

FLIR SYSTEMS INC  
Form 11-K  
June 01, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 11-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the fiscal year ended December 31, 2014

OR

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

for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 0-21918

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

FLIR Systems, Inc. 401(k) Savings Plan  
27700 SW Parkway Avenue  
Wilsonville, Oregon 97070

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive officers:

FLIR Systems, Inc.  
27700 SW Parkway Avenue  
Wilsonville, Oregon 97070



FLIR SYSTEMS, INC.

401(k) SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2014 and 2013

(With Report of Independent Registered Public Accounting Firm Thereon)

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Report of Independent Registered Public Accounting Firm

The Plan Administrator

FLIR Systems, Inc. 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for benefits of FLIR Systems, Inc. 401(k) Savings Plan (the Plan) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2014 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2014 is fairly stated in all material respects in relation to the 2014 financial statements as a whole.

/s/ KPMG LLP

Portland, Oregon

May 29, 2015

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## FLIR SYSTEMS, INC.

## 401(k) SAVINGS PLAN

## Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

|                                                      | 2014         | 2013         |
|------------------------------------------------------|--------------|--------------|
| Participant directed investments, at fair value:     |              |              |
| Shares in registered investment company funds:       |              |              |
| Fidelity Retirement Money Market Portfolio           | \$12,442,582 | \$13,868,914 |
| PIMCO Total Return Fund                              | —            | 16,061,006   |
| DFA Emerging Markets Value Portfolio                 | 10,765,868   | 12,264,630   |
| Baron Growth Fund                                    | 20,007,969   | 20,727,688   |
| Vanguard Mid-Cap Index Signal Fund                   | —            | 13,148,751   |
| Vanguard Mid-Cap Index Fund Admiral Shares           | 17,278,428   | —            |
| Vanguard REIT Index Fund Admiral Shares              | 3,061,852    | —            |
| Spartan US Equity Index Fund                         | 18,459,356   | 14,239,268   |
| Spartan US Bond Index Fund                           | 658,784      | 140,838      |
| Dodge & Cox Stock Fund                               | 15,996,806   | 14,030,882   |
| Goldman Sachs Mid Cap Value Fund Institutional Class | 9,462,721    | 8,352,452    |
| JPMorgan Large Cap Growth Fund                       | 6,113,760    | 5,352,911    |
| Templeton Global Bond Fund                           | —            | 3,092,275    |
| Templeton Global Bond Fund Class R6                  | 3,544,474    | —            |
| Royce Pennsylvania Mutual Investment Fund            | 3,723,397    | 4,109,611    |
| Neuberger Berman Real Estate Fund                    | —            | 1,948,928    |
| Western Asset Core Plus Bond Fund Class IS           | 16,397,015   | —            |
| Fidelity Contrafund K                                | 26,893,811   | 25,324,666   |
| Fidelity Balanced K Fund                             | 14,106,622   | 11,918,640   |
| Fidelity Diversified International K Fund            | 12,826,523   | 12,826,052   |
| Fidelity Freedom K Income Fund                       | 888,394      | 820,595      |
| Fidelity Freedom K 2000 Fund                         | —            | 48,449       |
| Fidelity Freedom K 2005 Fund                         | 35,232       | 28,382       |
| Fidelity Freedom K 2010 Fund                         | 1,099,774    | 874,489      |
| Fidelity Freedom K 2015 Fund                         | 4,479,740    | 4,189,814    |
| Fidelity Freedom K 2020 Fund                         | 8,384,869    | 7,493,496    |
| Fidelity Freedom K 2025 Fund                         | 9,174,831    | 7,661,837    |
| Fidelity Freedom K 2030 Fund                         | 12,053,591   | 10,258,917   |
| Fidelity Freedom K 2035 Fund                         | 7,216,685    | 6,298,939    |
| Fidelity Freedom K 2040 Fund                         | 6,570,658    | 5,722,964    |
| Fidelity Freedom K 2045 Fund                         | 4,835,344    | 4,350,119    |
| Fidelity Freedom K 2050 Fund                         | 3,240,069    | 2,622,334    |
| Fidelity Freedom K 2055 Fund                         | 422,621      | 167,014      |
| Common and collective trust:                         |              |              |
| Fidelity Managed Income Portfolio                    | 6,369,007    | 6,852,758    |
| Common stock:                                        |              |              |
| FLIR Systems, Inc.                                   | 15,206,353   | 15,339,633   |
| Total investments                                    | 271,717,136  | 250,137,252  |
| Receivables:                                         |              |              |
| Notes receivable from participants                   | 3,421,078    | 3,588,853    |
| Pending trades                                       | 7,617        | —            |
| Total receivables                                    | 3,428,695    | 3,588,853    |

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|                                                                                                   |               |   |               |
|---------------------------------------------------------------------------------------------------|---------------|---|---------------|
| Total assets at fair value                                                                        | 275,145,831   |   | 253,726,105   |
| Adjustment from fair value to contract value for fully<br>benefit-responsive investment contracts | (93,093       | ) | (103,292 )    |
| Net assets available for benefits                                                                 | \$275,052,738 |   | \$253,622,813 |

See accompanying notes to financial statements.

## FLIR SYSTEMS, INC.

## 401(k) SAVINGS PLAN

## Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2014 and 2013

|                                                   | 2014           | 2013           |
|---------------------------------------------------|----------------|----------------|
| Contributions:                                    |                |                |
| Participant                                       | \$ 14,273,896  | \$ 13,684,840  |
| Rollover                                          | 1,628,217      | 3,823,030      |
| Employer                                          | 6,757,422      | 4,750,593      |
| Total contributions                               | 22,659,535     | 22,258,463     |
| Investment income:                                |                |                |
| Dividend income                                   | 14,250,699     | 7,711,573      |
| Interest income                                   | 63,371         | 58,774         |
| Net appreciation in fair value of investments     | 2,654,114      | 34,463,259     |
| Total investment income                           | 16,968,184     | 42,233,606     |
| Interest on notes receivable from participants    | 150,879        | 147,690        |
| Deductions:                                       |                |                |
| Benefits and withdrawals paid to participants     | 18,352,729     | 14,952,224     |
| Administrative expenses and other, net            | (4,056         | ) (36,445      |
| Total deductions                                  | 18,348,673     | 14,915,779     |
| Net increase                                      | 21,429,925     | 49,723,980     |
| Transfer of assets from another plan              | —              | 118,219        |
| Net assets available for benefits, beginning year | 253,622,813    | 203,780,614    |
| Net assets available for benefits, end of year    | \$ 275,052,738 | \$ 253,622,813 |

See accompanying notes to financial statements.



FLIR SYSTEMS, INC.  
401(k) SAVINGS PLAN  
Notes to Financial Statements  
December 31, 2014 and 2013

(1) Plan Description

The following description of the FLIR Systems, Inc. 401(k) Savings Plan (the "Plan"), as amended and restated effective January 1, 2006, is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the plan document.

(a) General

The Plan is a defined-contribution plan established by FLIR Systems, Inc. (the "Company") under the provisions of Section 401(a) of the Internal Revenue Code (the "IRC"), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Under the terms of the agreement between the Company and Fidelity Management Trust Company (the "Trustee"), all investments of the Plan are held in a trust by the Trustee. A committee comprising of management employees of the Company administers the Plan.

(b) Eligibility

Employees are eligible to participate in the Plan if the employee is not covered by a collective bargaining agreement and is not a nonresident alien.

Participants may begin participating on the first day of the month following employment. Eligible employees are automatically enrolled in the Plan after their first 60 days of employment with a contribution of 3% of compensation invested in the age-appropriate Fidelity Freedom Fund unless they elect otherwise. Eligible employees who do not want to participate in the Plan are required to explicitly decline to participate.

(c) Contributions

Eligible employees may contribute an amount up to 60% of compensation, as defined by the Plan, subject to limitations in accordance with the IRC. The Company may, at the discretion of management, make a discretionary matching and/or profit sharing contribution to the Plan. In 2014, the discretionary matching contributions were 50% of each employee's contributions with no limit. In 2013, the discretionary matching contributions were 50% of each employee's contributions, up to a calendar year limit of \$5,000. The discretionary matching contributions did not apply to catch up contributions. During the years ended December 31, 2014 and 2013, there were no discretionary profit sharing contributions.

FLIR SYSTEMS, INC.  
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(d) Vesting

Participants are fully vested in their contributions, transfers from other qualified plans, and the earnings thereon.

Vesting in the participant's share of Company matching and discretionary profit sharing contributions and the earnings thereon is based on years of continuous service, according to the following schedule:

| Years of service  | Percentage<br>vested | % |
|-------------------|----------------------|---|
| Less than 1       | —                    |   |
| 1 but less than 2 | 34                   |   |
| 2 but less than 3 | 67                   |   |
| 3 or more         | 100                  |   |

A year of service in the above table is a plan year in which participants are credited with at least 1,000 hours of service. A participant also becomes 100% vested in the participant's share of Company matching contributions and the earnings thereon upon reaching age 65, death, or total and permanent disability while employed.

(e) Notes Receivable from Participants

Notes receivable from participants are carried at amortized cost plus accrued interest.

Participants may borrow the lesser of \$50,000 or 50% of their vested account balance, subject to a \$2,500 minimum and certain other restrictions. As the participant repays these loans, the proceeds, including interest, are returned to the participant's account. Loans are repayable through payroll deductions over periods ranging up to 10 years for residential loans or up to 5 years for all other loans. Participants were previously allowed to repay loans over periods greater than 10 years if for the purchase of a primary residence. The interest rate on loans is fixed at the prime rate on the first business day of the month in which the participant requests the loan plus 1.0%. Interest rates on outstanding loans at December 31, 2014 ranged from 3.25% to 8.75%, with maturities through 2024.

(f) Benefits

Upon termination of service for any reason, including a death or disability, a participant (or in the case of death, the participant's beneficiary) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period not to exceed the beneficiary's assumed life expectancy.

(g) Withdrawals

Except upon death, total disability, termination, retirement, or attainment of 59½ years of age, withdrawals of participant balances are only allowed for financial hardships as allowed by the IRC and require approval by the Trustee; in addition withdrawals that arise out of the purchase of a principal residence (excluding mortgage payments) require approval by the Plan administrator. Participants who obtained a hardship withdrawal are prohibited from making elective deferrals for a period of six months from the date of the withdrawal.

FLIR SYSTEMS, INC.  
401(k) SAVINGS PLAN  
Notes to Financial Statements  
December 31, 2014 and 2013

(h) Participant Accounts

Individual accounts are maintained for each of the Plan's participants to reflect the participant's contributions, the Company's matching contributions, and an allocation of the Plan's net earnings and related administrative expenses. Allocation of earnings is based on the number of units of various investment funds assigned to each participant's account. Participant accounts are valued daily.

(i) Breaks in Service and Forfeited Accounts

A one-year break in service occurs in any plan year during which a participant does not have more than 500 hours of service. Upon resuming participation in the Plan, a participant's nonvested account balance will be restored, provided the participant had less than five consecutive one-year breaks in service and any vested amounts previously distributed are repaid to the Plan. Any forfeiture of nonvested portions of the Company's contribution account balance is utilized to offset Company contributions. During 2014 and 2013, forfeitures totaling approximately \$100,000 and \$200,000, respectively, were used to reduce employer contributions. At December 31, 2014 and 2013, forfeitures totaling approximately \$70,000 and \$60,000, respectively, were available to reduce future employer contributions.

(j) Investment Options

Participants may direct their elective contributions, including Company matching contributions, and any related earnings, into a variety of funds and into the Company's common stock. Effective January 2014, the maximum employees can allocate to the Company's common stock was reduced from 50% to 25%. Also effective January 2014, employees are allowed to reallocate up to 25% of their accumulated account balance into the Company's common stock. Changes to contribution allocations may be made by participants on a daily basis. Exchanges between investment options may also be made by participants on a daily basis; however, exchanges involving the Company's common stock are subject to the Company's Insider Trading and Disclosure policy and other restrictions.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with United States generally accepted accounting principles requires the Plan's management to make estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

(b) Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements ("ASC 820"), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

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

Level 2 – Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability; and

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Common Stock and Registered Investment Company Funds: Valued at the quoted market price of shares held by the plan at year-end.

Common and Collective Trust: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer (note 2 (c)).

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

FLIR SYSTEMS, INC.  
 401(k) SAVINGS PLAN  
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The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014:

|                                                | Level 1        | Level 2      | Level 3 | Total          |
|------------------------------------------------|----------------|--------------|---------|----------------|
| Common stock                                   | \$ 15,206,353  | \$ —         | \$ —    | \$ 15,206,353  |
| Shares in registered investment company funds: |                |              |         |                |
| Money Market Fund                              | 12,442,582     | —            | —       | 12,442,582     |
| Bond                                           | 20,600,273     | —            | —       | 20,600,273     |
| International                                  | 23,592,391     | —            | —       | 23,592,391     |
| Balanced                                       | 14,106,622     | —            | —       | 14,106,622     |
| Small Cap Growth Equity                        | 20,007,969     | —            | —       | 20,007,969     |
| Large Cap Growth Equity                        | 33,007,571     | —            | —       | 33,007,571     |
| Small Cap Blend Equity                         | 3,723,397      | —            | —       | 3,723,397      |
| Mid Cap Blend Equity                           | 17,278,428     | —            | —       | 17,278,428     |
| Large Cap Blend Equity                         | 18,459,356     | —            | —       | 18,459,356     |
| Large Cap Value Equity                         | 15,996,806     | —            | —       | 15,996,806     |
| Mid Cap Value Equity                           | 9,462,721      | —            | —       | 9,462,721      |
| Specialty                                      | 3,061,852      | —            | —       | 3,061,852      |
| Lifestyle - Conservative                       | 2,023,400      | —            | —       | 2,023,400      |
| Lifestyle - Moderate                           | 34,093,031     | —            | —       | 34,093,031     |
| Lifestyle - Aggressive                         | 22,285,377     | —            | —       | 22,285,377     |
| Common and collective trust:                   |                |              |         |                |
| Stable Value                                   | —              | 6,369,007    | —       | 6,369,007      |
| Total investments                              | \$ 265,348,129 | \$ 6,369,007 | \$ —    | \$ 271,717,136 |

FLIR SYSTEMS, INC.  
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 December 31, 2014 and 2013

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013:

|                                                | Level 1        | Level 2      | Level 3 | Total          |
|------------------------------------------------|----------------|--------------|---------|----------------|
| Common stock                                   | \$ 15,339,633  | \$ —         | \$ —    | \$ 15,339,633  |
| Shares in registered investment company funds: |                |              |         | —              |
| Money Market Fund                              | 13,868,914     | —            | —       | 13,868,914     |
| Bond                                           | 19,294,119     | —            | —       | 19,294,119     |
| International                                  | 25,090,682     | —            | —       | 25,090,682     |
| Balanced                                       | 11,918,640     | —            | —       | 11,918,640     |
| Small Cap Growth Equity                        | 20,727,688     | —            | —       | 20,727,688     |
| Large Cap Growth Equity                        | 30,677,577     | —            | —       | 30,677,577     |
| Small Cap Blend Equity                         | 4,109,611      | —            | —       | 4,109,611      |
| Mid Cap Blend Equity                           | 13,148,751     | —            | —       | 13,148,751     |
| Large Cap Blend Equity                         | 14,239,268     | —            | —       | 14,239,268     |
| Large Cap Value Equity                         | 14,030,882     | —            | —       | 14,030,882     |
| Mid Cap Value Equity                           | 8,352,452      | —            | —       | 8,352,452      |
| Specialty                                      | 1,948,928      | —            | —       | 1,948,928      |
| Lifestyle - Conservative                       | 1,771,915      | —            | —       | 1,771,915      |
| Lifestyle - Moderate                           | 29,604,064     | —            | —       | 29,604,064     |
| Lifestyle - Aggressive                         | 19,161,370     | —            | —       | 19,161,370     |
| Common and collective trust:                   |                |              |         | —              |
| Stable Value                                   | —              | 6,852,758    | —       | 6,852,758      |
| Total investments                              | \$ 243,284,494 | \$ 6,852,758 | \$ —    | \$ 250,137,252 |

(c) Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 2(b) for a discussion of fair value measurements.

The Fidelity Managed Income Portfolio Fund (the "MIP Fund") is a common and collective trust fund investing primarily in guaranteed investment contracts ("GIC"), synthetic GICs, and U.S. government securities. The GICs are fully benefit-responsive. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The statements of net assets available for benefits present the fair value of the investments in the common and collective trust fund relating to fully benefit-responsive investment contracts as well as the adjustment

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of the investments in the common and collective trust fund relating to fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis. The fair value of the MIP Fund was calculated by discounting the related cash flows and the fair values of the underlying investments and the wrapper contracts using a discounted cash flow model that considers recent fee bids as determined by recognized dealers, discount rate, and the duration of the underlying portfolio securities. The overall effective yield and crediting interest rate for that fund was approximately 1.7% and 1.1%, respectively for 2014 and 1.5% and 0.9%, respectively for 2013.

The Plan assets are invested in various investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The Plan invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities, including securities backed by subprime mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Certain events limit the ability of the Plan to transact contract value with the Trustee. Such events include: the Plan's failure to qualify under Section 401(a) of the IRC; the establishment of a Plan or similar fund that competes for employee contributions; changes in laws or regulations that could have a material adverse effect on the MIP fund's cash flow; communication to participants influencing them to not invest in the MIP fund. The plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with participants are probable of occurring. There are no reserves against contract value for credit risk of the issuer or otherwise.

(d) Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recognized as earned on the accrual basis. Dividend income is recorded on the ex-dividend date.

(e) Net Appreciation in Fair Value of Investments

Net appreciation consists of the net change in unrealized appreciation and depreciation during the year on investments held at the end of the year and the net realized gain and loss on investments sold during the year.

Brokerage fees are added to the acquisition cost of assets purchased and subtracted from the proceeds of assets sold.

(f) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

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(g) Administrative Expenses

Plan administrative expenses are paid either by the Company or through investment fees paid by participants. Certain loan and distribution expenses are paid by the respective participant from their account balance and are included in the statements of changes in net assets available for benefits.

(3) Investments

The following presents investments that represent 5% or more of the Plan's net assets available for benefits at December 31, 2014 and 2013:

|                                                | 2014         | 2013         |
|------------------------------------------------|--------------|--------------|
| Shares in registered investment company funds: |              |              |
| Fidelity Contrafund K                          | \$26,893,811 | \$25,324,666 |
| Baron Growth Fund                              | 20,007,969   | 20,727,688   |
| Spartan US Equity Index Fund                   | 18,459,356   | 14,239,268   |
| Vanguard Mid-Cap Index Fund Admiral Shares     | 17,278,428   | *            |
| Western Asset Core Plus Bond Fund Class IS     | 16,397,015   | *            |
| Dodge & Cox Stock Fund                         | 15,996,806   | 14,030,882   |
| Fidelity Balanced K Fund                       | 14,106,622   | *            |
| PIMCO Total Return Fund                        | *            | 16,061,006   |
| Fidelity Retirement Money Market Portfolio     | *            | 13,868,914   |
| Vanguard Mid-Cap Index Signal Fund             | *            | 13,148,751   |
| Fidelity Diversified International K Fund      | *            | 12,826,052   |
| Common stock:                                  |              |              |
| FLIR Systems, Inc.                             | 15,206,353   | 15,339,633   |

\* Balances were less than 5% of total net assets available for benefits at the end of the period.

Net appreciation in fair value of investments is comprised of the following for the years ended December 31, 2014 and 2013:

|                                               | 2014         | 2013          |
|-----------------------------------------------|--------------|---------------|
| Shares in registered investment company funds | \$ 1,438,375 | \$ 30,175,442 |
| FLIR Systems, Inc. common stock               | 1,215,739    | 4,287,817     |
|                                               | \$ 2,654,114 | \$ 34,463,259 |



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(4) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 28, 2012, that the Plan is qualified and that the trust established under the Plan is tax-exempt, under the appropriate sections of the IRC. The Plan has been amended since that date; however, management believes that the Plan is designed and continues to operate in compliance with the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

(5) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts. The Company may elect, at its discretion, to make a complete distribution of the assets or to continue the trust created by the Plan and distribute benefits in such a manner as though the Plan has not been terminated.

(6) Party-in-Interest Transactions

Certain plan investments are shares in registered investment company funds and a common collective trust managed by Fidelity Investments, an affiliate of the Trustee as defined by the Plan, and therefore, these transactions qualified as party-in-interest transactions.

The Plan allows for investments in the Company's common stock. The Company is the Plan Sponsor; therefore, these transactions qualify as party-in-interest transactions. These transactions are covered by an exemption from the "prohibited transactions" in provisions of ERISA and the IRC.

FLIR SYSTEMS, INC.  
401(k) SAVINGS PLAN  
Notes to Financial Statements  
December 31, 2014 and 2013

(7)Reconciliation to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

|                                                                                                | December 31    |                |
|------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                | 2014           | 2013           |
| Net assets available for benefits per the financial statements                                 | \$ 275,052,738 | \$ 253,622,813 |
| Deemed distributions of participant loans not recorded on the financial statements             | (158,737 )     | (150,226 )     |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 93,093         | 103,292        |
| Net assets available for benefits per the Form 5500                                            | \$ 274,987,094 | \$ 253,575,879 |

The following is a reconciliation of net appreciation in fair value of investments per the financial statements to the Form 5500:

|                                                                                                | Year ended December 31 |               |
|------------------------------------------------------------------------------------------------|------------------------|---------------|
|                                                                                                | 2014                   | 2013          |
| Net appreciation in fair value of investments per the financial statements                     | \$ 2,654,114           | \$ 34,463,259 |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | (10,199 )              | (79,026 )     |
| Net appreciation in fair value of investments per the Form 5500                                | \$ 2,643,915           | \$ 34,384,233 |

The following is a reconciliation of benefits and withdrawals paid to participants per the financial statements to the Form 5500:

|                                                       | Year ended December 31 |               |
|-------------------------------------------------------|------------------------|---------------|
|                                                       | 2014                   | 2013          |
| Benefits and withdrawals per the financial statements | \$ 18,352,729          | \$ 14,952,224 |
| Change in deemed distributions of participant loans   | 8,511                  | 13,308        |
| Benefit payments per the Form 5500                    | \$ 18,361,240          | \$ 14,965,532 |

## Schedule

FLIR SYSTEMS, INC.

401(k) SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2014

| Identity of issue, borrower, lessor, or similar party | Description of investment, including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------|
| Shares in registered investment companies:            |                                                                                                          |               |
| *Fidelity Investments                                 | Fidelity Retirement Money Market Portfolio                                                               | \$12,442,582  |
| DFA Investment Dimensions Group Inc.                  | DFA Emerging Markets Value Portfolio                                                                     | 10,765,868    |
| Baron Funds                                           | Baron Growth Fund                                                                                        | 20,007,969    |
| The Vanguard Group                                    | Vanguard Mid-Cap Index Fund Admiral Shares                                                               | 17,278,428    |
| The Vanguard Group                                    | Vanguard REIT Index Fund Admiral Shares                                                                  | 3,061,852     |
| *Fidelity Investments                                 | Spartan US Equity Index Fund                                                                             | 18,459,356    |
| *Fidelity Investments                                 | Spartan US Bond Index Fund                                                                               | 658,784       |
| Dodge & Cox                                           | Dodge & Cox Stock Fund                                                                                   | 15,996,806    |
| Goldman Sachs                                         | Goldman Sachs Mid Cap Value Fund Institutional Class                                                     | 9,462,721     |
| JPMorgan Asset Management                             | JPMorgan Large Cap Growth Fund                                                                           | 6,113,760     |
| Franklin Templeton Investments                        | Templeton Global Bond Fund Class R6                                                                      | 3,544,474     |
| Royce & Associates, LLC                               | Royce Pennsylvania Mutual Investment Fund                                                                | 3,723,397     |
| Western Asset                                         | Western Asset Core Plus Bond Fund Class IS                                                               | 16,397,015    |
| *Fidelity Investments                                 | Fidelity Contrafund K                                                                                    | 26,893,811    |
| *Fidelity Investments                                 | Fidelity Balanced K Fund                                                                                 | 14,106,622    |
| *Fidelity Investments                                 | Fidelity Diversified International K Fund                                                                | 12,826,523    |
| *Fidelity Investments                                 | Fidelity Freedom K Income Fund                                                                           | 888,394       |
| *Fidelity Investments                                 | Fidelity Freedom K 2005 Fund                                                                             | 35,232        |
| *Fidelity Investments                                 | Fidelity Freedom K 2010 Fund                                                                             | 1,099,774     |
| *Fidelity Investments                                 | Fidelity Freedom K 2015 Fund                                                                             | 4,479,740     |
| *Fidelity Investments                                 | Fidelity Freedom K 2020 Fund                                                                             | 8,384,869     |
| *Fidelity Investments                                 | Fidelity Freedom K 2025 Fund                                                                             | 9,174,831     |
| *Fidelity Investments                                 | Fidelity Freedom K 2030 Fund                                                                             | 12,053,591    |
| *Fidelity Investments                                 | Fidelity Freedom K 2035 Fund                                                                             | 7,216,685     |
| *Fidelity Investments                                 | Fidelity Freedom K 2040 Fund                                                                             | 6,570,658     |
| *Fidelity Investments                                 | Fidelity Freedom K 2045 Fund                                                                             | 4,835,344     |
| *Fidelity Investments                                 | Fidelity Freedom K 2050 Fund                                                                             | 3,240,069     |
| *Fidelity Investments                                 | Fidelity Freedom K 2055 Fund                                                                             | 422,621       |
| Common and collective trust:                          |                                                                                                          |               |
| *Fidelity Investments                                 | Fidelity Managed Income Portfolio                                                                        | 6,369,007     |
| Common stock:                                         |                                                                                                          |               |
| *FLIR Systems, Inc.                                   | FLIR Systems, Inc. common stock                                                                          | 15,206,353    |
| *Participants                                         | Notes receivable from participants (3.25% to 8.75% maturing through 2024)                                | 3,421,078     |
|                                                       | Total assets                                                                                             | \$275,138,214 |

\* Represents a party-in-interest as of December 31, 2014

See accompanying report of independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

FLIR Systems, Inc. 401(k) Savings Plan

Date: May 29, 2015

FLIR Systems, Inc.

(Plan Sponsor)

By: /s/ David A. Muessle

Vice President, Corporate Controller  
and Interim Chief Financial Officer