will include the holding period of such block of Mestek common stock. If a U.S. Holder is not able to identify which particular shares of Anemostat and Anemostat Door common stock are received in the distribution with respect to a particular block of Mestek common stock, the U.S. Holder may designate the shares of Anemostat and Anemostat Door common stock to be treated as received in the distribution in respect of a particular block of Mestek common stock, provided that such designation is consistent with the terms of the distribution. U.S. Holders are urged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

Material U.S. Federal Income Tax Consequences if the Spin-Off is Taxable.

As discussed above, Mestek has not requested, and does not intend to request, a private letter ruling from the IRS regarding the qualification of the spin-off as a transaction that generally is tax-free to Mestek and U.S. Holders of Mestek common stock under Section 355 of the Code, and there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions are taxable. If the IRS were successful in taking this position, the consequences described above would not apply and Mestek, Anemostat and Anemostat Door and U.S. Holders of Mestek common stock could be subject to significant U.S. federal income tax liabilities. In addition, certain events that may or may not be within the control of Mestek, Anemostat or Anemostat Door could cause the spin-off to fail to qualify as a transaction that generally is tax-free to Mestek and U.S. Holders of Mestek common stock, for U.S. federal income tax purposes, under Section 355 of the Code.

If the distribution fails to qualify as a transaction that generally is tax-free to Mestek and U.S. Holders of Mestek common stock, for U.S. federal income tax purposes, in general:

- the Mestek consolidated group would recognize taxable gain as if Mestek had sold Anemostat and Anemostat Door in a taxable sale in exchange for an amount equal to the fair market value of the shares of Anemostat and Anemostat Door common stock;
- each U.S. Holder that receives shares of Anemostat and Anemostat Door common stock in the distribution would be subject to tax as if the U.S. Holder had received a distribution from Mestek in an amount equal to the fair market value of the shares of Anemostat and Anemostat Door common stock that was distributed to the U.S. Holder, which generally would be, without duplication and in the following order, (A) taxed as a dividend to the extent of the U.S. Holder's pro rata share of Mestek's current and accumulated earnings and profits (including earnings and profits resulting from the spin-off), (B) treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Mestek common stock, and (C) treated as capital gain from the sale or exchange of Mestek common stock.

In addition, even if the spin-off were otherwise to qualify under Section 355 of the Code, it may be taxable to Mestek (but not to U.S. Holders) under Section 355(e) of the Code, if the distribution were determined to be part of a plan (or series of related transactions) pursuant to which one or more persons acquired, directly or indirectly, stock representing a 50% or greater interest in Mestek or Anemostat or Anemostat Door. For this purpose, any acquisitions of Mestek common stock or of shares of Anemostat or Anemostat Door common stock within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although such presumption may be rebutted, including through the use of certain safe harbors contained in U.S. Treasury Regulations.

Information Reporting and Backup Withholding

U.S. Treasury Regulations require certain shareholders that receive stock in a distribution to attach to their U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

THE FOREGOING DISCUSSION IS A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW, IS FOR GENERAL INFORMATION PURPOSES ONLY, AND DOES NOT CONSTITUTE TAX ADVICE. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. EACH MESTEK SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

Accounting Treatment

The distribution will be accounted for by Mestek as a dividend at historical cost, and no gain or loss will be recorded. In addition, we believe that Mestek will not need to record income tax expense as a result of this transaction.

DESCRIPTION OF CAPITAL STOCK AND GOVERNANCE

The following is a summary description of Anemostat and Anemostat Door's respective capital stock and governance provisions. This description is not complete, and is qualified in its entirety by the full text of the Companies' Certificates of Incorporation and By-laws.

General

Anemostat is authorized under its Amended Certificate of Incorporation to issue up to 10,000,000 shares of Anemostat common stock. Such amount is sufficient for purposes of completing the transactions discussed herein.

Anemostat Door is authorized under its Amended Certificate of Incorporation to issue up 10,000,000 shares of Anemostat Door common stock. Such amount is sufficient for purposes of completing the transactions discussed herein.

Comparison of Stockholders' Rights

Mestek is incorporated under Pennsylvania law, while Anemostat is incorporated under California law and Anemostat Door is incorporated under Delaware law. Differences, therefore, between the rights of Anemostat shareholders and the rights of Anemostat Door shareholders result both from differences in the corporate law in California and in Delaware as compared to Pennsylvania, and differences in the Companies' respective charter or certificate and bylaws as compared to Mestek's articles and bylaws.

The following is a summary of the material differences between the rights of holders of Mestek common stock and the rights of holders of Anemostat and Anemostat Door's common stock, but does not purport to be a complete description of those differences, or a complete description of the specific provisions referred to in this summary. The identification of specific differences is not intended to indicate that other equally significant or more significant differences do not exist. Mestek and the Companies' formation documents and bylaws are subject to amendment in accordance with their terms. Copies of these governing corporate instruments as currently in effect are available, without charge, to any person, including any person to whom this information statement is delivered, by following the instructions listed under "Where You Can Find More Information".

Voting Rights

Under Mestek's bylaws, whenever any corporate action is to be taken by a vote of the shareholders, it shall be authorized upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote on the matter. Under Anemostat and Anemostat Door's bylaws, each outstanding share of stock is entitled to one vote on each matter submitted to a vote at the meeting of shareholders.

Amendments to the Formation Documents

Pennsylvania law, which governs Mestek's bylaws, California law, which governs Anemostat's bylaws, and Delaware law, which governs Anemostat Door's by-laws, provides that amending the formation documents requires the approval of the board of directors and a majority vote of all shareholders entitled to vote thereon. Neither Mestek nor the Companies' bylaws provide for any greater proportion for approval.

Amendments to Bylaws

Under Mestek and Anemostat's bylaws, an amendment to the bylaws requires approval by the affirmative vote of the majority of shareholders entitled to vote or by affirmative vote of a majority of the board of directors in office. Under Anemostat Door's bylaws, an amendment to the bylaws requires only approval by the board of directors.

Special Shareholder Meetings

Under Mestek's bylaws, a special meeting of the shareholders may be called by the chairman of the board, any vice chairman of the board, by a majority of directors then in office, or a shareholder or group of shareholders holding 20% or more of the issued and outstanding stock of the company. Under Anemostat's bylaws, a special meeting may be called by the president, the chairman, the board directors or the holders of at least 10% of the shares entitled to vote at the meeting. Under Anemostat Door's bylaws, a special meeting of the shareholders may be called by the president, the board of directors, or by the Secretary upon written request of the stockholders entitled to cast at least 50% of all votes entitled to be cast at such meeting.

Shareholder Action By Written Consent

Pennsylvania law provides that any action permitted to be taken at a shareholders meeting may be taken without a meeting on unanimous consent of the shareholders entitled to vote on the action. Mestek's bylaws do not provide otherwise. Under Anemostat's bylaws, any action, except election of directors, which may be taken at any annual or special meeting of shareholders, may be taken without a meeting if consent in writing is signed by the holders of outstanding shares having not less than the minimum numbers of vote necessary to authorize the action at a meeting. Under Anemostat Door's bylaws, any action that can be taken at a meeting of stockholders may be taken without a meeting if unanimously approved by all stockholders in writing.

Number of Directors

Under Mestek's bylaws, the board of directors will consist of an odd number of directors, if possible, between 3 and 14, the exact number to be determined by its board of directors. Anemostat's bylaws authorize only 3 directors, while Anemostat Door's bylaws authorize between 2 and 20 directors, as determined by its board of directors. The Companies' expect to announce the individuals appointed to their boards promptly upon completion of the spin-off.

Classification

Neither Mestek nor the Companies' bylaws divide their respective board of directors into classes.

Election of Directors

Under Mestek's bylaws, directors are elected at the annual meeting of shareholders. Additionally, a shareholder has the right to multiply the number of votes to which that shareholder is entitled by the number of directors to be elected. The shareholder may then cast the whole number of votes for one candidate or distribute them among two or more candidates. Under the Anemostat and Anemostat Door's bylaws, directors are elected annually at the meeting of the shareholders and serve until the next succeeding annual meeting.

Vacancies

Under Mestek bylaws, vacancies on the board of directors are filled by a majority vote of the remaining members of the board, though less than a quorum, or by a sole remaining member. Under Anemostat and Anemostat Door's bylaws, vacancies on the board of directors are filled by a majority vote of the remaining members of the board, though less than a quorum.

Special Meetings of the Board

Under Mestek's bylaws, the chairman, any vice chairman or any 2 directors may call a special meeting of the board of directors. Under Anemostat's bylaws, the president may call special meetings of the board of directors. Under Anemostat Door's bylaws, the president or a majority of directors may call a special meeting of the board of directors.

Director Liability and Indemnification

Under Mestek's bylaws, a director will not be held personally liable for monetary damages unless the director breached a duty or failed to perform a duty, engaged in self-dealing, willful misconduct or recklessness. Directors are also not shielded from liability pursuant to a criminal statute or for payment of taxes. Mestek's bylaws provide for director indemnification against expenses, judgments, fines settlements, and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was a director of Mestek, to the extent and in the manner permitted under Pennsylvania law. Anemostat's bylaws do not provide for any indemnification of directors, however, the company may purchase insurance to indemnify directors. Under Anemostat Door's current bylaws, the company may indemnify its directors to the fullest extent permitted under Delaware law. The company's new bylaws that will be adopted in connection with its relocation to Texas may provide for different terms.

Stockholders Rights Plan

Neither Mestek nor the Companies' have adopted a shareholder rights plan' but under Pennsylvania, California and Delaware law either Mestek or the Companies may be able to adopt such a plan without shareholder consent.

Business Combinations

Pennsylvania and California law only require a majority vote of the shareholders to approve a business combination. Delaware law requires a vote of at least two-thirds of the shareholders to approve a business combination, unless a lower threshold is permitted in the certificate of formation.

WHERE YOU CAN FIND MORE INFORMATION

For further information with respect to Anemostat and Anemostat Door's business and common stock being received by holders of Mestek common stock in the distribution, please refer to Mestek's website at www.mestek.com, or contact Mestek at 260 N. Elm Street, Westfield, MA 01085 or call Steven Olearcek, Mestek's General Counsel, by telephone at (413) 568-9571. While this information statement has provided a summary of the material terms of certain agreements and other documents, the summary does not describe all of the details of the agreements and other documents. Each statement in this information statement regarding an agreement or other document is qualified in all respects by and subject to the terms of such agreement or other document. These documents will be available to Anemostat and Anemostat Door shareholders upon request following the distribution.

You should rely only on the information contained in this information statement and other documents referred to in this information statement, including the Valuation Report and the unaudited historical financial statements of the Companies attached to this information statement. Neither the Companies nor Mestek has authorized anyone to provide you with other information or information that is different from that contained herein. This information statement is being furnished by Mestek solely to provide information to Mestek shareholders who will receive Anemostat and Anemostat Door common stock in the distribution. It is not, and it is not to be construed as, an inducement or encouragement to buy or sell any securities of Mestek or the Companies. Mestek believes that the information presented herein is accurate as of the date hereof, but as noted above, it is to be expected that changes with respect to the Companies will occur after the date of this information statement. However, as also noted above, Mestek does not intend to update the information and the Companies expect, but are not obligated, to disseminate information to their respective shareholders following the spin-off.

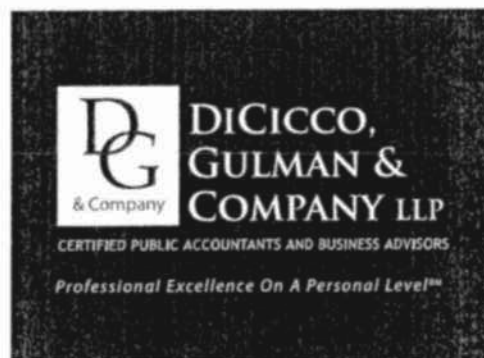


PLEASE NOTE:

Please note that Anemostat, Inc. does business as Anemostat Air Products and Anemostat Door Products, Inc. does business as Anemostat Door Products. Therefore, as used in the Valuation, Anemostat Air Products refers to Anemostat, Inc. and Anemostat Door Products refers to Anemostat Door Products, Inc.

**Anemostat Air Products
and
Anemostat Door Products**

**Fair Market Value
on a
Marketable, Controlling Interest Basis
as of July 31, 2015**





DiCICCO, GULMAN & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Professional Excellence On A Personal Level™

November 30, 2015

Stephen M. Shea
Executive Vice President-Finance
Mestek, Inc.
260 North Elm Street
Westfield, MA 01085

RE: Valuations of Anemostat Air Products and Anemostat Door Products

Dear Mr. Shea:

At your request, DiCicco, Gulman and Company LLP ("DGC") has determined the Fair Market Value of two divisions of Anemostat, Inc. (a Mestek company), Anemostat Air Products and Anemostat Door Products (the "Subject Interests"), as of July 31, 2015 (the "Valuation Date") on a standalone basis.

Fair market value is defined in Section 20.2031-1(b) of the U.S. Treasury regulations as:

"The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts."

We have estimated the Fair Market Value of the Subject Interests on a marketable, controlling interest basis. Our analysis has been conducted in accordance with the *Code of Professional Ethics* and the *Uniform Standards of Professional Appraisal Practice* ("USPAP") promulgated by The Appraisal Foundation, as adopted by the American Society of Appraisers; the *Principles of Appraisal Practice, Code of Ethics, and Business Valuation Standards* as promulgated by the American Society of Appraisers; and the *Statement on Standards for Valuation Services No. 1* (the "AICPA BV Standards") of the American Institute of Certified Public Accountants. The attached report is an "Appraisal Report" under USPAP.

We understand that the purpose of these valuations are for management planning purposes and that the intended users are you and the management team of Mestek, Inc. Accordingly, the resulting estimates of value should not be used for any other purpose or by any other party for any purpose. A valuation for a different purpose or under a different standard of value or for a different valuation date could result in a materially different estimate of value.

The resulting estimate of value should not be considered a guarantee as to the actual amount that would be received (paid) upon sale (purchase) or the amount that may be accepted or found by a court or other fact finder.

Our report is based on the financial information provided to us by you. We take no responsibility for the underlying data presented in the report.

Based on our analyses described in the following report and subject to the assumptions and limiting conditions detailed in Appendix 1, it is our opinion that the Fair Market Values of the shareholders' equity of Anemostat Air Products and Anemostat Door Products on a standalone, marketable, controlling interest basis as of July 31, 2015 are as follows:

Anemostat Air Products	\$5,610,000
Anemostat Door Products	\$3,840,000

We appreciate the opportunity to assist you in this matter. Please contact us at (781) 937-5393 if you have any questions or comments regarding this report.

Very truly yours,
DiCicco, Gulman & Company LLP

A handwritten signature in cursive script that reads "Jody K. Goldman".

Jody K. Goldman
Partner

I. Introduction

DiCicco, Gulman and Company, LLP (“DGC”) was engaged to determine the Fair Market Value of the two divisions of Anemostat, Inc., Anemostat Air Products and Anemostat Door Products (the “Subject Interests”) on a standalone basis as of July 31, 2015. We have valued the shareholders’ equity of the Subject Interests on a marketable, controlling interest basis. We understand that the purpose of this valuation is for management planning purposes.

The Fair Market Value, as determined herein, shall not be used for any other purpose.

Standard of Value

Anemostat, Inc. is a privately held company; therefore, as of the Valuation Date, there was no established market for ownership interests in the Subject Interests. In accordance with Internal Revenue Service (“IRS”) Revenue Ruling 59-60 (“Revenue Ruling 59-60”) and Treasury Regulations Section 20.2031-1(b), Fair Market Value is defined as:

“The price at which such property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.”

In determining Fair Market Value, we considered the approach, methods and factors to be considered in valuing shares of the capital stock of closely held corporations as outlined by Revenue Ruling 59-60. The factors cited by Revenue Ruling 59-60 include the following:

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition of the specific industry in particular;
- The book value of the stock and the financial condition of the business;
- The earning capacity of the company;
- The dividend-paying capacity;
- Whether or not the enterprise has goodwill or other intangible value;
- Sales of the stock and the size of the block of stock to be valued; and
- The market price of stock of corporations engaged in the same or similar line of business having their stocks actively traded in a free and open market either on an exchange or over the counter.

Premise of Value

Our analyses are based on the premise that Anemostat Air Products (“Anemostat Air”) and Anemostat Door Products (“Anemostat Door”) will continue to operate as ongoing enterprises, on a standalone basis. The going concern premise is defined as:

“The value of a business enterprise that is expected to continue to operate into the future. The intangible elements of going-concern value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.”¹

Sources of Information

In performing the valuation of Anemostat Air and Anemostat Door, we have reviewed the following documents, which were provided to us:

- Anemostat Air income statements for fiscal years 2011 through 2014 and for the twelve months’ ended July 31, 2015
- Anemostat Air balance sheets as of December 31, 2014 and July 31, 2015
- Anemostat Air projected income statements for 2016 through 2020
- Anemostat Air projected balance sheet as of December 31, 2015
- Anemostat Door income statements for fiscal years 2011 through 2014 and for the twelve months’ ended July 31, 2015
- Anemostat Door balance sheets as of December 31, 2014 and July 31, 2015
- Anemostat Door projected balance sheet as of December 31, 2015
- Other relevant company and financial data

We also interviewed Stephen Shaw, Executive Vice President-Finance for Mestek, Inc. and Mark Cassidy, Director of Finance for Anemostat, Inc.

II. Overview of Anemostat, Inc.

Background

Anemostat, Inc. is a California corporation that consists of two divisions. Anemostat Air Products, a manufacturer of air distribution equipment, has over 75 years of experience in the air distribution and heat, ventilation, and air conditioning business. Anemostat Air manufactures a variety of air distribution and security air distribution products including diffusers, grilles, registers, air terminals, and s-vent risk resistant products for maximum security.

Anemostat Door Products is the largest manufacturer of metal vision frames and door louvers in North America. It has been the leader in product quality, engineering and development of these products for over forty years. Anemostat Door also provides a variety of glazing products with both fire and safety ratings. Anemostat Door has expanded into the international marketplace, including Canada, Mexico, the United Kingdom, Europe, the Middle East and the South Pacific.

While, historically, Anemostat Air and Anemostat Door have operated as one company under Anemostat, Inc., we have been asked to value the two divisions as if each operated on a standalone basis. Management has provided us with income statements for each division on a

¹ International Glossary of Business Valuation Terms adopted by the AICPA and the American Society of Appraisers.

standalone basis for fiscal years 2011 through 2014. Management also provided us with balance sheets for each division on a standalone basis as of December 31, 2014 and July 31, 2015 and a projected balance sheet as of December 31, 2015.

Anemostat, Inc. is owned by Mestek, Inc.

Financial Performance

From 2011 through 2014, Anemostat Air's revenues ranged from \$10.3 million to \$11.6 million with pre-tax profit margins ranging from 1.6% to 2.8%. (See Exhibit 15.) As shown in Exhibit 1, Anemostat Air's revenues were \$11.2 million for the twelve months ended July 31, 2015. Balance sheets for Anemostat Air on a standalone basis as of December 31, 2014 and July 31, 2015 are shown in Exhibit 2.

As shown in Exhibit 16, Anemostat Door's revenues ranged from \$10.2 million to \$10.8 million from 2011 through 2014 while pre-tax profit margins ranged from 5.2% to 6.5%. Anemostat Door's revenues were \$10.6 million for the twelve months ended July 31, 2015. Income statements are shown in Exhibit 16. Balance sheets for Anemostat Door on a standalone basis as of December 31, 2014 and July 2015 are shown in Exhibit 17.

III. Economic Update and Outlook²

Economic Update

U.S. economic growth continued in the second quarter ("Q2") of 2015, with GDP growing at a rate of 2.3%, consistent with economists' forecasts. This was a sharp acceleration from the moderate growth of 0.6% in the first quarter of 2015.

Several of the large news outlets commented that much of the Q2 growth in GDP was due to positive contributions from consumer spending, exports, state and local government spending and residential fixed investment.

The Conference Board reported that the Leading Economic Index continued to increase in June and that the strengths among the leading indicators remained more widespread than the weaknesses. The index also indicated continued strength in the economic outlook for the remainder of 2015.

The Consumer Price Index rose each month in the second quarter driven by higher energy costs, particularly the gas index, which rose 10.4% in May and 3.4% in June.

² The contents of the economic outlook section of this valuation report are quoted from the Economic Outlook Update™ 2Q 2015 published by Business Valuation Resources, LLC, © 2015, reprinted with permission. The editors and Business Valuation Resources, LLC, while considering the contents to be accurate as of the date of publication of the Update, take no responsibility for the information contained therein. Relation of this information to this valuation engagement is the sole responsibility of the author of this valuation report.

The Federal Reserve maintained its decision to leave the target for the federal funds rate unchanged in the second quarter. However, it did state that it would continue to assess labor market conditions and inflation expectation to determine whether raising the rate would be appropriate in the future.

Although American spending increased overall in the second quarter, total retail sales unexpectedly dipped 0.3% in June, far below the expected gain of 0.3% forecasted by economists. The declines were broad-based in June, with eight of the 13 major retail categories seeing weaker sales.

The number of jobs created continued to improve in June, though the figures for May and April were revised downward. The unemployment rate, which was 5.3%, declined to its lowest level since March 2008.

The Conference Board's Consumer Confidence Index continued to improve in June as consumers became more confident about the current business and employment conditions over the past two months. The Thomson Reuters/University of Michigan's Index of Consumer Sentiment also rose in June as the survey found that the first half of 2015 has been the largest and most sustained increase in economic optimism since 2004.

The National Federation of Independent Business reported that the Small business Optimism Index declined in June. The Wells Fargo/Gallup Small Business Index also reported a decline in Q2 2015. These were driven down by owner's decisions to scale back their spending plans and their more pessimistic expectations for revenue and business conditions.

The stock market indexes had mixed results in Q2 with small-cap indexes outperforming both large-cap and mid-cap benchmarks.

The Institute for Supply Management's manufacturing and services sector indices both expanded in June. The pace of expansion in both sectors quickened in June and indicated that the U.S. economy continued to expand.

The Federal Reserve reported that industrial production expanded in June for the first time in three months. While manufacturing was unchanged, both the output of utilities and mining rose.

The National Association of Realtors reported that existing-home sales rose in June to their highest pace in over 8 years. Housing starts and buildings permits authorized rose in June and well exceeded their levels from a year ago. The National Association of Home Builders/Wells Fargo Housing Market Index continued to increase in June with current and future sales expectation hitting their highest levels since the fourth quarter of 2005. The National Association of Realtors Confidence Index for current conditions remained unchanged indicating most respondents viewed the market as "strong".

Economic Outlook

Consensus Economics Inc., publisher of Consensus Forecasts – USA, reports that the consensus of U.S. forecasters is that real GDP will increase at a seasonally adjusted annual rate of 3.2% in Q3 2015 and 3.0% in Q4 2015. Every month, Consensus Economics surveys a panel of 30

prominent U.S. economic and financial forecasters for their predictions on a range of variables, including future growth, inflation current account and budget balances and interest rates. The forecasters expect GDP to grow 2.2% in 2015, 2.8% in 2016 and 2.8% in 2017.

They forecast personal consumption will increase at a rate of 3.2% in the third quarter of 2015 and 3.1% in the fourth quarter. They believe unemployment will average 5.4% in 2015 before declining to 5.0% in 2016.

The forecasters believe the three-month Treasury bill rate will be 0.2% at the end of Q3 2015 and 0.5% at the end of Q4 2015. They forecast the three-month Treasury bill rate will rise to 0.7% at the end of Q1 2016 and to 1.7% at the end of 2016. They forecast the 10-year Treasury bond yield will be 2.3% at the end of Q3 2015 and 2.5% at the end of Q4 2015. They believe the 10-year Treasury bond yield will rise to 2.7% at the end of Q1 2016.

They expect consumer prices to increase 2.0% in Q3 and Q4 of 2015 and rise up to 2.1% in 2016. They expect producer prices to decrease at a rate of 2.5% in 2015 but will increase 2.8% in 2016. The forecasters believe real disposable personal income will increase at a rate of 2.4% in 2015 and 2.5% in 2016. They forecast industrial production will increase 2.3% in 2015 and 3.0% in 2016. Nominal pretax corporate profits will increase 0.5% in 2015 and 4.4% in 2016. The forecasters project housing starts will be 700,000 in 2015 and 815,000 in 2016.

The 28 participants in *The Livingston Survey* (the *Survey*) released their latest predictions in June 2015. The *Survey*, conducted by the Federal Reserve Bank of Philadelphia, is the oldest continuous survey of economists' expectations. It summarizes the forecasts of economists from industry, government, banking, and academia. The participants project real GDP to grow at an annual rate of 3.1% in the second half of 2015. They then expect GDP will increase at an annual rate of 2.9% in the first half of 2016. They believe GDP will grow 2.5% annually over the next 10 years, which is in line with their previous estimate.

The *Survey* noted that forecasts for the unemployment rate were revised downward from the previous forecast. They expect the unemployment rate to be 5.1% in December 2015, down from their previous estimate of 5.4%. They expect the unemployment rate to decline to 5.0% in June 2016.

The forecasters expect consumer price inflation ("CPI") to be 0.1% in 2015, down from 1.4% in the previous survey. They predict CPI will be 2.1% in 2016. The *Survey* expects CPI to average 2.2% over the next 10 years. The *Survey* expects producer price inflation ("PPI") to be -3.2% in 2015, increasing to 1.9% in 2016.

The *Survey* predicts the interest rate on three-month Treasury bills will be 0.59% at the end of December 2015. They predict that the rate will increase to 1.11% in June 2016 before rising to 1.50% in December 2016. They predict the interest rate on 10-year Treasury bonds will reach 2.50% at the end of December 2015. According to the *Survey*, the rate will then rise to 2.84% in June 2016 and to 3.00% in December 2016.

The forecasters from the *Survey* have decreased their previous projections for future S&P 500 values. They expect the S&P 500 will be at 2,158.0 at the end of December 2015, climbing to 2,218.0 by the end of June 2016. They believe the S&P 500 will end 2016 at 2,243.0

The Energy Information Administration predicts that the West Texas Intermediate crude oil spot price will average approximately \$49.62 per barrel in 2015 and \$54.42 per barrel in 2016, compared with \$93.17 in 2014. The EIA expects retail prices for regular-grade gas to average \$2.41 per gallon in 2015 and \$2.40 per gallon in 2016, compared with \$3.36 per gallon in 2014.

The Energy Information Administration believes the Henry Hub natural gas spot price will average \$2.89 MMBtu in 2015 and \$3.21 per MMBtu in 2016, compared with \$4.39 per MMBtu in 2014. The cost of coal delivered to electric generating plants, which averaged \$2.36 per MMBtu in 2014, is expected to average \$2.28 per MMBtu in 2015 and 2016. Residential electric prices, which averaged 12.50 cents per kilowatt-hour (“kWh”) in 2014, are expected to average 12.74 cents per kWh in 2015 and 13.03 cents per kWh in 2016. The airline ticket price index, which averaged 307.7 in 2014, is expected to fall to 300.6 in 2015 and climb to 309.7 in 2016.

The National Association of Realtors’ Realtors Confidence Index for future conditions weakened in June. The RCI for the outlook of single-family homes slipped 2.0 points to 72.0 in June, while the figure for townhomes decreased 2.0 points to 53.0 and the RCI for condos fell 1.0 point to 49.0 (strong = 100; moderate = 50; weak = 0). The RCI is a key indicator of housing market strength based on a monthly survey of over 50,000 real estate practitioners. Practitioners are asked about their expectations for home sales, prices, and market conditions.

NAR believes existing-home sales will be 5.263 million in 2015, before rising to 5.500 million in 2016. It believes new single-family home sales will be 574,000 in 2015, before increasing to 730,000 in 2016. NAR believes the median existing-home price will increase to \$222,700 in 2015, before increasing to \$232,000 in 2016. NAR believes the median new-home price will increase to \$293,000 in 2015, before increasing to \$305,000 in 2016. It expects housing starts to increase to 1,127,000 in 2015, then to 1,380,000 in 2016. NAR believes the 30-year fixed mortgage rate will average 4.0% in 2015 before rising to 4.8% in 2016, and the one-year adjustable rate will average 2.6% in 2015 and 4.0% in 2016.

IV. Industry Profile and Outlook

Anemostat Air³

The U.S. heating, ventilation and air conditioning equipment manufacturing (“HVAC”) industry includes about 1,500 companies with combined annual revenue of about \$44 billion. Major product categories are air-conditioning and warm air heating equipment, and industrial and commercial refrigeration equipment (75 percent of industry revenue), industrial and commercial fans and blowers and air purification equipment (15 percent), and heating equipment (10 percent).

³ HVAC Equipment Manufacturing Industry Profile, May 11, 2015, First Research.

Due to most items of HVAC and commercial refrigeration equipment being fairly simple devices that can be made using well-established processes, the applications of technology in this industry have focused mainly on automating manufacturing processes.

The industry is capital intensive. Materials are a significant cost, representing about half of sales. Net profits are fairly low and average about 2 percent of net sales.

The Asia/Pacific region, primarily China and India, accounted for half of global HVAC demand in 2013. Global demand for HVAC equipment is forecast to increase by 6 percent per year, reaching a value of \$120 billion by 2018. Revenue for U.S. HVAC equipment production is forecast to grow at an annual compounded rate of 4 percent between 2015 and 2019.

Anemostat Door⁴

The U.S. architectural and structural metals manufacturing industry includes about 11,500 companies with a combined revenue of about \$80 billion. The industry is fragmented with the largest 50 companies accounting for approximately 25% of revenue.

Products include fabricated structural metal (35%); sheet metal (25%); metal windows and doors (10%); plate work (10%); pre-fabricated metal buildings and components (10%); and architectural and ornamental metal work (10%).

Demand depends heavily on the level of construction activity. Growth in the global structural and architectural metals industry is driven by expanding populations in emerging markets. According to a report from Global Construction Perspectives and Oxford Economics, global construction output is forecast to increase by more than 70% by 2025, reaching \$15 trillion. Sixty percent of that growth will come from China, India, and the United States. Indonesia, the Philippines, and Vietnam are also expected to experience rapid growth in construction. The shift in populations from rural areas to cities is also fueling demand as the growth in cities increases demand for structural metals used in housing, infrastructure projects, and commercial buildings.

U.S. spending for nonresidential construction projects, a key demand indicator for architectural and structural metals, rose more than 9% in August 2015 compared to August 2014. August was the seventh consecutive month of increases in nonresidential construction spending in 2015.

V. Valuation Approaches

There are three generally accepted approaches to value which should be considered in determining the value of a business interest or asset—the income approach, the market approach, and the cost approach. The selection of the appropriate approaches to determine the value of a particular company depends upon the specific characteristics of the company.

The income approach is based upon the future economic benefits which a company expects to generate. The two most common methods are the capitalization of earnings and the discounted

⁴ Architectural and Structural Metals Manufacturing Industry Profile, October 19, 2015, First Research.

cash flow methods. With the capitalization of earnings method, values are estimated by capitalizing a normalized stream of income which is representative of future economic benefits by an appropriate rate of return that reflects the risk of the business and the long-term growth of the expected economic benefits. With the discounted cash flow method, net cash flows for the company are projected for a discrete period. In addition, the value of the business beyond the discrete period is estimated using the Gordon Growth model or a multiple of earnings before interest, depreciation and amortization (“EBITDA”). All of these cash flows are discounted to the present using a rate of return that reflects the risks associated with achieving those cash flows.

The market approach estimates value based on indicators resulting from market transactions. The two methods under this approach are the guideline public company method and the similar transactions method. With the guideline public company method, estimates of value are derived from the application of valuation multiples from a group of publicly traded companies that are similar to the subject company. The multiples are adjusted for differences in comparability. With the similar transactions method, estimates of value are derived from the application of valuation multiples from sale transactions involving “similar” companies, after adjustments for differences in comparability.

The cost or asset approach is based on the principle of substitution—an investor would pay no more for an asset than the amount for which he could replace the asset. For business entities, the cost approach consists of the adjusted net asset value method. This method determines the value of a company by restating each of the business’ individual assets and liabilities at Fair Market Value. The aggregate value of the assets less liabilities results in the Fair Market Value of the company on a controlling basis as it assumes that the owner of the interest has the ability to sell the underlying assets and liquidate the company to realize the value of his or her interest.

The asset approach is generally used to value asset-intensive business such as real estate holding companies, mining companies and energy companies, and is therefore, not applicable in this case. We have employed both the income approach and the market approach in determining the Fair Market Value of the Subject Interests.

VI. Valuation Analysis of Anemostat Air

We have used the following methods to determine the fair market value of Anemostat Air on a standalone basis:

- Discounted cash flow
- Guideline company
- Selected transactions

Each of these approaches is summarized below.

Discounted Cash Flow Method

As shown in Exhibit 3, the discounted cash flow analysis is based on projections provided by management for the discrete period from August 2015 through December 31, 2020. The terminal value is based upon the Gordon Growth model. We discounted the projected debt-free net cash flows using a weighted average cost of capital (“WACC”) of 13.5%, based on the mid-year convention. The determination of the WACC is discussed in Appendix 2 and summarized in Exhibit 4.

As shown in Exhibit 3, the discounted cash flow results in an indication of the business enterprise value (“BEV”) of Anemostat Air of \$5,169,438 as of July 31, 2015.

Guideline Company Method

The objective of the Guideline Company method is to identify publicly held corporations that are most similar to the subject company and derive pricing multiples, based on market data and each company’s financial performance, which are then applied to the subject company to determine an indication of value.

In order to determine a set of similar publicly traded companies to use in our analysis of Anemostat Air, we began to search for publicly traded companies in the following SIC Codes⁵ :

- SIC 3433, Heating equipment, except electric & warm air furnaces
- SIC 3560, General industrial machinery & equipment
- SIC 3561, Pumps & pumping equipment
- SIC 3564, Industrial & commercial fans, blowers, and air purifying equipment
- SIC 3569, General industrial machinery & equipment, not elsewhere included
- SIC 3585, Air-conditioning & warm air heating equipment & commercial & industrial refrigeration equipment

We identified 10 publicly traded companies to use in our analysis which are described In Exhibit 6a.

We calculated the business enterprise value of the ten guideline companies as of July 31, 2015 in Exhibit 6b. The median BEV/EBITDA multiple for these companies was 12.2. Given the size and geographic coverage of the guideline companies, we discounted the median multiples in order to determine Anemostat Air’s business enterprise value. As shown in Exhibit 5, the guideline company method results in an indication of the business enterprise value of Anemostat Air of \$6,888,813 as of July 31, 2015.

Similar Transactions Method

This method uses purchase and sale transactions of entire companies, large blocks of stock in public and private companies, and minority interests in public and private companies to

⁵ PitchBook/BVR Guideline Public Company Comps Tool

determine indications of value. In order to identify similar transactions involving companies similar to Anemostat Air, we relied upon the Pratt's Stats Database which provides private company transaction data on over 22,000 acquired private companies. We identified five transactions which took place between 2008 and 2014. All of these transactions involved acquisitions of entire or controlling interests. The key elements of each of these transactions are summarized in Exhibit 8.

The acquired companies had revenues ranging from \$100 million to \$7.4 billion. EBITDA multiples ranged from 10.9 to 16.2, with a median multiple of 11.5. Given the size and geographic coverage of the acquired companies, we discounted the median multiple in order to arrive at indications of Anemostat's business enterprise value. As shown in Exhibit 7, the selected transactions method results in an indication of the business enterprise value of Anemostat Air of \$6,173,092 as of July 31, 2015.

Anemostat Air Valuation Summary and Conclusion

The following table summarizes our valuation analyses for Anemostat Air on a standalone basis as of July 31, 2015:

Table 1
Valuation Summary

	Discounted Cash Flow Analysis	Similar Transactions EBITDA	Guideline Company EBITDA
BEV on a marketable, controlling interest basis	\$ 5,169,438	\$ 6,173,092	\$ 6,888,813
Weighting	70.0%	15.0%	15.0%
BEV on a marketable, controlling interest basis	\$ 5,577,892		
+ Cash	34,458		
- Long-term Debt	-		
FMV of Shareholders' Equity	<u>\$ 5,612,350</u>		
Conclusion of Value, Rounded	<u>\$ 5,610,000</u>		

Based on our analysis, it is our opinion that the Fair Market Value of the shareholders' equity of Anemostat Air is \$5,610,000 on a marketable, controlling interest basis as of July 31, 2015.

VII. Valuation Analysis of Anemostat Door

We have used the following methods to determine the fair market value of Anemostat Air on a standalone basis:

- Capitalization of net cash flow
- Guideline company

Each of these approaches is summarized below.

Capitalization of Net Cash Flow

As shown in Exhibit 18, the discounted cash flow analysis is based on management's projections for the discrete period from. The terminal value is based upon the Gordon Growth model. We discounted the projected debt-free net cash flows using a weighted average cost of capital ("WACC") of 15.5%, based on the mid-year convention. The determination of the WACC is discussed in Appendix 2 and summarized in Exhibit 19.

As shown in Exhibit 18, the capitalization of net cash flow results in an indication of the business enterprise value of Anemostat Door of \$3,176,953 as of July 31, 2015.

Guideline Company Method

The objective of the Guideline Company method is to identify publicly held corporations that are most similar to the subject company and derive pricing multiples, based on market data and each company's financial performance, which are then applied to the subject company to determine an indication of value.

In order to determine a set of similar publicly traded companies to use in our analysis of Anemostat Door, we began to search for publicly traded companies in the architectural and structural metals industry.⁶ We identified two publicly traded companies to use in our analysis, which are described in Exhibit 21.

We calculated the business enterprise value of the guideline companies as of July 31, 2015 in Exhibit 21. The median BEV/EBITDA multiple for these companies was 17.1. Given the size and geographic coverage of the guideline companies, we discounted the median multiples in order to determine Anemostat Door's business enterprise value. As shown in Exhibit 20, the guideline company method results in an indication of the business enterprise value of Anemostat Door of \$5,273,088 as of July 31, 2015.

Similar Transactions Method

While we considered this method in our valuation analysis of Anemostat Door, we were unable to identify any relevant transactions.

⁶ PitchBook/BVR Guideline Public Company Comps Tool

Anemostat Door Valuation Summary and Conclusion

The following table summarizes our valuation analyses for Anemostat Door on a standalone basis as of July 31, 2015:

Table 2
Valuation Summary

	Capitalization of Net Cash Flow	Guideline Company EBITDA
BEV on a marketable, controlling interest basis	\$ 3,176,953	\$ 5,273,088
Weighting	70.0%	30.0%
BEV on a marketable, controlling interest basis	\$ 3,805,794	
+ Cash	34,458	
- Long-term Debt	-	
Fair Market Value of Shareholders' Equity	\$ 3,840,252	
Conclusion of Value, Rounded	\$ 3,840,000	

Based on our analysis, it is our opinion that the Fair Market Value of the shareholders' equity of Anemostat Door is \$3,840,000 on a marketable, controlling interest basis as of July 31, 2015.

Anemostat Air Products
Balance Sheets

	<u>12/31/2014</u>	<u>9/30/2015</u>
Cash	\$ 32,435	\$ 33,998
Net Receivables	1,549,821	2,198,146
Inventory	1,707,860	1,458,033
Prepaid Expenses	85,782	108,693
Total Current Assets	3,375,898	3,798,870
Net PP&E	1,838,076	1,591,452
Rights, Patents, Trademarks	-	12,500
Goodwill	3,322,306	3,322,305
Total Assets	<u>\$ 8,536,280</u>	<u>\$ 8,725,127</u>
AP Trade	155,038	260,686
Other Current Liabilities	670,398	598,805
Total Current Liabilities	825,436	859,491
Other Long-term Liabilities	1,147,068	1,147,068
Equity	6,563,776	6,718,568
Total Liabilities & Shareholders' Equity	<u>\$ 8,536,280</u>	<u>\$ 8,725,127</u>

Anemostat Air Products
Income Statements

	2014	YTD Sep 2015
Revenue	\$ 11,609,373	\$ 8,209,940
Cost of Revenue	<u>9,523,068</u>	<u>6,723,396</u>
Gross profit	2,086,305	1,486,544
Operating Expenses		
Selling, General and Administrative	<u>1,731,467</u>	<u>1,156,941</u>
Operating Profit	354,838	329,603
Other Income/(Expenses)	<u>(164,254)</u>	<u>(72,412)</u>
Pre-tax Profit	190,584	257,191
Taxes	<u>63,425</u>	<u>102,399</u>
Net Income	<u><u>\$ 127,159</u></u>	<u><u>\$ 154,792</u></u>

Anemostat Door Products
Balance Sheets

	<u>12/31/2014</u>	<u>9/30/2015</u>
Cash	\$ 32,435	\$ 33,998
Net Receivables	1,059,249	1,253,251
Inventory	742,355	891,113
Prepaid Expenses	<u>13,973</u>	<u>177,357</u>
Total Current Assets	1,848,012	2,355,719
Net PP&E	112,078	95,195
Goodwill	<u>830,577</u>	<u>830,577</u>
Total Assets	<u>\$ 2,790,667</u>	<u>\$ 3,281,491</u>
AP Trade	114,866	125,026
Other Current Liabilities	<u>477,770</u>	<u>661,298</u>
Total Current Liabilities	592,636	786,324
Other Long-term Liabilities	213,030	213,030
Equity	<u>1,985,001</u>	<u>2,282,137</u>
Total Liabilities & Shareholders' Equity	<u>\$ 2,790,667</u>	<u>\$ 3,281,491</u>

Anemostat Door Products
Income Statements

	2014	YTD Sep 2015
Revenue	\$ 10,500,182	\$ 8,226,632
Cost of Sales	8,129,624	6,474,022
Gross Profit	2,370,558	1,752,610
Operating Expenses		
Selling, General and Administrative	1,536,842	1,156,245
Operating Profit	833,716	596,365
Other Income/(Expenses)	(149,110)	(102,663)
Pre-tax Profit	684,606	493,702
Taxes	227,931	196,566
Net Income	<u>\$ 456,675</u>	<u>\$ 297,136</u>

