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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **December 16, 2014**

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**SPX CORPORATION**

(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**1-6948**  
(Commission File Number)

**38-1016240**  
(I.R.S. Employer  
Identification No.)

**13320 Ballantyne Corporate Place  
Charlotte, North Carolina 28277**  
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(704) 752-4400**

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01. Other Events.**

On December 16, 2014, the Compensation Committee of SPX Corporation's (the "Company's") Board of Directors approved the form equity agreements for Officers under the SPX Corporation 2002 Stock Compensation Plan, under which future equity awards to the Company's officers will be made. The form agreements are attached hereto as exhibits 10.1 and 10.2, respectively. The Company anticipates first using these forms in connection with 2015 grants.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Performance-based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan
10.2	Form of Stock Option Agreement under the SPX Corporation 2002 Stock Compensation Plan

## SIGNATURE

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

SPX CORPORATION

Date: December 30, 2014

By: /s/ Kevin L. Lilly  
Kevin L. Lilly  
Senior Vice President, Secretary and  
General Counsel

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## EXHIBIT INDEX

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## SPX Corporation

## 2002 STOCK COMPENSATION PLAN

## PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT

[ ] AWARD

THIS AGREEMENT (the "Agreement") is made between SPX CORPORATION, a Delaware corporation (the "Company"), and the Recipient pursuant to the SPX Corporation 2002 Stock Compensation Plan, as amended from time to time, and related plan documents (the "Plan") in combination with an SPX Restricted Stock Summary (the "Award Summary") to be displayed at the Fidelity website. The Award Summary, which identifies the person to whom the shares of Restricted Stock are granted (the "Recipient") and specifies the date (the "Award Date") and other details of this grant of Restricted Stock, and the electronic acceptance of this Agreement (which also is to be displayed at the Fidelity website), are incorporated herein by reference. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Plan. The parties hereto agree as follows:

1. **Grant of Restricted Stock.** The Company hereby grants to the Recipient the number of shares of Restricted Stock specified in the Award Summary (the "Award"), subject to the terms and conditions of the Plan and this Agreement. Each share of Restricted Stock will entitle the Recipient to a share of Common Stock when the share of Restricted Stock ceases to be subject to a Period of Restriction (as specified in Section 4(a) below) and Period of Holding (as specified in Section 4(b) below). The Recipient must accept the Restricted Stock Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award automatically will be rescinded upon the action of the Company, in its discretion, if the Award is not accepted within ninety (90) days after notification is sent to the Recipient indicating availability for acceptance. No payment of cash is required for the award of the Restricted Stock pursuant to this Agreement.

2. **Restrictions.** The Restricted Stock evidenced by this Award may not be sold, transferred, pledged, assigned, used to exercise options or otherwise alienated or hypothecated, whether voluntarily or involuntarily or by operation of law, until the Restricted Stock ceases to be subject to any applicable Period of Restriction and Period of Holding specified in Section 4 below or as otherwise provided in the Plan or this Agreement. Except for such restrictions, and the provisions relating to dividends paid during the Period of Restriction and Period of Holding as described in Section 9, the Recipient will be treated as the owner of the shares of Restricted Stock and shall have all of the rights of a shareholder, including, but not limited to, the right to vote such shares.

3. **Restricted Stock Certificates.** The Award may be evidenced in such manner as the Committee shall determine. The stock certificate(s) representing the Restricted Stock may be issued or held in book entry form promptly following the acceptance of this Agreement. If a stock certificate is issued, it shall be delivered to the Secretary of the Company or such other custodian as may be designated by the Company, to be held until the applicable Period of

[ ] RS Time-Based

Restriction and Period of Holding ends or until the Restricted Stock is forfeited. The certificates representing shares of Restricted Stock granted pursuant to this Agreement, if issued, shall bear a legend in substantially the form set forth below:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer set forth in the SPX Corporation 2002 Stock Compensation Plan, as amended and restated effective May 3, 2012, and as further amended from time to time, rules and administration adopted pursuant to such Plan, and a Restricted Stock award agreement with an Award Date as specified in the Recipient's Award Summary. A copy of the Plan, such rules and such Restricted Stock award agreement may be obtained from the Secretary of SPX Corporation.

4. **Period of Restriction and Period of Holding.**

(a) **Period of Restriction.** Subject to the provisions of the Plan and this Agreement, unless vested or forfeited earlier as described in Section 5, 6, or 7 of this Agreement, as applicable, the number of shares of Restricted Stock that shall become vested shall be calculated in accordance with Exhibit A to this Agreement, for the Measurement Period (as defined in Exhibit A hereto), calculated as of the Measurement Date (as defined in Exhibit A hereto). Such vesting shall occur upon certification by the Board (or appropriate Board committee) that the applicable performance criteria have been met, and the vested shares of Restricted Stock (if any) shall cease to be subject to a Period of Restriction (provided, that any such vested shares of Restricted Stock shall remain subject to a Period of Holding as described in Section 4(b) below and subject to forfeiture as provided in Section 6). If the Board (or appropriate Board committee) shall certify that the applicable performance criteria has not been met, all shares of Restricted Stock shall be forfeited upon such certification.

(b) **Period of Holding.** Once the Board (or appropriate Board committee) has certified the performance conditions for the Restricted Stock have been met, and subject to the terms and conditions of the Plan and this Agreement, the Recipient shall be entitled to receive his or her shares of Common Stock and have the legend removed from his or her Common Stock certificate(s), if applicable, on the schedule below, subject to the Recipient's continuous employment through each applicable Holding Date:

## Period of Holding

Award Amount	Holding Date
Tranche 1 representing one-third of the total vested shares of Restricted Stock	First anniversary of Award Date (or, if later, on the date of the Board (or Board committee) certification described above)
Tranche 2 representing one-third of the total vested shares of Restricted Stock	Second anniversary of Award Date
Tranche 3 representing one-third of the total vested shares of Restricted Stock	Third anniversary of Award Date

Notwithstanding the foregoing, the Committee, in its sole discretion, may accelerate the Holding Date of all or a portion of the Restricted Stock, at any time and from time to time, including for purposes of tax withholding as set forth in Section 12 of this Agreement.

5. Termination due to Retirement, Disability or Death.

(a) If, while any shares of Restricted Stock are subject to a Period of Restriction and/or Period of Holding, the Recipient experiences a termination of Service by reason of Disability (as defined below) or death, such shares of Restricted Stock shall cease to be subject to any Period of Restriction and Period of Holding as of the date of such termination of Service, regardless of whether such termination of Service occurs prior to the Board (or Board committee) certification described in Section 4(a) above. "Disability" means, in the written opinion of a qualified physician selected by the Company, the Recipient is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (i) unable to engage in any substantial gainful activity, or (ii) receiving income replacement benefits for a period of not less than three months under the Company's disability plan.

(b) If the Recipient experiences a termination of Service by reason of Retirement (as defined below) and the termination of Service occurs prior to Board (or Board committee) certification described in Section 4(a) above, then (i) such Restricted Stock shall vest only if and to the extent the specified performance goals are achieved and (ii) if so vested, such vested Restricted Stock shall cease to be subject to any Period of Restriction and Period of Holding as of the date of such certification of performance. If the Recipient experiences a termination of Service by reason of Retirement and the termination of Service occurs after the Board (or Board committee) certification described in Section 4(a) above, then any shares of vested Restricted Stock shall cease to be subject to any Period of Holding as of the date of such termination of Service. The Recipient will be eligible for "Retirement" treatment for purposes of this Agreement if, at the time of the Recipient's termination of Service, the Recipient is age 55 or older, has completed five years of Service with the Company or a Subsidiary (provided that the Subsidiary has been directly or indirectly owned by the Company for at least three years) and voluntarily elects to retire by providing appropriate notice to the Company's Human Resources department.

6. Forfeiture upon Termination due to Reason other than Retirement, Disability or Death. If, while any shares of Restricted Stock are subject to a Period of Restriction and/or Period of Holding, the Recipient experiences a termination of Service for any reason other than the Recipient's Retirement, Disability or death, then the Recipient shall forfeit all shares of Restricted Stock, whether considered vested or not under this Agreement, on the date of such termination of Service.

7. Vesting upon Change of Control. In the event of a "Change of Control" of the Company as defined in this Section, and subject to Section 8(d), then any shares of outstanding Restricted Stock as of the date of such Change of Control shall cease to be subject to any Period of Restriction and Period of Holding, regardless of whether such Change in Control occurs prior

to the Board (or Board committee) certification described in Section 4(a) above. A "Change of Control" shall be deemed to have occurred if:

(a) Any "Person" (as defined below), excluding for this purpose (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company, and (iii) any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of Common Stock, is or becomes the "Beneficial Owner" (as defined below) of twenty-five percent (25%) or more of the Common Stock then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of Common Stock by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty-five percent (25%) or more of the Common Stock then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in Common Stock shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a Person who has become the Beneficial Owner of Common Stock representing twenty-five percent (25%) or more of the Common Stock then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty-five percent (25%) or more of the Common Stock then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this paragraph (a), the following terms shall have the meanings set forth below:

(i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(A) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);

(B) which such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to

beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(C) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this "Beneficial Ownership" definition to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(b) During any period of two (2) consecutive years (not including any period prior to the acceptance of this Agreement), individuals who at the beginning of such two-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) The consummation of: (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this paragraph (c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least seventy-five percent (75%) of the voting securities

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of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Notwithstanding any provision of this Agreement to the contrary, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, the Recipient and/or any party acting in concert with the Recipient substantially increases his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal Services).

**8. Settlement Following Change of Control.** Notwithstanding any provision of this Agreement to the contrary, in connection with or after the occurrence of a Change of Control as defined in Section 7 of this Agreement, the Company may, in its sole discretion, fulfill its obligation with respect to all or any portion of the shares of Restricted Stock that cease to be subject to any Period of Restriction and Period of Holding in conjunction with the Change of Control by:

(a) delivery of (i) the number of shares of Common Stock that corresponds with the number of shares of Restricted Stock that have ceased to be subject to any Period of Restriction and Period of Holding or (ii) such other ownership interest as such shares of Common Stock that correspond with the vested shares of Restricted Stock may be converted into by virtue of the Change of Control transaction;

(b) payment of cash in an amount equal to the Fair Market Value of the Common Stock that corresponds with the number of vested shares of Restricted Stock that have ceased to be subject to any Period of Restriction and Period of Holding; or

(c) delivery of any combination of shares of Common Stock (or other converted ownership interest) and cash having an aggregate Fair Market Value equal to the Fair Market Value of the Common Stock that corresponds with the number of shares of Restricted Stock that that have ceased to be subject to any Period of Restriction and Period of Holding.

(d) Notwithstanding any other provision of this Section 8, no cancellation, termination, acceleration of vesting, removal of a Period of Restriction, removal of a Period of Holding, or settlement or other payment shall occur with respect to the Restricted Stock if the Committee (as constituted immediately prior to the Change in Control) reasonably determines, in good faith, prior to the Change in Control that the shares of Restricted Stock shall be honored or assumed or new rights substituted therefor (such honored, assumed or substituted Award being hereinafter referred to as an "Alternative Award"), provided that any Alternative Award must (as determined by the Committee in its sole discretion):

(i) be based on shares of Common Stock that are traded on an established U.S. securities market or another public market determined by the

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- (ii) have substantially equivalent economic value to such Award (determined at the time of the Change in Control).

9. Dividends Paid During Period of Restriction and Period of Holding. If cash dividends are paid with respect to any shares of Restricted Stock, such dividends shall be deposited in the Recipient's name in an escrow or similar account maintained by the Company for this purpose. Such dividends shall, except as noted below, be subject to the same Period of Restriction and Period of Holding as the shares of Restricted Stock to which they relate. The dividends shall be paid to the Recipient in cash (subject to all applicable tax withholding), without adjustment for interest, as soon as administratively practicable after the date the related shares of Restricted Stock cease to be subject to any Period of Restriction and Period of Holding (or, if earlier, the date the related shares of Restricted Stock cease to be subject to a substantial risk of forfeiture). If the related shares of Restricted Stock are forfeited, then any dividends related to such shares shall also be forfeited on the same date. If any dividends on Restricted Stock are paid in shares of Common Stock, and subject to other applicable provisions of the Plan and this Agreement, the dividend shares shall be subject to the same restrictions as the shares of Restricted Stock with respect to which they were paid, and shall vest or be forfeited in the same manner as the underlying Restricted Stock.

10. Adjustment in Capitalization. In the event of any change in the Common Stock of the Company through stock dividends or stock splits, a corporate spin-off, reverse spin-off, split-off or split-up, or recapitalization, merger, consolidation, exchange of shares, or a similar event, the number of shares of Restricted Stock subject to this Agreement shall be equitably adjusted by the Committee to preserve the intrinsic value of any Awards granted under the Plan. Such mandatory adjustment may include a change in any or all of the number and kind of shares of Common Stock or other equity interests underlying the Restricted Stock, and/or if reasonably determined in good faith by the Committee prior to such adjustment event, that the Restricted Stock (in whole or in part) shall be replaced by Alternative Awards meeting the requirements set forth in Section 8(d)(i)-(ii) above. In addition, the Committee may make provisions for a cash payment to the Recipient in such event. The number of shares of Common Stock or other equity interests underlying the Restricted Stock shall be rounded to the nearest whole number. Any such adjustment shall be consistent with Code Section 162(m) to the extent the Award is subject to such section of the Code and shall not result in adverse tax consequences to the Recipient under Code Section 409A.

11. Delivery of Stock Certificates. Subject to the requirements of Sections 12 and 13 below, as promptly as practicable after the shares of Restricted Stock cease to be subject to the applicable Period of Restriction and Period of Holding in accordance with this Agreement, the Company may, if applicable, cause to be issued and delivered to the Recipient, the Recipient's legal representative, or a brokerage account for the benefit of the Recipient, as the case may be, certificates for the shares of Common Stock that correspond to the vested shares of Restricted Stock, or, pursuant to Section 8, a check will be delivered to the last known address of the Recipient.

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12. Tax Withholding. Regardless of any action the Company, any Subsidiary of the Company, or the Recipient's employer takes with respect to any or all income tax, social security, payroll tax, payment on account or other tax-related withholding ("Tax") that the Recipient is required to bear pursuant to all applicable laws, the Recipient hereby acknowledges and agrees that the ultimate liability for all Tax is and remains the responsibility of the Recipient.

Prior to receipt of any shares of Common Stock that correspond to Restricted Stock that vests in accordance with this Agreement, the Recipient shall pay or make adequate arrangements satisfactory to the Company and/or any Subsidiary of the Company to satisfy all withholding and payment obligations of the Company and/or any Subsidiary of the Company. In this regard, the Recipient authorizes the Company and/or any Subsidiary of the Company to withhold all applicable Tax legally payable by the Recipient from the Recipient's wages or other cash compensation paid to the Recipient by the Company and/or any Subsidiary of the Company or from the proceeds of the sale of shares of Common Stock. Alternatively, or in addition, the Company may sell or arrange for the sale of Common Stock that the Recipient is due to acquire to satisfy the minimum withholding obligation for Tax and/or withhold any Common Stock, which shall include the ability to accelerate the Period of Holding from any number of vested shares of Restricted Stock as part of this sale process. Finally, the Recipient agrees to pay the Company or any Subsidiary of the Company any amount of any Tax that the Company or any Subsidiary of the Company may be required to withhold as a result of the Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver Common Stock if the Recipient fails to comply with its obligations in connection with the tax as described in this section.

The Company advises the Recipient to consult a lawyer or accountant with respect to the tax consequences for the Recipient under the Plan.

The Company and/or any Subsidiary of the Company: (a) make no representations or undertakings regarding the tax treatment in connection with the Plan; and (b) do not commit to structure the Plan to reduce or eliminate the Recipient's liability for Tax.

13. Securities Laws. This Award is a private offer that may be accepted only by the Recipient who is an employee of the Company or a Subsidiary of the Company and who satisfies the eligibility requirements outlined in the Plan and the Committee's administrative procedures. If a registration statement under the Securities Act of 1933, as amended, is not in effect with respect to the shares of Common Stock to be issued pursuant to this Agreement, the Recipient hereby represents that the Recipient is acquiring the shares of Common Stock for investment and with no present intention of selling or transferring them and that the Recipient will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange on which the shares of Common Stock may then be listed.

14. Exemption from Code Section 409A. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Award is intended to be exempt from Code Section 409A and the interpretive guidance thereunder. The Plan and the Agreement will be construed and interpreted in accordance with such intent. References in the Plan and this Agreement to "termination of Service" and similar terms shall mean a "separation from service" within the meaning of that term under Code Section 409A.

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15. No Employment or Compensation Rights. Participation in the Plan is permitted only on the basis that the Recipient accepts all of the terms and conditions of the Plan and this Agreement, as well as the administrative rules established by the Committee. This Agreement shall not confer upon the Recipient any right to continue to provide Services, nor shall this Agreement interfere in any way with the Company's or its Subsidiaries' right to terminate the Recipient's Service at any time. Neither the Plan nor this Agreement forms any part of any contract of employment between the Company or any Subsidiary and the Recipient, and neither the Plan nor this Agreement confers on the Recipient any legal or equitable rights (other than those related to the

Restricted Stock Award) against the Company or any Subsidiary or directly or indirectly gives rise to any cause of action in law or in equity against the Company or any Subsidiary.

The Restricted Stock granted pursuant to this Agreement does not constitute part of the Recipient's wages or remuneration or count as pay or remuneration for pension or other purposes. If the Recipient experiences a termination of Service, in no circumstances will the Recipient be entitled to any compensation for any loss of any right or benefit or any prospective right or benefit under the Plan or this Agreement that the Recipient might otherwise have enjoyed had such Service continued, whether such compensation is claimed by way of damages for wrongful dismissal, breach of contract or otherwise.

**16. No Fractional Shares.** No fractional shares of Common Stock shall be issued or delivered under this Agreement. The Committee shall determine whether cash or other property shall be issued or paid in lieu of such fractional shares of Common Stock or whether such fractional shares of Common Stock or any rights thereto shall be forfeited or otherwise eliminated.

**17. Plan Terms and Committee Authority.** This Agreement and the rights of the Recipient hereunder are subject to all of the terms and conditions of the Plan, as it may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe and make all determinations necessary or appropriate for the administration of the Plan and this Agreement, all of which shall be binding upon the Recipient. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. The Recipient hereby acknowledges receipt of a copy of the Plan and this Agreement.

**18. Amendment.** The Board may at any time amend, modify or terminate the Plan and this Agreement; provided, however, that no such action of the Board shall adversely affect the Recipient's rights under this Agreement without the consent of the Recipient. The Board or the Committee, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Agreement so that the Award qualifies for exemption from or complies with Code Section 409A; provided, however, that the Board, the Committee and the Company make no representations that the Award shall be exempt from or comply with Code Section 409A and make no undertaking to preclude Code Section 409A from applying to the Award.

**19. Severability.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or the Agreement under any law deemed applicable by the Board, such provision shall be construed

or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Board's determination, materially altering the intent of the Plan or the Agreement, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Agreement shall remain in full force and effect.

**20. Governing Law and Jurisdiction.** The Plan and this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), the Plan will be exclusively in the courts in the State of North Carolina, County of Mecklenburg, United States of America, including the Federal Courts located therein (should Federal jurisdiction exist). As consideration for and by accepting the Award, the Recipient agrees that the Governing Law and Jurisdiction provisions of this Section 20 shall supersede any Governing Law or similar provisions contained or referenced in any prior equity awards made by the Company to the Recipient, and, accordingly, such prior equity awards shall become subject to the terms and conditions of the Governing Law and Jurisdiction provisions of this Section 20.

**21. Successors.** All obligations of the Company under this Agreement will be binding on any successor to the Company, whether the existence of the successor results from a direct or indirect purchase of all or substantially all of the business or assets of the Company or both, or a merger, spin-off, consolidation or otherwise.

**22. Compensation Recovery.** This Award shall be subject to any compensation recovery policy adopted by the Company, including any policy required to comply with applicable law or listing standards, as such policy may be amended from time to time in the sole discretion of the Company. As consideration for and by accepting the Award, the Recipient agrees that all prior equity awards made by the Company to the Recipient shall become subject to the terms and conditions of the provisions of this Section 22.

**23. Further Assurances.** The Recipient agrees to use his or her reasonable efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Recipient's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

## **Exhibit A**

### **Performance Criteria**

#### **Measurement Period and Date**

The Measurement Period for the Award shall be the Company's fiscal year ending December 31, [ ] (the "[ ] Fiscal Year"), or if the Spinoff occurs during [ ], the period from January 1, [ ] to last day of the quarter immediately preceding the quarter containing the date of the Spinoff (the "[ ] Pre-Spin Period").

The Measurement Date shall be, as applicable, (i) December 31, [ ] with respect to the [ ] Fiscal Year or (ii) the last day of the quarter immediately preceding the quarter containing the date of the Spinoff with respect to the [ ] Pre-Spin Period.

For these purposes, "Spinoff" refers to the Company's proposed tax-free spin-off of its "Flow" business into a new standalone, publicly-traded company.

## Performance Criteria

The performance criteria for the Award is as follows:

- (i) Operating Margin and Cash Flow (“Free Cash Flow”) as performance criteria for the [ ] Fiscal Year, as adjusted pursuant to the attached Appendix A; and
- (ii) Operating Margin and Net Revenue as performance criteria for the [ ] Pre-Spin Period, as adjusted pursuant to the attached Appendix B.

## Performance Goals

The performance goals for the Award are as follows:

- (i) in the event the Spinoff does not occur during [ ], the performance goals of [ ]% for Operating Margin or \$[ ] million for Free Cash Flow for the [ ] Fiscal Year; and
- (ii) in the event the Spinoff occurs during [ ], the applicable performance goals are as follows:
  - (1) if the Measurement Period for the [ ] Pre-Spin Period ends on the last day of the first quarter of [ ], the performance goals of [ ]% for Operating Margin or \$[ ] million for Net Revenue for the [ ] Pre-Spin Period;
  - (2) if the Measurement Period for the [ ] Pre-Spin Period ends on the last day of the second quarter of [ ], the performance goals of [ ]%

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for Operating Margin or \$[ ] billion for Net Revenue for the [ ] Pre-Spin Period; or

- (3) if the Measurement Period for the [ ] Pre-Spin Period ends on the last day of the third quarter of [ ], the performance goals of [ ]% for Operating Margin or \$[ ] billion for Net Revenue for the [ ] Pre-Spin Period.

(the applicable performance goals referred to as the “Performance Goals”)

The Committee, pursuant to its authority under the Plan, hereby establishes that if either of the applicable Performance Goals are attained for the applicable Measurement Period as certified by the Board (or appropriate Board committee, including the Committee), then the number of shares of Restricted Stock subject to the Award shall become vested as provided in Section 4(a) of the Agreement, subject to the terms of the Agreement.

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## Appendix A

- The performance criteria applicable for the [ ] Fiscal Year contained in Exhibit A shall be subject to the specific, below enumerated adjustments.
  - Specifically, in measuring Operating Margin performance against these targets, adjustments to the GAAP calculation of operating income will be made to exclude the effects of the following:
    1. stock-based compensation expense;
    2. pension and post-retiree medical expense or income, which includes expense or income associated with changes in the fair value of the Company’s non-qualified supplemental retirement plans;
    3. goodwill and other non-cash asset impairments;
    4. material profits or losses, and transaction related costs, on acquisitions or disposals or the Spinoff;
    5. non-operating items which can include gains and losses on legal settlements and litigation, as reflected in the GAAP statements; and
    6. restructuring related expenditures.
  - In measuring Free Cash Flow, the GAAP calculation of operating cash flow from continuing operations will be reduced for capital expenditures, will include a depreciation charge for previously exempted capital expenditures relating to the Company’s new global headquarters, and will exclude the effects of the following:
    1. non-operating items which can include gains and losses on legal settlements and litigation, as reflected in the GAAP statements;
    2. pension and post-retiree medical funding in excess of related expense, which includes voluntary funding;
    3. material operating cash performance, and transaction related costs, from acquisitions or disposals or the Spinoff;
    4. cash tax payments made in connection with the disposition of a business, joint venture interest, or other material asset, or the Spinoff;
    5. capital expenditures relating to the Company’s new global headquarters; and
    6. cash tax payments related to cash repatriation.
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## Appendix B

- The performance criteria applicable for the [ ] Pre-Spin Period contained in Exhibit A shall be subject to the specific, below enumerated adjustments.



Specifically, in measuring Operating Margin performance against these targets, adjustments to the GAAP calculation of operating income will be made to exclude the effects of the following:

1. stock-based compensation expense;
  2. pension and post-retiree medical expense or income, which includes expense or income associated with changes in the fair value of the Company's non-qualified supplemental retirement plans;
  3. goodwill and other non-cash asset impairments;
  4. material profits or losses, and transaction related costs, on acquisitions or disposals or the Spinoff;
  5. non-operating items which can include gains and losses on legal settlements and litigation, as reflected in the GAAP statements; and
  6. restructuring related expenditures.
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## SPX Corporation

## 2002 STOCK COMPENSATION PLAN

## STOCK OPTION AGREEMENT

[ ] AWARD

THIS STOCK OPTION AGREEMENT (the "Agreement") is made between SPX CORPORATION, a Delaware corporation (the "Company"), and the Recipient pursuant to the SPX Corporation 2002 Stock Compensation Plan, as amended from time to time, and related plan documents (the "Plan") in combination with an SPX Stock Option Summary (the "Award Summary") to be displayed at the Fidelity website. The Award Summary, which identifies the person to whom the Options are granted (the "Recipient") and specifies the date (the "Award Date") and other details of this grant of Options, and the electronic acceptance of this Agreement (which also is to be displayed at the Fidelity website), are incorporated herein by reference. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Plan. The parties hereto agree as follows:

1. Grant of Options. The Company hereby grants to the Recipient, a non-qualified stock option to purchase the number of shares of Common Stock of the Company specified in the Award Summary (the "Award") at price per share equal to the Fair Market Value of a share of Common Stock on the date of grant, subject to the terms and conditions of the Plan and this Agreement. The Recipient must accept the Award within ninety (90) days after notification that the Award is available for acceptance and in accordance with the instructions provided by the Company. The Award automatically will be rescinded upon the action of the Company, in its discretion, if the award is not accepted within ninety (90) days after notification is sent to the Recipient indicating availability for acceptance. The Company shall maintain an account (the "Option Account" or "Account") on its books in the name of the Recipient, which shall reflect the number of Options awarded to the Recipient.

2. Restrictions. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, whether voluntarily or involuntarily or by operation of law. The Recipient shall have no rights in the Common Stock underlying the Options until the vesting and subsequent exercise and delivery of the Common Stock or as otherwise provided in the Plan or this Agreement. The Recipient shall not have any voting rights with respect to the Options, nor shall the Recipient receive or be entitled to receive any dividends or dividend equivalents with respect to the Options.

3. Expiration Date. Subject to earlier expiration, forfeiture or termination as provided in the following Sections, the Options will expire and be forfeited at the close of business on the business day immediately preceding the tenth anniversary of the Award Date (the "Stated Expiration Date").

[ ] Stock Option

4. Vesting Period. Subject to the provisions of the Plan and this Agreement, unless they are vested or forfeited earlier as described in Section 5, 6, or 7 of this Agreement, as applicable, the Options shall become vested in equal one-third increments on the first, second and third anniversaries of the Award Date (each, a "Vesting Date"), subject to the Recipient's continuous employment through the applicable Vesting Date, provided that the Committee, in its sole discretion, may accelerate the vesting of all or a portion of the Options, at any time and from time to time.

5. Vesting upon Termination due to Retirement, Disability or Death. If the Recipient terminates employment with the Company (or a Subsidiary of the Company if the Recipient is then in the employ of such Subsidiary) by reason of Retirement (as defined below), Disability (as defined below) or death, then any unvested Options shall become fully vested as of the date of employment termination without regard to the vesting restrictions set forth in Section 4 of this Agreement. "Disability" means, in the written opinion of a qualified physician selected by the Company, the Recipient is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (i) unable to engage in any substantial gainful activity, or (ii) receiving income replacement benefits for a period of not less than three months under the Company's disability plan. A Recipient will be eligible for "Retirement" treatment for purposes of this Agreement if, at the time of the Recipient's termination of Service, the Recipient is age 55 or older, has completed five years of Service with the Company or a Subsidiary (provided that the Subsidiary has been directly or indirectly owned by the Company for at least three years) and voluntarily elects to retire by providing appropriate notice to the Company's Human Resources department.

6. Forfeiture upon Termination due to Reason other than Retirement, Disability or Death. If the Recipient experiences a termination of Service for any reason other than the Recipient's Retirement, Disability or death, then the Recipient shall forfeit any unvested Options on the date of such termination of Service.

7. Change of Control Defined. A "Change of Control" shall be deemed to have occurred if:

(a) Any "Person" (as defined below), excluding for this purpose (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company, and (iii) any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of Common Stock, is or becomes the "Beneficial Owner" (as defined below) of twenty-five percent (25%) or more of the Common Stock then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of Common Stock by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty-five percent (25%) or more of the Common Stock then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in Common Stock shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a Person who has become the Beneficial Owner of Common Stock representing twenty-five percent (25%) or more of the Common Stock then

then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this paragraph (a), the following terms shall have the meanings set forth below:

(i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(A) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);

(B) which such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(C) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group

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members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this "Beneficial Ownership" definition to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(b) During any period of two (2) consecutive years (not including any period prior to the acceptance of this Agreement), individuals who at the beginning of such two-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) The consummation of: (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this paragraph (c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least seventy-five percent (75%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Notwithstanding any provision of this Agreement to the contrary, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, the Recipient and/or any party acting in concert with the Recipient substantially increases his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal Services).

## 8. Effect of Change of Control.

(a) In the event of a Change in Control, any unvested Options shall become fully vested immediately prior to the Change in Control, provided that the Board (as constituted immediately prior to the Change in Control) may determine that all then-

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outstanding Options (whether vested or unvested) shall be canceled in exchange for a payment having a value equal to the excess, if any, of (a) the product of the Change in Control Price multiplied by the aggregate number of shares covered by all such Options immediately prior to the Change in Control over (b) the aggregate Option Price for all such shares, to be paid as soon as reasonably practicable, but in no event later than 30 days following the Change in Control.

(b) Notwithstanding Section 8(a), in the event of a Change in Control, the Committee may, in its discretion, terminate any outstanding Options if either (i) the Company provides holders of such Options with reasonable advance notice to exercise their outstanding and unexercised Options, or (ii) the Board reasonably determines that the Change in Control Price is equal to or less than the Option Price for such Options.

(c) Notwithstanding Section 8(a), no cancellation, termination, acceleration of exercisability or vesting, or settlement or other payment shall occur with respect to the Options if the Committee (as constituted immediately prior to the Change in Control) reasonably determines, in good faith, prior to the Change in Control that the Options shall be honored or assumed or new rights substituted therefor (such honored, assumed or substituted Award being hereinafter referred to as an "Alternative Award"), provided that any Alternative Award must (as determined by the Committee in its sole discretion):

(i) be based on shares of Common Stock that are traded on an established U.S. securities market or another public market determined by the Committee prior to the Change in Control; and

(ii) have substantially equivalent economic value to such Award (determined at the time of the Change in Control).

"Change in Control Price" shall mean the price per share on a fully diluted basis offered in conjunction with any transaction resulting in a Change in Control, as determined in good faith by the Committee as constituted before the Change in Control, if any part of the offered price is payable other than in cash.

**9. Manner of Exercise.** Vested Options shall be exercised pursuant to this Section 9.

(a) Subject to such reasonable administrative regulations as the Committee may adopt from time to time, the exercise of vested Options by the Recipient shall be pursuant to procedures established by the Company from time to time and shall include the Recipient specifying the proposed date on which the Recipient desires to exercise a vested Option (the "Exercise Date"), the number of whole shares with respect to which the vested Options are being exercised (the "Exercise Shares") and the aggregate Option Price for such Exercise Shares (the "Exercise Price"), or such other or different requirements as may be specified by the Company. Unless otherwise determined by the Committee, (i) on or before the Exercise Date the Recipient shall deliver to the Company full payment for the Exercise Shares in United States dollars in cash or cash equivalents satisfactory to the Company, in an amount equal to the Exercise Price, or tendering shares of previously acquired Mature Common Stock having a fair market value at the time of

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exercise equal to the Exercise Price plus (if applicable) any required withholding taxes or other similar taxes, charges or fees, or, pursuant to a broker-assisted exercise program established by the Company, the Recipient may exercise vested Options by an exercise and sell procedure (cashless exercise) in which the Exercise Price (together with any required withholding taxes or other similar taxes, charges or fees) is deducted from the proceeds of the exercise of an Option, or in such other method permitted under the Plan, and (ii) the Company shall register the issuance of the Exercise Shares on its records (or direct such issuance to be registered by the Company's transfer agent). The Company may require the Recipient to furnish or execute such other documents as the Company shall reasonably deem necessary (i) to evidence such exercise or (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, applicable state or non-U.S. securities laws or any other law.

(b) Notwithstanding any other provision of this Agreement, the Options may not be exercised in whole or in part, (i) (A) unless all requisite approvals and consents of any governmental authority of any kind shall have been secured, (B) unless the purchase of the Exercise Shares shall be exempt from registration under applicable U.S. federal and state securities laws, and applicable non-U.S. securities laws, or the Exercise Shares shall have been registered under such laws, and (C) unless all applicable U.S. federal, state and local and non-U.S. tax withholding requirements shall have been satisfied or (ii) if such exercise would result in a violation of the terms or provisions of or a default or an event of default under, any of the financing or credit agreements of the Company or any Subsidiary. The Company shall use its commercially reasonable efforts to obtain any consents or approvals referred to in clause (i) (A) of the preceding sentence, but shall otherwise have no obligations to take any steps to prevent or remove any impediment to exercise described in such sentence.

(c) The shares of Common Stock issued upon exercise of the Options shall be registered in the Recipient's name, or, if applicable, in the names of the Recipient's heirs or estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificate form, the Company may deliver a share certificate to the Recipient, or deliver shares electronically or in certificate form to the Recipient's designated broker on the Recipient's behalf. If the Recipient is deceased (or subject to Disability and if necessary) at the time that a delivery of share certificates is to be made, the certificates will be delivered to the Recipient's estate, executor, administrator, legally authorized guardian or personal representative (as applicable).

(d) The Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following: (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; (2) compliance with any requests for representations; and (3) receipt of proof satisfactory to the Company that a person seeking such shares on the behalf of the Recipient upon the Recipient's Disability (if

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necessary), or upon the Recipient's estate's behalf after the death of the Recipient, is appropriately authorized.

(e) Notwithstanding anything in this Agreement to the contrary, the unvested Options will expire and be forfeited upon the Recipient's termination of Service; provided, however that to the extent that the Options are vested and exercisable at the time of the Recipient's termination of Service, or become vested and exercisable upon such termination pursuant to Section 5 herein, the vested Options will expire as follows:

(i) Death; Disability. Three years (but in no event later than the Stated Expiration Date) following the Recipient's termination of Service due to death or Disability.

(ii) Divestiture. One year (but in no event later than the Stated Expiration Date) following the Recipient's termination of Service due to divestiture or sale of a division or a Subsidiary (other than a spin-off or reverse spin-off of the Company) with which the Recipient was employed.

(iii) Retirement. Recipient may exercise the Options during their remaining term following the Recipient's termination of Service if the Recipient's termination of Service is due to Retirement.

(iv) Other than Death; Disability; Retirement; Divestiture. Ninety days (but in no event later than the Stated Expiration Date) following the Recipient's termination of Service any reason (other than those set forth in clauses (i)-(iii) above).

**10. Adjustment in Capitalization**. In the event of any change in the Common Stock of the Company through stock dividends or stock splits, a corporate spin-off, reverse spin-off, split-off or split-up, or recapitalization, merger, consolidation, exchange of shares, or a similar event, the number of Options subject to this Agreement shall be equitably adjusted by the Committee to preserve the intrinsic value of any Awards granted under the Plan. Such mandatory adjustment may include a change in any or all of the number and kind of shares of Common Stock or other equity interests underlying the Options, and/or if reasonably determined in good faith by the Committee prior to such adjustment event, that the Options (in whole or in part) shall be replaced by Alternative Awards meeting the requirements set forth in Section 8(c)(i)-(ii) above. In addition, the Committee may make provisions for a cash payment to a Recipient in such event. The number of shares of Common Stock or other equity interests underlying the Options shall be rounded to the nearest whole number. Any such adjustment shall be consistent with Code Section 162(m) to the extent the Award is subject to such section of the Code and shall not result in adverse tax consequences to the Recipient under Code Section 409A.

**12. Tax Withholding**. Regardless of any action the Company, any Subsidiary of the Company, or the Recipient's employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax") that the

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Recipient is required to bear pursuant to all applicable laws upon the vesting or exercise of the Options, the Recipient hereby acknowledges and agrees that the ultimate liability for all Tax is and remains the responsibility of the Recipient.

Prior to receipt of any shares of Common Stock that correspond to exercised Options, the Recipient shall pay or make adequate arrangements satisfactory to the Company and/or any Subsidiary of the Company to satisfy all withholding and payment obligations of the Company and/or any Subsidiary of the Company. In this regard, the Recipient authorizes the Company and/or any Subsidiary of the Company to withhold all applicable Tax legally payable by the Recipient from the Recipient's wages or other cash compensation paid to the Recipient by the Company and/or any Subsidiary of the Company or from the proceeds of the sale of shares of Common Stock. Alternatively, or in addition, the Company may sell or arrange for the sale of Common Stock that the Recipient is due to acquire to satisfy the minimum withholding obligation for Tax and/or withhold any Common Stock necessary to satisfy the withholding amount. Finally, the Recipient agrees to pay the Company or any Subsidiary of the Company any amount of any Tax that the Company or any Subsidiary of the Company may be required to withhold as a result of the Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver Common Stock if the Recipient fails to comply with its obligations in connection with the tax as described in this section.

The Company advises the Recipient to consult a lawyer or accountant with respect to the tax consequences for the Recipient under the Plan.

The Company and/or any Subsidiary of the Company: (a) make no representations or undertakings regarding the tax treatment in connection with the Plan; and (b) do not commit to structure the Plan to reduce or eliminate the Recipient's liability for Tax.

**13. Securities Laws**. This Award is a private offer that may be accepted only by a Recipient who is an employee of the Company or a Subsidiary of the Company and who satisfies the eligibility requirements outlined in the Plan and the Committee's administrative procedures. This Award may not be registered with the body responsible for regulating offers of securities in the Recipient's country. The future value of Common Stock acquired under the Plan is unknown and could increase or decrease.

Neither the Plan nor any offering materials related to the Plan may be distributed to the public. The Common Stock should be resold only on the New York Stock Exchange and should not be resold to the public except in full compliance with all applicable securities laws.

**14. No Employment or Compensation Rights**. This Section applies whether or not the Company has full discretion in the operation of the Plan, and whether or not the Company could be regarded as being subject to any legal obligations in the operation of the Plan. It also applies both during and after the period that the Recipient is providing Services, whether the termination of a Recipient's Service is lawful or unlawful.

Nothing in the rules, the operation of the Plan or this Agreement forms part of the contract of employment or employment relationship between a Recipient and the Company or

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any Subsidiary of the Company. The rights and obligations arising from the employment relationship between the Recipient and the Company or one of its Subsidiaries are separate from, and are not affected by, the Plan. This Agreement shall not confer upon the Recipient any right to continue to provide Services, nor shall this Agreement interfere in any way with the Company's or its Subsidiaries' right to terminate Recipient's Service at any time.

The grant of rights on a particular basis in any year does not create any right to or expectation of the grant of rights on the same basis, or at all, in any future year.

No employee is entitled to participate in the Plan, or to be considered for participation in the Plan, at a particular level or at all. Participation in any operation of the Plan does not imply any right to participate, or to be considered for participation, in any later operation of the Plan.

Without prejudice to a Recipient's rights under the Plan, subject to and in accordance with the express terms of the applicable rules, no Recipient has any rights in respect of the Company's exercise or omission to exercise any discretion, or making or omission to make any decision, relating to the right. Any

and all discretion, decisions or omissions relating to the right may operate to the disadvantage of the Recipient, even if this could be regarded as capricious or unreasonable or could be regarded as a breach of any implied term between the Recipient and the Recipient's employer, including any implied duty of trust and confidence. Any such implied term is hereby excluded and overridden.

No employee has any right to compensation for any loss in relation to the Plan, including:

- any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of Service);
- any exercise of discretion or a decision taken in relation to the Plan, or any failure to exercise discretion or make a decision; or
- the operation, suspension, termination or amendment of the Plan.

The Options granted pursuant to this Agreement do not constitute part of the Recipient's wages or remuneration or count as pay or remuneration for pension or other purposes. If the Recipient experiences a termination of Service, in no circumstances will the Recipient be entitled to any compensation for any loss of any right or benefit or any prospective right or benefit under the Plan or this Agreement that the Recipient might otherwise have enjoyed had such Service continued, whether such compensation is claimed by way of damages for wrongful dismissal, breach of contract or otherwise.

Participation in the Plan is permitted only on the basis that the Recipient accepts all of the terms and conditions of the Plan and this Agreement, as well as the administrative rules established by the Committee. By participating in the Plan, a Recipient waives all rights under the Plan to the fullest extent permitted by applicable laws, other than the rights subject to and in accordance with the express terms of the applicable rules, in consideration for, and as a condition of, the grant of rights under the Plan. Neither this Agreement nor the Plan confers on the Recipient any legal or equitable rights (other than those related to the Award) against the

Company or any Subsidiary or directly or indirectly gives rise to any cause of action in

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law or in equity against the Company or any Subsidiary.

Nothing in this Plan confers any benefit, right or expectation on a person who is not a Recipient.

**15. Data Privacy.** The Recipient agrees that the Company, with its headquarters located at 13320 Ballantyne Corporate Place, Charlotte, North Carolina, USA 28277, is the data controller in the context of the Plan.

The Recipient hereby explicitly and unambiguously consents to the collection, storage, use, processing and transfer, in electronic or other form, of the Recipient's personal data as described below by and among, as applicable, the Recipient's employer and any of its affiliates for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan, and the transfer of such data by them to government and other regulatory authorities for the purpose of complying with their legal obligations in connection with the Plan.

The Recipient understands that the Recipient's employer and any of its affiliates may hold certain personal information about the Recipient, including the Recipient's name, date of birth, date of hire, home and business addresses and telephone numbers, e-mail address, business group/segment, employment status, account identification, and details of all rights and other entitlement to shares or options awarded, cancelled, purchased, vested, unvested or outstanding in the Recipient's favor pursuant to this Agreement, for the purpose of managing and administering the Plan ("Data").

The Recipient further agrees that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Recipient's country or elsewhere, including outside the European Economic Area, and that the Recipient's country may have less adequate data privacy laws and protections than the Recipient's country. The Company has entered into contractual arrangements to ensure the same safeguards for data as required under European Union Law. A third party to whom the information may be passed is Fidelity Investments and its affiliates. The Recipient understands that the Recipient may request a list with the names and addresses of any potential recipients of the Data by contacting the Recipient's local human resources representative. The Recipient authorizes recipients of the Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Recipient's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom shares acquired pursuant to the Plan may be deposited.

The Recipient understands that Data will be held only as long as necessary to implement, administer and manage the Recipient's participation in the Plan. The Recipient understands that the Recipient may, at any time, view the Recipient's Data, request additional information about the storage and processing of Data, require any necessary amendments to the Recipient's Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Company's local data privacy administrator.

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The Recipient understands, however, that refusing or withdrawing the Recipient's consent, or that refusing to disclose the Data, although it will not have any negative effect on the Recipient's employment, may affect the Recipient's ability to participate in the Plan. For more information on the consequences of the Recipient's refusal to consent or withdrawal of consent, or refusal to disclose the Data, the Recipient understands that the Recipient may contact the Company's local data privacy administrator.

**16. Exemption from Code Section 409A.** Notwithstanding any provision of the Plan or this Agreement to the contrary, the Award is intended to be exempt from Code Section 409A. The Plan and the Agreement will be construed and interpreted in accordance with such intent. References in the Plan and this Agreement to "termination of Service" and similar terms shall mean a "separation from service" within the meaning of that term under Code Section 409A.

17. No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered under this Agreement. The Committee shall determine whether cash or other property shall be issued or paid in lieu of such fractional shares of Common Stock or whether such fractional shares of Common Stock or any rights thereto shall be forfeited or otherwise eliminated.

18. Amendment. The Board may at any time amend, modify or terminate the Plan and this Agreement; provided, however, that no such action of the Board shall adversely affect the Recipient's rights under this Agreement without the consent of the Recipient. The Board or the Committee, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Agreement so that the Award qualifies for exemption from or complies with Code Section 409A; provided, however, that the Board, the Committee and the Company make no representations that the Award shall be exempt from or comply with Code Section 409A and make no undertaking to preclude Code Section 409A from applying to the Award.

19. Plan Terms and Committee Authority. This Agreement and the rights of the Recipient hereunder are subject to all of the terms and conditions of the Plan, as it may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe and make all determinations necessary or appropriate for the administration of the Plan and this Agreement, all of which shall be binding upon the Recipient. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. The Recipient hereby acknowledges receipt of a copy of the Plan and this Agreement.

20. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or the Agreement under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Board's determination, materially altering the intent of the Plan or the Agreement, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Agreement shall remain in full force and effect.

21. Governing Law and Jurisdiction. The Plan and this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), the Plan will be exclusively in the courts in the State of North Carolina, County of Mecklenburg, United States of America, including the Federal Courts located therein (should Federal jurisdiction exist). As consideration for and by accepting the Award, the Recipient agrees that the Governing Law and Jurisdiction provisions of this Section 21 shall supersede any Governing Law or similar provisions contained or referenced in any prior equity awards made by the Company to the Recipient, and, accordingly, such prior equity awards shall become subject to the terms and conditions of the Governing Law and Jurisdiction provisions of this Section 21.

22. Successors. All obligations of the Company under this Agreement will be binding on any successor to the Company, whether the existence of the successor results from a direct or indirect purchase of all or substantially all of the business or assets of the Company or both, or a merger, spin-off, consolidation or otherwise.

23. Compensation Recovery. This Award shall be subject to any compensation recovery policy adopted by the Company, including any policy required to comply with applicable law or listing standards, as such policy may be amended from time to time in the sole discretion of the Company. As consideration for and by accepting the Award, the Recipient agrees that all prior equity awards made by the Company to the Recipient shall become subject to the terms and conditions of the provisions of this Section 23.

24. Language. If the Recipient has received this Agreement or any other document related to the Plan translated into a language other than English and the translated version is different than the English version, the English version will control.

25. Further Assurances. The Recipient agrees to use his or her reasonable efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for the Recipient's benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.