

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended June 27, 2009

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-6948

**SPX CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation or Organization)

**38-1016240**

(I.R.S. Employer Identification No.)

**13515 Ballantyne Corporate Place, Charlotte, North Carolina 28277**

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (704) 752-4400

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

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

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

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

(Do not check if a smaller reporting company)

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

Common shares outstanding July 27, 2009 49,082,452

**PART I—FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited; in millions, except per share amounts)

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Revenues	\$ 1,193.5	\$ 1,504.9	\$ 2,353.1	\$ 2,849.9
Costs and expenses:				
Cost of products sold	845.4	1,043.8	1,673.0	1,985.7
Selling, general and administrative	242.1	290.6	484.1	580.5
Intangible amortization	5.2	6.6	10.4	13.3
Special charges, net	23.3	4.2	35.2	4.9
Operating income	77.5	159.7	150.4	265.5
Other income (expense), net	(1.6)	(4.2)	(13.8)	1.5
Interest expense	(22.8)	(29.3)	(45.8)	(60.4)
Interest income	2.1	1.9	4.2	4.2
Equity earnings in joint ventures	5.5	11.6	16.3	23.2
Income from continuing operations before income taxes	60.7	139.7	111.3	234.0
Income tax provision	(21.6)	(49.4)	(33.9)	(79.4)
Income from continuing operations	39.1	90.3	77.4	154.6
Income (loss) from discontinued operations, net of tax	0.5	4.2	(1.4)	7.7
Gain (loss) on disposition of discontinued operations, net of tax	(6.5)	0.1	(18.6)	(3.1)
Income (loss) from discontinued operations, net of tax	(6.0)	4.3	(20.0)	4.6
Net income	33.1	94.6	57.4	159.2
Less : Net income (loss) attributable to noncontrolling interests	(0.3)	(0.2)	(0.4)	3.0
Net income attributable to SPX Corporation common shareholders	\$ 33.4	\$ 94.8	\$ 57.8	\$ 156.2
Amounts attributable to SPX Corporation common shareholders:				
Income from continuing operations, net of tax	\$ 39.5	\$ 90.4	\$ 78.3	\$ 152.8
Income (loss) from discontinued operations, net of tax	(6.1)	4.4	(20.5)	3.4
Net income	\$ 33.4	\$ 94.8	\$ 57.8	\$ 156.2
Basic income per share of common stock				
Income from continuing operations attributable to SPX Corporation common shareholders	\$ 0.81	\$ 1.68	\$ 1.58	\$ 2.86
Income (loss) from discontinued operations attributable to SPX Corporation common shareholders	(0.13)	0.09	(0.41)	0.06
Net income per share attributable to SPX Corporation common shareholders	\$ 0.68	\$ 1.77	\$ 1.17	\$ 2.92
Weighted-average number of common shares outstanding – basic	49.021	53.656	49.484	53.407
Diluted income per share of common stock				
Income from continuing operations attributable to SPX Corporation common shareholders	\$ 0.80	\$ 1.65	\$ 1.57	\$ 2.81
Income (loss) from discontinued operations attributable to SPX Corporation common shareholders	(0.12)	0.08	(0.41)	0.06
Net income per share attributable to SPX Corporation common shareholders	\$ 0.68	\$ 1.73	\$ 1.16	\$ 2.87
Weighted-average number of common shares outstanding – diluted	49.424	54.646	49.848	54.395

The accompanying notes are an integral part of these statements.

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited; in millions, except share data)

	June 27, 2009	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 434.5	\$ 475.9
Accounts receivable, net	1,210.2	1,306.0
Inventories	616.6	666.8
Other current assets	106.3	180.6
Deferred income taxes	73.0	101.3

Assets of discontinued operations	61.8	108.2
Total current assets	2,502.4	2,838.8
Property, plant and equipment:		
Land	36.8	36.3
Buildings and leasehold improvements	226.7	223.5
Machinery and equipment	693.0	677.9
	956.5	937.7
Accumulated depreciation	(448.1)	(437.3)
Property, plant and equipment, net	508.4	500.4
Goodwill	1,772.3	1,769.8
Intangibles, net	640.2	646.8
Other assets	386.6	382.3
<b>TOTAL ASSETS</b>	<b>\$ 5,809.9</b>	<b>\$ 6,138.1</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 476.8	\$ 633.7
Accrued expenses	984.1	1,153.6
Income taxes payable	43.9	24.5
Short-term debt	135.2	112.9
Current maturities of long-term debt	76.0	76.4
Liabilities of discontinued operations	15.1	23.9
Total current liabilities	1,731.1	2,025.0
Long-term debt	1,238.8	1,155.4
Deferred and other income taxes	83.8	124.0
Other long-term liabilities	782.3	788.9
Total long-term liabilities	2,104.9	2,068.3
Commitments and contingent liabilities (Note 13)		
Equity:		
SPX Corporation shareholders' equity:		
Common stock (96,988,922 and 49,065,578 issued and outstanding at June 27, 2009, respectively, and 96,523,058 and 51,128,448 issued and outstanding at December 31, 2008, respectively)	976.0	972.3
Paid-in capital	1,401.7	1,393.9
Retained earnings	2,273.8	2,240.5
Accumulated other comprehensive loss	(185.0)	(179.9)
Common stock in treasury (47,923,344 and 45,394,610 shares at June 27, 2009 and December 31, 2008, respectively)	(2,523.5)	(2,416.0)
Total SPX Corporation shareholders' equity	1,943.0	2,010.8
Noncontrolling interests	30.9	34.0
Total equity	1,973.9	2,044.8
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 5,809.9</b>	<b>\$ 6,138.1</b>

The accompanying notes are an integral part of these statements.

**SPX CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in millions)

	Six months ended	
	June 27, 2009	June 28, 2008
<b>Cash flows from (used in) operating activities:</b>		
Net income	\$ 57.4	\$ 159.2
Less: Income (loss) from discontinued operations, net of tax	(20.0)	4.6
Income from continuing operations	77.4	154.6
Adjustments to reconcile income from continuing operations to net cash from operating activities:		
Special charges, net	35.2	4.9
Gain on sale of product line	(1.4)	—
Deferred and other income taxes	4.4	(10.7)
Depreciation and amortization	51.9	54.7
Pension and other employee benefits	27.7	20.7
Stock-based compensation	15.3	25.7
Other, net	14.1	16.3
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts receivable and other assets	88.4	(178.0)
Inventories	56.3	(64.9)
Accounts payable, accrued expenses, and other	(310.6)	37.3
Cash spending on restructuring actions	(31.8)	(10.4)

Net cash from continuing operations	26.9	50.2
Net cash from (used in) discontinued operations	8.2	(7.3)
Net cash from operating activities	35.1	42.9
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from asset sales and other	1.6	—
Decrease in restricted cash	9.9	—
Business acquisitions and investments, net of cash acquired	—	0.4
Capital expenditures	(44.9)	(45.3)
Net cash used in continuing operations	(33.4)	(44.9)
Net cash from (used in) discontinued operations (includes net cash proceeds from dispositions of \$18.8 for the six months ended June 27, 2009)	18.5	(2.9)
Net cash used in investing activities	(14.9)	(47.8)
<b>Cash flows from (used in) financing activities:</b>		
Borrowings under senior credit facilities	272.0	592.0
Repayments under senior credit facilities	(200.8)	(475.8)
Borrowings under trade receivables agreement	112.0	151.0
Repayments under trade receivables agreement	(60.0)	(221.0)
Net repayments under other financing arrangements	(18.3)	(19.7)
Purchases of common stock	(113.2)	—
Minimum tax withholding paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options and other	(5.6)	47.5
Purchase of noncontrolling interest in subsidiary	(3.2)	—
Dividends paid	(25.2)	(26.5)
Net cash from (used in) continuing operations	(42.3)	47.5
Net cash from discontinued operations	0.2	—
Net cash from (used in) financing activities	(42.1)	47.5
Change in cash and equivalents due to changes in foreign currency exchange rates	(19.5)	22.9
Net change in cash and equivalents	(41.4)	65.5
Consolidated cash and equivalents, beginning of period	475.9	354.1
Consolidated cash and equivalents, end of period	<u>\$ 434.5</u>	<u>\$ 419.6</u>
Cash and equivalents of continuing operations	\$ 434.5	\$ 419.6

The accompanying notes are an integral part of these statements.

**SPX CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited; in millions, except per share data)

**(1) BASIS OF PRESENTATION**

We prepared the condensed consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules and regulations, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States (“GAAP”) can be condensed or omitted. In our opinion, the financial statements include the adjustments (consisting only of normal and recurring items) necessary for their fair presentation and represent our accounts after the elimination of intercompany transactions.

Investments in unconsolidated companies where we exercise significant influence but do not have control are accounted for using the equity method. Our only significant investment reported under the equity method is our 44.5% interest in the EGS Electrical Group, LLC and Subsidiaries (“EGS”) joint venture, which we account for on a three-month lag. EGS’s revenues and our equity earnings from our investment in EGS totaled \$99.0 and \$5.1 and \$140.1 and \$11.1 for the three months ended June 27, 2009 and June 28, 2008, respectively. For the six months ended June 27, 2009 and June 28, 2008, EGS’s revenues and our equity earnings from our investment in EGS totaled \$232.9 and \$15.6 and \$279.4 and \$22.3, respectively.

Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our 2008 Annual Report on Form 10-K. Interim results are not necessarily indicative of expected results for a full year. We have reclassified certain prior year amounts to conform to the current year presentation, including the results of discontinued operations, the impact of the adoption of Statement of Financial Accounting Standard (“SFAS”) No. 160, “Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51” and the impact of adoption of Financial Accounting Standards Board (“FASB”) Staff Position (“FSP”) No. EITF 03-6-1. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations (see Note 3 for information on discontinued operations).

We establish actual interim closing dates using a “fiscal” calendar, which requires our businesses to close their books on the Saturday closest to the end of the calendar quarter. The interim closing dates for the first, second and third quarters of 2009 are March 28, June 27 and September 26, compared to March 29, June 28 and September 27 for 2008, respectively. This practice only impacts the quarterly reporting periods and not the annual reporting period. We had two fewer days in the first quarter of 2009 and will have one additional day in the fourth quarter of 2009 when compared to the respective 2008 periods.

We evaluated subsequent events (see Note 2) through July 29, 2009, the issuance date of our consolidated financial statements for the period ended June 27, 2009, as this is the date on which we filed such financial statements on Form 10-Q with the SEC.

## (2) NEW ACCOUNTING PRONOUNCEMENTS

The following is a summary of new accounting pronouncements that apply or may apply to our business.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141(R)"), which replaces SFAS No. 141. SFAS No. 141(R) requires an acquiring entity to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. In addition, SFAS No. 141(R) will require acquisition costs to be expensed as incurred, acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for non-acquired contingencies, in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date, restructuring costs associated with a business combination will be generally expensed subsequent to the acquisition date and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense. SFAS No. 141(R) also includes a substantial number of new disclosure requirements. SFAS No. 141(R) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We adopted SFAS No. 141(R) on January 1, 2009, and we expect this statement will have an impact on our consolidated financial statements for acquisitions consummated after January 1, 2009, but the nature and magnitude of the specific effects will depend upon the terms and size of the acquisitions we consummate. In addition, during the first six months of 2009, there were no settlements of acquisition related liabilities for unrecognized tax benefits or reductions of acquisition-related valuation allowances.

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In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51." SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, SFAS No. 160 requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. In addition, SFAS No. 160 requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and the noncontrolling interest. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. We adopted SFAS No. 160 on January 1, 2009. Upon adoption, we reclassified noncontrolling interest of \$34.0 to a separate component of total equity within our condensed consolidated balance sheets.

In December 2007, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 07-01, "Accounting for Collaborative Arrangements." EITF 07-01 defines a collaborative arrangement as a contractual arrangement in which the parties are (1) active participants to the arrangements and (2) exposed to significant risks and rewards that depend on the commercial success of the endeavor. EITF 07-01 requires that costs incurred and revenues generated from transactions with third parties be reported by the collaborators on the appropriate line item in their respective income statements. EITF 07-01 also states that the income statement characterization of payments between the participants to a collaborative arrangement should be based on other authoritative literature if the payments are within the scope of such literature. EITF 07-01 requires collaborators to disclose, in the footnotes to financial statements in the initial period of adoption and annually thereafter, (1) the income statement classification and amounts attributable to transactions arising from collaborative arrangements between participants for each period for which an income statement is presented and (2) information regarding the nature and purpose of the collaborative arrangement, the collaborators' rights and obligations under the arrangement, and any accounting policies for the collaborative arrangement. EITF 07-01 is effective for fiscal years beginning after December 15, 2008. We adopted EITF 07-01 on January 1, 2009 with no material impact on our consolidated financial statements. See Note 13 for additional details on our consortium arrangements.

In February 2008, the FASB issued FSP No. FAS 157-2, "Effective Date of FASB Statement No. 157," to defer the effective date of SFAS No. 157, "Fair Value Measurements," for all nonfinancial assets and liabilities, except those items recognized or disclosed at fair value on an annual or more frequently recurring basis, until years beginning after November 15, 2008. We adopted FSP No. FAS 157-2 on January 1, 2009, with no material impact on our consolidated financial statements. See Note 15 for additional details on our fair value disclosures.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - An Amendment of FASB Statement No. 133." SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of (1) how and why an entity uses derivative instruments; (2) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations; and (3) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. To meet those objectives, SFAS No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. SFAS No. 161 is effective for fiscal years, and interim periods within those fiscal years, beginning after November 15, 2008. We adopted SFAS No. 161 on January 1, 2009 with no material impact on our consolidated financial statements. See Note 11 for additional details on our derivative financial instruments.

In April 2008, the FASB issued FSP No. FAS 142-3, "Determination of the Useful Life of Intangible Assets." FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets." The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R) and other GAAP. FSP No. FAS 142-3 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2008. We adopted FSP No. FAS 142-3 on January 1, 2009 with no material impact on our consolidated financial statements.

In June 2008, the FASB issued FSP No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." FSP No. EITF 03-6-1 states that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders and should be included in basic and diluted earnings per share calculations. FSP No. EITF 03-6-1 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2008. We adopted FSP No. EITF 03-6-1 on January 1, 2009. As of June 28, 2008, we had 0.548 outstanding restricted stock awards that contain rights to nonforfeitable dividends. The effect of including these awards increased the basic and dilutive shares for the three months

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ended June 28, 2008 by 0.561 and 0.260 shares, respectively, and for the six months ended June 28, 2008 by 0.571 and 0.274 shares, respectively.

In November 2008, the EITF reached a consensus on EITF Issue No. 08-6, "Equity Method Investment Accounting Considerations." EITF 08-06 states that (1) the determination of the initial carrying value of an equity method investment should be made by applying the cost accumulation model described in SFAS No. 141(R); (2) the other-than-temporary impairment model of APB Opinion No. 18 should be used when testing equity method investments for impairments; (3) share issuances by the investee should be accounted for as if the equity method investor had sold a proportionate share of its investment; and 4) when the investment is no longer within the scope of equity method accounting, the investor should prospectively apply the provisions of SFAS No. 115 and use the carrying amount of the investment as its initial cost. EITF 08-06 is effective for transactions occurring in fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. We adopted EITF 08-06 on January 1, 2009 with no impact on our consolidated financial statements.

In December 2008, the FASB Issued FSP No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets." The FSP amends SFAS No. 132(R) by providing guidance regarding employers' disclosures about assets of a defined benefit pension or other postretirement plan. The objective of the amended disclosures is to provide users of financial statements with an understanding of (1) how investment allocation decisions are made; (2) major categories of plan assets; (3) inputs and valuation techniques used to measure the fair value of plan assets; (4) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and (5) significant concentration risks within plan assets. FSP No. FAS 132(R)-1 is effective for fiscal years ending after December 15, 2009. We do not expect the adoption of FSP No. FAS 132(R)-1 to have a material impact on our consolidated financial statements.

In April 2009, the FASB Issued FSP No. FAS 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies." This amendment clarifies requirements for the initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. The FSP reiterates an asset acquired or a liability assumed in a business combination that arises from a contingency shall be recognized at fair value at the acquisition date during the measurement period. However, in the event the fair value can not be determined during the measurement period, the SFAS No. 5 criteria shall be applied. Contingent consideration arrangements of an acquiree assumed by the acquirer shall be recognized initially at fair value, and the acquirer shall develop a systematic and rational basis for subsequently measuring and accounting for assets and liabilities arising from contingencies. In addition, the FSP states disclosed information shall enable users of its financial statements to evaluate the nature and financial effects of a business combination that occurs either during the current reporting period or after the reporting period but before the financial statements are issued. This FSP is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We adopted FSP No. FAS 141(R)-1 on January 1, 2009 and we expect this FSP will have an impact on our consolidated financial statements for acquisitions consummated after January 1, 2009, but the nature and magnitude of the specific effects will depend upon the terms and size of the acquisitions we consummate.

In April 2009, the FASB issued FSP FAS No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly," to provide additional guidance for estimating fair value in accordance with SFAS No. 157, "Fair Value Measurements." The FSP identifies circumstances an entity must evaluate to assess whether a transaction is orderly or not orderly. In addition, an entity must disclose within interim and annual periods the inputs and changes to valuation techniques used to measure fair value. The FSP also defines each major category for equity securities and debt securities to be major security types as described in SFAS No. 115. The FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP No. FAS 157-4 on June 27, 2009 with no material impact on our consolidated financial statements.

In April 2009, the FASB issued FSP FAS No. 115-2 and 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments," which states an other-than-temporary impairment ("OTTI") analysis is required to determine whether the holder of an investment in a debt or equity security, for which changes in fair value are not regularly recognized in earnings (such as securities classified as held-to-maturity or available-for-sale), should recognize a loss in earnings when the fair value of the investment is less than its amortized cost basis. The FSP requires the amount of the total OTTI related to credit issues to be recognized in earnings, while all other amounts of OTTI are recorded in other comprehensive income and amortized to earnings over the remaining life of the security. In addition, an entity is required to record the cumulative effect of the noncredit losses, previously recognized as OTTI, from retained earnings into accumulated other comprehensive income as of the beginning of the current period. The FSP requires annual disclosures be made for interim periods, including the aging of unrealized losses. The FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP No. 115-2 and 124-2 on June 27, 2009 with no impact on our consolidated financial statements.

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In April 2009, the FASB issued FSP FAS No. 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," to require disclosures about the fair value of financial instruments for interim reporting periods of publicly traded companies, as well as in annual financial statements. This FSP also amends APB Opinion No. 28, "Interim Financial Reporting," to require those disclosures in summarized financial information at interim reporting periods. This FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP FAS No. 107-1 and APB 28-1 on June 27, 2009 with no material impact on our consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," which requires an entity to disclose the date through which it has evaluated subsequent events and the basis for that date, whether that date represents the date the financial statements were issued or were available to be issued. The FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted SFAS No. 165 on June 27, 2009 with no material impact on our consolidated financial statements (see Note 1).

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets — An Amendment of FASB Statement No. 140." The objective of SFAS No. 166 is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports regarding a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement in transferred financial assets. SFAS No. 166 requires enhanced disclosures to provide financial statement users with greater transparency about transfers of financial assets and a transferor's continuing involvement with transfers of financial assets accounted for as sales. SFAS No. 166 is effective for interim and annual reporting periods beginning after November 15, 2009. We do not expect the adoption of SFAS No. 166 to have a material impact on our consolidated financial statements.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)." The objective of SFAS No. 167 is to amend certain requirements of FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities," ("FIN 46") to improve financial

reporting by enterprises involved with variable interest entities (“VIE”) and to provide more relevant and reliable information to users of financial statements. SFAS No. 167 no longer exempts qualifying special-purpose entities from the scope of FIN 46. In addition, the amended guidance requires the continuous reconsideration for determining whether an enterprise is the primary beneficiary of another entity, and ignores kick-out rights unless the rights are held by a single enterprise. Consolidation is required if an entity has power and receives benefits or absorbs losses that are potentially significant to the VIE. However, consolidation is not necessary if power is shared amongst unrelated parties. SFAS No. 167 requires enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise’s involvement in a VIE. SFAS No. 167 is effective for interim and annual reporting periods beginning after November 15, 2009. We do not expect the adoption of SFAS No. 167 to have a material impact on our consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - A Replacement of FASB Statement No. 162.” The objective is to replace SFAS No. 162 and to establish the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS No. 168 does not change GAAP. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of SFAS No. 168 will have no material impact on our consolidated financial statements.

### (3) ACQUISITIONS AND DISCONTINUED OPERATIONS

#### Acquisitions

During September 2008, our Test and Measurement segment completed the acquisition of AutoBoss Tech Inc., a China-based manufacturer of diagnostic tools and equipment serving China’s vehicle maintenance and repair market, for a purchase price of \$9.7. The acquired business had revenues of approximately \$7.9 in the 12 months prior to its acquisition.

#### Discontinued Operations

As part of our operating strategy, we regularly review and negotiate potential divestitures, some of which are or may be material. As a result of this continuous review, we determined that certain of our businesses would be better strategic fits with other companies or investors. We report discontinued operations in accordance with the guidance of SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” Accordingly, we report businesses or asset groups as discontinued operations when, among other things, we commit to a plan to divest the business or asset group, we actively begin marketing the business or asset group, and when the sale of the business or asset group is deemed probable within the next 12 months. The following businesses, which have been sold, met these requirements, and therefore have been reported

as discontinued operations for the periods presented:

Business	Quarter Discontinued	Actual Closing Date of Sale
Dezurik	Q3 2008	Q1 2009
Scales and Counting Systems business (“Scales”)	Q3 2008	Q4 2008
Vibration Testing and Data Acquisition Equipment business (“LDS”)	Q1 2008	Q4 2008
Air Filtration	Q3 2007	Q3 2008

*Dezurik* — Sold for total consideration of \$23.5, including \$18.8 in cash and a promissory note of \$4.7, resulting in a loss, net of taxes, of \$1.0 during the first quarter of 2009. During the second quarter of 2009, we recorded a net charge of \$0.2 in connection with adjustments to certain liabilities that we retained. During the fourth quarter of 2008, we recorded a net charge of \$6.0 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value.

*Scales* — Sold for cash consideration of \$16.8, resulting in a loss, net of taxes, of \$1.2 and \$3.5 during the third and fourth quarters of 2008, respectively.

*LDS* — Sold for cash consideration of \$82.5, resulting in a gain, net of taxes, of \$17.1 during the fourth quarter of 2008. During the first quarter of 2009, we recorded a net charge of \$2.6 in connection with an adjustment to certain liabilities that we retained. In addition, during the second quarter of 2009, we recorded additional income tax expense of \$1.6 related to the disposition.

*Air Filtration* — Sold for cash consideration of \$38.5, resulting in an aggregate loss, net of taxes, of \$0.8 during 2008, including a net charge during the first quarter of 2008 of \$3.1 to “Gain (loss) on disposition of discontinued operations, net of tax” to adjust the deferred tax assets of the Air Filtration business to their estimated realizable value. During 2007, we recorded a net charge of \$11.0 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value.

During the fourth quarter of 2008, we committed to a plan to divest a business within our Industrial Products and Services segment. As a result of this planned divestiture, during the fourth quarter of 2008 we recorded a net impairment charge of \$23.0 attributable to SPX common shareholders in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value. During the first quarter of 2009, we recorded an additional net charge of \$8.5 based on indications of interest for the business. In addition, during the second quarter of 2009, we committed to a plan to divest another business within our Industrial Products and Services segment. As a result of this planned divestiture, we recorded a net charge of \$7.3 during the second quarter of 2009 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our condensed consolidated financial statements. We are actively pursuing the sale of these businesses and anticipate that the sales will be completed during the next twelve months.

In addition to the businesses discussed above, we recognized a net gain of \$2.6 during the three and six months ended June 27, 2009 and a net gain of \$0.1 during the three months ended June 28, 2008, resulting from net adjustments to gains (losses) on sales from previously discontinued businesses. Refer to the consolidated financial statements contained in our 2008 Annual Report on Form 10-K for the disclosure of all discontinued businesses for fiscal years 2006 through 2008.



The final sales price for certain of the divested businesses is subject to adjustment based on working capital existing at the respective closing dates. The working capital figures are subject to agreement with the buyers or if we cannot come to agreement, an arbitration process. Final agreement of the working capital figures for certain of these transactions has yet to occur. In addition, changes in estimates associated with liabilities retained in connection with a business divestiture (e.g., income taxes) may occur. It is possible that the sales price and resulting gains (losses) on these, and other previous divestitures, may be materially adjusted in subsequent periods.

For the three and six months ended June 27, 2009 and June 28, 2008, income (loss) from discontinued operations and the related income taxes are shown below:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Income (loss) from discontinued operations	\$ (6.9)	\$ 6.7	\$ (28.5)	\$ 10.0
Income tax (provision) benefit	0.9	(2.4)	8.5	(5.4)
Income (loss) from discontinued operations, net	<u>\$ (6.0)</u>	<u>\$ 4.3</u>	<u>\$ (20.0)</u>	<u>\$ 4.6</u>

For the three and six months ended June 27, 2009 and June 28, 2008, results of operations for our businesses reported as discontinued operations were as follows:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Revenues	\$ 25.6	\$ 103.9	\$ 47.8	\$ 196.8
Pre-tax income (loss)	0.8	6.6	(2.2)	10.1

The major classes of assets and liabilities, excluding intercompany balances, of the businesses reported as discontinued operations included in the accompanying condensed consolidated balance sheets are shown below:

	June 27, 2009	December 31, 2008
<b>Assets:</b>		
Accounts receivable, net	\$ 18.9	\$ 19.6
Inventories, net	7.2	28.1
Other current assets	3.3	4.3
Property, plant and equipment, net	21.4	24.7
Goodwill and intangibles, net	10.2	30.4
Other assets	0.8	1.1
Assets of discontinued operations	<u>\$ 61.8</u>	<u>\$ 108.2</u>
<b>Liabilities:</b>		
Accounts payable	\$ 6.2	\$ 12.5
Accrued expenses	7.1	8.0
Short-term debt	—	0.4
Deferred and other income taxes	1.6	2.8
Long-term debt and other	0.2	0.2
Liabilities of discontinued operations	<u>\$ 15.1</u>	<u>\$ 23.9</u>

#### (4) BUSINESS SEGMENT INFORMATION

We are a global provider of flow technology, test and measurement products and services, thermal equipment and services, and industrial products and services, with operations in over 40 countries. We offer a diverse collection of products, which include, among other things, valves, fluid handling equipment, metering and mixing solutions, specialty service tools, diagnostic systems, service equipment and technical information services, cooling, heating and ventilation products, power transformers, and television and radio broadcast antennas. Our products are used by a broad array of customers in various industries, including power generation, chemical processing, pharmaceuticals, infrastructure, mineral processing, petrochemical, automotive service, telecommunications and transportation.

We have aggregated our operating segments into four reportable segments in accordance with the criteria defined in SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The segments are Flow Technology, Test and Measurement, Thermal Equipment and Services and Industrial Products and Services. The factors considered in determining our aggregated segments are the economic similarity of the businesses, the nature of products sold or services provided, production processes, types of customers and distribution methods. In determining our segments, we apply the threshold criteria of SFAS No. 131 to operating income or loss of each segment before considering impairment and special charges, pension and postretirement expenses, stock-based compensation and other indirect corporate expense. This is consistent with the way our chief operating decision maker evaluates the results of each segment.



Our Flow Technology segment designs, manufactures, and markets solutions and products that are used to blend, meter and transport fluids, as well as air and gas filtration and dehydration products. Our Flow Technology businesses focus on innovative, highly engineered new product introductions and expansion from products to systems and services to create total customer solutions. Products for the segment include high-integrity pumps, valves, heat exchangers, fluid mixers, agitators, metering systems, filters and dehydration equipment for the food and beverage and pharmaceutical processing, power generation, general industrial, chemical processing, oil and gas processing, air dehydration and mining markets.

### **Test and Measurement**

Our Test and Measurement segment engineers and manufactures branded, technologically advanced test and measurement products used on a global basis across the transportation, telecommunications and utility industries. Our technology supports the introduction of new systems, expanded services and sophisticated testing and validation. Products for the segment include specialty automotive diagnostic service tools, fare-collection systems and portable cable and pipe locators. The segment continues to focus on initiatives such as lean manufacturing, expanding its commercialization of the European and Chinese markets and leveraging its outsourcing model.

### **Thermal Equipment and Services**

Our Thermal Equipment and Services segment engineers, manufactures and services cooling, heating and ventilation products for markets throughout the world. Products for the segment include dry, wet and hybrid cooling systems for the power generation, refrigeration, HVAC and industrial markets, as well as hydronic and heating and ventilation products for the commercial and residential markets. This segment also provides thermal components for power and steam generation plants and engineered services to maintain, refurbish, upgrade and modernize power stations. The segment continues to focus on expanding its global reach, as well as increasing thermal components and service offerings, particularly in South Africa, Europe, and Asia Pacific. The segment's South African subsidiary has a Black Economic Empowerment minority shareholder, which holds a 25.1% interest.

### **Industrial Products and Services**

Our Industrial Products and Services segment comprises businesses that design, manufacture and market power systems, industrial tools and hydraulic units, precision machine components for the aerospace industry, crystal growing machines for the solar power generation market, and television and radio broadcast antenna systems. This segment continues to focus on lean initiatives and global expansion opportunities.

### **Corporate Expense**

Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia-Pacific center in Shanghai, China.

Financial data for our business segments, including the results of businesses acquired from the respective dates of acquisition, were as follows:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
<b>Revenues(1):</b>				
Flow Technology	\$ 396.2	\$ 534.5	\$ 790.2	\$ 1,026.6
Test and Measurement	207.6	320.0	403.6	590.0
Thermal Equipment and Services	368.9	409.4	711.1	756.2
Industrial Products and Services	220.8	241.0	448.2	477.1
Total revenues	\$ 1,193.5	\$ 1,504.9	\$ 2,353.1	\$ 2,849.9
<b>Segment income:</b>				
Flow Technology	\$ 48.5	\$ 69.7	\$ 98.6	\$ 116.4
Test and Measurement	13.3	36.6	19.1	60.5
Thermal Equipment and Services	27.5	45.6	48.9	82.0
Industrial Products and Services	46.6	54.0	95.5	107.1
Total segment income	135.9	205.9	262.1	366.0
Corporate expense	(19.2)	(24.7)	(42.5)	(54.9)
Pension and postretirement expense	(9.8)	(7.6)	(18.7)	(15.0)
Stock-based compensation expense	(6.1)	(9.7)	(15.3)	(25.7)
Special charges, net	(23.3)	(4.2)	(35.2)	(4.9)
Consolidated operating income	\$ 77.5	\$ 159.7	\$ 150.4	\$ 265.5

(1) Under the percentage of completion method, we recognized revenues of \$323.4 and \$359.7 in the three months ended June 27, 2009 and June 28, 2008, respectively. For the six months ended June 27, 2009 and June 28, 2008, revenues under the percentage of completion method were \$627.3 and \$687.0, respectively. Costs and estimated earnings in excess of billings on contracts accounted for under the percentage of completion method were \$259.4 and \$195.7 as of June 27, 2009 and December 31, 2008, respectively, and were classified as a component of "Accounts receivable, net" in the condensed consolidated balance sheets. Billings in excess of costs and estimated earnings on uncompleted contracts accounted for under the percentage of completion method were \$338.2 and \$337.6 as of June 27, 2009 and December 31, 2008, respectively. The June 27, 2009 balance includes \$319.0 reported as a component of "Accrued expenses" and \$19.2 as a component of "Other long-term liabilities" in the condensed consolidated balance sheet. The December 31, 2008 balance includes \$323.4 reported as a component of "Accrued expenses" and \$14.2 as a component of "Other long-term liabilities" in the condensed consolidated balance sheet.

### **(5) SPECIAL CHARGES**

Special charges, net, for the three and six months ended June 27, 2009 and the three and six months ended June 28, 2008 are summarized and described in more detail below:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Flow Technology	\$ 7.4	\$ 1.1	\$ 9.8	\$ 1.2
Test and Measurement	8.0	1.3	15.8	1.5
Thermal Equipment and Services	5.8	0.6	6.8	1.0
Industrial Products and Services	1.6	—	2.0	—
Corporate	0.5	1.2	0.8	1.2
Total	<u>\$ 23.3</u>	<u>\$ 4.2</u>	<u>\$ 35.2</u>	<u>\$ 4.9</u>

*Flow Technology Segment* — Charges for the three and six months ended June 27, 2009 related primarily to exit costs for locations in Orebro, Sweden; Mexico City, Mexico; Rochester, New York; and Buffalo, NY, as well as additional integration costs associated with the December 31, 2007 acquisition of APV. The charges for the three and six months ended June 28, 2008 related primarily to the relocation of the segment's headquarters from Delavan, WI to Charlotte, NC.

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*Test and Measurement Segment* – Charges for the three and six months ended June 27, 2009 related to costs associated with headcount reductions and integration activities that impacted facilities in North America, Europe and Asia-Pacific, primarily in response to the continued difficulties being experienced by the global vehicle manufacturers and their dealer service networks. The charges for the three and six months ended June 28, 2008 related primarily to costs associated with a plan to consolidate distribution activities within the segment, as well as costs associated with the closure of a manufacturing facility in Owatonna, MN.

*Thermal Equipment and Services Segment* – Charges for the three and six months ended June 27, 2009 related primarily to costs associated with headcount reductions at facilities in Ratingen, Germany; Gallarate, Italy; Guangzhou, China; Worcester, UK; Michigan City, IN; and Eden, NC. The charges for the three and six months ended June 28, 2008 related primarily to costs associated with the shut-down of a facility in Houston, TX.

*Industrial Products and Services Segment* – Charges for the three and six months ended June 27, 2009 related primarily to costs associated with headcount reductions at facilities in Rockford, IL and Waukesha, WI.

*Corporate* – Charges for the three and six months ended June 27, 2009 related primarily to our legal entity reduction initiative and the closure of our information technology data center in Horsham, P.A. The charges for the three and six months ended June 28, 2008 related primarily to a second quarter impairment charge of \$1.0 and costs associated with our legal entity reduction initiative.

The following is an analysis of our restructuring and integration liabilities for the six months ended June 27, 2009 and June 28, 2008:

	Six months ended	
	June 27, 2009	June 28, 2008
Beginning balance	\$ 31.5	\$ 12.6
Special charges (1)	32.8	3.7
Adjustments related to acquisition accounting	4.0	(0.1)
Utilization – cash	(31.8)	(10.4)
Currency translation adjustments and other	(1.2)	1.7
Ending balance (2)	<u>\$ 35.3</u>	<u>\$ 7.5</u>

(1) For the six months ended June 27, 2009 and June 28, 2008 excluded \$2.4 and \$1.2, respectively, of non-cash special charges relating to asset impairments that had an impact on special charges but not the related liabilities.

(2) The balance at June 27, 2009 was composed of \$14.8 relating to acquisition integration plans and \$20.5 for various restructuring plans.

## (6) INVENTORIES

Inventories consisted of the following amounts:

	June 27, 2009	December 31, 2008
Finished goods	\$ 240.1	\$ 229.3
Work in process	127.8	165.0
Raw materials and purchased parts	291.4	312.7
Total FIFO cost	659.3	707.0
Excess of FIFO cost over LIFO inventory value	(42.7)	(40.2)
Total inventories	<u>\$ 616.6</u>	<u>\$ 666.8</u>

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated realizable values. Approximately 39% and 36% of the total inventory at June 27, 2009 and December 31, 2008, respectively, were domestic inventories valued using the last-in, first-out (“LIFO”) method. Other inventories are valued using the first-in, first-out (“FIFO”) method. Progress payments, which are netted against work in process, were \$2.6 and \$4.1 at June 27, 2009 and December 31, 2008, respectively.

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## (7) GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill, by segment, were as follows:

	December 31, 2008	Goodwill resulting from business combinations	Foreign Currency Translation and other (1)	June 27, 2009
Flow Technology	\$ 664.6	\$ —	\$ 5.7	\$ 670.3
Test and Measurement	364.6	—	1.0	365.6
Thermal Equipment and Services	481.6	—	(4.2)	477.4
Industrial Products and Services	259.0	—	—	259.0
Total	<u>\$ 1,769.8</u>	<u>\$ —</u>	<u>\$ 2.5</u>	<u>\$ 1,772.3</u>

- (1) Represents adjustments to acquisition accounting related to recent acquisitions and changes from foreign currency translation of \$7.2 and \$(4.7), respectively.

### Other Intangibles

Identifiable intangible assets comprise the following:

	June 27, 2009			December 31, 2008		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with determinable lives:						
Patents	\$ 28.1	\$ (21.8)	\$ 6.3	\$ 28.4	\$ (21.3)	\$ 7.1
Technology	72.5	(13.5)	59.0	73.4	(11.3)	62.1
Customer relationships	208.5	(37.6)	170.9	211.3	(31.9)	179.4
Other	25.3	(9.5)	15.8	25.1	(8.9)	16.2
	<u>334.4</u>	<u>(82.4)</u>	<u>252.0</u>	<u>338.2</u>	<u>(73.4)</u>	<u>264.8</u>
Trademarks with indefinite lives	<u>388.2</u>	<u>—</u>	<u>388.2</u>	<u>382.0</u>	<u>—</u>	<u>382.0</u>
Total	<u>\$ 722.6</u>	<u>\$ (82.4)</u>	<u>\$ 640.2</u>	<u>\$ 720.2</u>	<u>\$ (73.4)</u>	<u>\$ 646.8</u>

Estimated annual amortization expense related to these intangible assets is \$21.3 in 2009, \$21.1 in 2010, \$20.0 in 2011, \$19.1 in 2012 and \$18.5 in 2013.

At June 27, 2009, the net carrying value of net intangible assets with determinable lives consisted of \$146.8 in the Flow Technology segment, \$75.8 in the Test and Measurement segment, and \$25.3 in the Thermal Equipment and Services segment. Trademarks with indefinite lives were associated with \$204.9 in the Flow Technology segment, \$53.7 in the Test and Measurement segment, \$114.6 in the Thermal Equipment and Services segment, and \$15.0 in the Industrial Products and Services segment.

Consistent with the requirements of SFAS No. 142, we annually test the recoverability of our indefinite-lived intangible assets during the fourth quarter based on a measurement date as of the end of the third quarter and continually monitor impairment indicators across all our reporting units. Any significant change in market conditions and estimates or judgments used to determine expected future cash flows that indicate a reduction in carrying value may give rise to impairment in the period that the change becomes known.

The estimated fair value of our Service Solutions reporting unit (our specialty diagnostic service tools business in our Test and Measurement segment) exceeds the carrying value of its net assets by approximately 2%. Any unfavorable changes in assumptions used in determining the estimated fair value of Service Solutions could result in its estimated fair value falling below the carrying value of its net assets. The aggregate goodwill and indefinite-lived intangible asset balance for Service Solutions was \$383.2 at June 27, 2009. We will continue to monitor impairment indicators across our reporting units, including Service Solutions.

## (8) WARRANTY

The following is an analysis of our product warranty accrual for the first six months of 2009 and 2008:

	Six months ended	
	June 27, 2009	June 28, 2008
Balance at beginning of period	\$ 58.8	\$ 60.2
Acquisitions	0.7	8.8
Provisions	9.9	14.8
Usage	(13.4)	(11.6)
Balance at end of period	<u>56.0</u>	<u>72.2</u>
Less: Current portion of warranty	<u>44.8</u>	<u>55.2</u>
Non-current portion of warranty	<u>\$ 11.2</u>	<u>\$ 17.0</u>

## (9) EMPLOYEE BENEFIT PLANS

Net periodic benefit expense for our pension and postretirement plans includes the following components:

## Domestic Pension Plans

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Service cost	\$ 2.1	\$ 1.9	\$ 4.0	\$ 3.8
Interest cost	16.7	16.3	33.1	32.6
Expected return on plan assets	(18.5)	(19.6)	(37.1)	(39.1)
Amortization of unrecognized losses	5.7	5.3	11.0	10.6
Amortization of unrecognized prior service cost	(0.2)	(0.2)	(0.1)	(0.4)
Total net periodic pension benefit expense	5.8	3.7	10.9	7.5
Less: Net periodic pension benefit expense of discontinued operations	—	—	(0.2)	—
Net periodic pension benefit expense of continuing operations	<u>\$ 5.8</u>	<u>\$ 3.7</u>	<u>\$ 10.7</u>	<u>\$ 7.5</u>

## Foreign Pension Plans

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Service cost	\$ 0.7	\$ 1.0	\$ 1.2	\$ 1.8
Interest cost	3.4	4.0	6.6	7.9
Expected return on plan assets	(3.2)	(4.5)	(6.3)	(9.0)
Amortization of unrecognized losses	0.5	0.3	1.0	0.6
Total net periodic pension benefit expense	1.4	0.8	2.5	1.3
Less: Net periodic pension benefit expense of discontinued operations	(0.2)	—	(0.3)	—
Net periodic pension benefit expense of continuing operations	<u>\$ 1.2</u>	<u>\$ 0.8</u>	<u>\$ 2.2</u>	<u>\$ 1.3</u>

## Postretirement Plans

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Service cost	\$ —	\$ —	\$ 0.1	\$ 0.1
Interest cost	2.4	2.5	4.9	4.9
Amortization of unrecognized losses	0.8	0.9	1.5	1.8
Amortization of unrecognized prior service cost	(0.4)	(0.3)	(0.7)	(0.6)
Net periodic pension benefit expense	<u>\$ 2.8</u>	<u>\$ 3.1</u>	<u>\$ 5.8</u>	<u>\$ 6.2</u>

During the first six months of 2009, we made contributions of approximately \$8.8 to our foreign and qualified domestic pension plans, of which \$1.6 related to businesses classified as discontinued operations. Our estimates of full-year

2009 required employer contributions to our employee benefit plans decreased approximately \$4.0 from those disclosed in the consolidated financial statements contained in our 2008 Annual Report on Form 10-K, primarily due to additional Internal Revenue Service (“IRS”) guidance related to the Pension Protection Act of 2006 assumptions used in the valuation of the 2009 plan year.

## (10) INDEBTEDNESS

The following summarizes our debt activity (both current and non-current) for the six months ended June 27, 2009:

	December 31, 2008	Borrowings	Repayments	Other (3)	June 27, 2009
Term loan	\$ 675.0	\$ —	\$ (18.8)	\$ —	\$ 656.2
Domestic revolving loan facility	65.0	272.0	(182.0)	—	155.0(4)
7.625% senior notes	500.0	—	—	—	500.0
7.50% senior notes	28.2	—	—	—	28.2
6.25% senior notes	21.3	—	—	—	21.3
Trade receivables financing arrangement (1)	—	112.0	(60.0)	—	52.0
Other indebtedness (2)	55.2	—	(18.3)	0.4	37.3
Total debt	1,344.7	\$ 384.0	\$ (279.1)	\$ 0.4	1,450.0
Less: short-term debt	112.9	—	—	—	135.2
Less: current maturities of long-term debt	76.4	—	—	—	76.0
Total long-term debt	<u>\$ 1,155.4</u>	—	—	—	<u>\$ 1,238.8</u>

- Under this arrangement, we can borrow, on a continuous basis, up to \$130.0, as available.
- Includes aggregate balances under accounts payable programs and a purchase card program of \$29.8 and \$47.9 at June 27, 2009 and December 31, 2008, respectively.
- “Other” includes debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.
- Based on our projected domestic cash flows over the next 12 months, we have included \$53.0 of the balance in short-term debt and the remaining \$102.0 in long-term debt.

## **Credit Facilities**

We have senior credit facilities with a syndicate of lenders that provide for committed senior secured financing of \$2,300.0, consisting of the following:

- a term loan facility in an aggregate principal amount of \$750.0 (balance of \$656.2 at June 27, 2009) with a final maturity of September 2012;
- a domestic revolving credit facility, available for loans and letters of credit, in an aggregate principal amount up to \$400.0 with a final maturity of September 2012;
- a global revolving credit facility, available for loans in Euros, British Pounds and other currencies in an aggregate principal amount up to the equivalent of \$200.0 with a final maturity of September 2012; and
- a foreign credit instrument facility, available for performance letters of credit and guarantees, in an aggregate principal amount in various currencies up to the equivalent of \$950.0 with a final maturity of September 2012.

Our senior credit facilities require that we maintain a Consolidated Interest Coverage Ratio (generally defined as the ratio of consolidated adjusted EBITDA for the trailing four fiscal quarters ended on such date to consolidated interest expense for such period) as of the last day of any fiscal quarter of at least 3.50 to 1.00, and a Consolidated Leverage Ratio as of the last day of any fiscal quarter of no more than 3.25 to 1.00. Our senior credit facilities also contain covenants that, among other things, restrict our ability to incur additional indebtedness, grant liens, make investments, loans, guarantees or advances, make restricted junior payments, including dividends, redemptions of capital stock and voluntary prepayments or repurchases of certain other indebtedness, engage in mergers, acquisitions or sales of assets, enter into sale and leaseback transactions or engage in certain transactions with affiliates and otherwise restrict certain corporate activities. We do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future.

Lastly, our senior credit facilities contain customary representations, warranties, affirmative covenants and events of default.

We are permitted under our senior credit facilities to repurchase our capital stock and pay cash dividends in an unlimited amount if our gross Consolidated Leverage Ratio is less than 2.50 to 1.00. If our gross Consolidated Leverage Ratio is greater than or equal to 2.50 to 1.00, the aggregate amount of such repurchases and dividend declarations cannot exceed (A) \$100.0 in any fiscal year plus (B) an additional amount for all such repurchases and dividend declarations made after September 21, 2007 equal to the sum of (i) \$300.0 and (ii) a positive amount equal to 50% of cumulative consolidated net income during the period from July 1, 2007 to the end of the most recent fiscal quarter for which financial information is available preceding the date of such repurchase or dividend declaration (or, in case such consolidated net income is a deficit, minus 100% of such deficit).

The weighted-average interest rate of our outstanding borrowings under our senior credit facilities was approximately 4.37% for the six months ended June 27, 2009, inclusive of the impact of interest rate protection agreements ("Swaps").

At June 27, 2009, we were in compliance with all covenant provisions of our senior credit facilities and did not have any restrictions on our ability to repurchase shares or pay dividends.

## **Senior Notes**

In December 2007, we issued, in a private placement, \$500.0 aggregate principal amount of 7.625% senior unsecured notes that mature in 2014. We used the net proceeds from the offering for general corporate purposes including the financing of our acquisition of APV. The interest payment dates for these notes are June 15 and December 15 of each year. The notes are redeemable, in whole, or in part, at any time prior to maturity at a price equal to 100% of the principal amount thereof plus a premium, plus accrued and unpaid interest. In addition, at any time prior to December 15, 2010, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at a redemption price of 107.625%, plus accrued and unpaid interest. If we experience certain types of change of control transactions, we must offer to repurchase the notes at 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest. These notes are unsecured and rank equally with all our existing and future unsecured senior indebtedness. The indenture governing these notes contains covenants that, among other things, limit our ability to incur liens, enter into sale and leaseback transactions and consummate some mergers. During the first quarter of 2009, these senior notes became freely tradable. At June 27, 2009, we were in compliance with all covenant provisions of the senior notes.

## **(11) DERIVATIVE FINANCIAL INSTRUMENTS**

On January 1, 2009, we adopted the provision of SFAS No. 161, which requires enhanced disclosures regarding an entity's derivative and hedging activities. The adoption of SFAS No. 161 had no financial impact on our consolidated financial statements.

### **Interest Rate Swaps**

We use Swaps to manage the potential impact of increases in interest rates on our variable rate term loan. These Swaps, which we designate and account for as cash flow hedges, have maturities through September 2012 and effectively convert the majority of our borrowing under our variable rate term loan to a fixed rate of 4.795% plus the applicable margin. These are amortizing Swaps; therefore, the outstanding notional value is scheduled to decline commensurate with the scheduled maturities of the term loan. As of June 27, 2009, the aggregate notional amount of the Swaps was \$510.0. The unrealized loss, net of taxes, recorded in accumulated other comprehensive loss ("AOCI") was \$21.2 and \$25.8 as of June 27, 2009 and December 31, 2008, respectively.

### **Currency Forward Contracts**

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency denominated cash flows and to minimize their impact. Our principal currency

exposures relate to the Euro, British Pound, South African Rand and Chinese Yuan.

From time to time, we enter into foreign currency protection agreements (“FX forward contracts”) to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries. Some of the contracts with underlying forecasted transactions contain currency forward embedded derivatives (“FX embedded derivatives”), as the currency of exchange is not “clearly and closely” related to the functional currency of either party to the transaction. Certain of these FX embedded derivatives are designated as cash flow hedges, as

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deemed appropriate. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, and otherwise meet the criteria of SFAS No. 133, changes in the derivatives’ fair value are not included in current earnings, but are included in AOCI. These changes in fair value will subsequently be reclassified into earnings as a component of revenues or cost of goods sold, as applicable, when the forecasted transaction occurs. To the extent that a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period it occurs. We had FX forward contracts with an aggregate notional amount of \$110.7 outstanding as of June 27, 2009. The unrealized loss, net of taxes, recorded in AOCI was \$1.0 as of June 27, 2009.

### Commodity Contracts

From time to time, we enter into forward contracts to manage the exposure on forecasted purchases of commodity raw materials (“commodity contracts”). We designate and account for these contracts as cash flow hedges. At June 27, 2009, the outstanding notional amount of commodity contracts was 2.2 pounds of copper. We reclassify the unrealized gains/losses associated with our commodity contracts to cost of products sold when the hedged transaction impacts earnings. The unrealized loss, net of taxes, recorded in AOCI was \$0.8 and \$5.8 as of June 27, 2009 and December 31, 2008, respectively. We anticipate reclassifying the unrealized loss to income over the next 12 months.

The following summarizes the fair value of our derivative financial instruments:

	June 27, 2009		December 31, 2008	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
Derivative contracts designated as hedging instruments under SFAS No. 133:				
FX embedded derivatives	Other assets	\$ 0.7	—	\$ —
		<u>\$ 0.7</u>		<u>\$ —</u>
Commodity contracts	Accrued expenses	\$ (1.2)	Accrued expenses	\$ (7.2)
Swaps	Other long-term liabilities	(34.5)	Other long-term liabilities	(42.0)
FX embedded derivatives	Other long-term liabilities	(7.6)	Other long-term liabilities	—
		<u>\$ (43.3)</u>		<u>\$ (49.2)</u>
Derivative contracts not designated as hedging instruments under SFAS No. 133:				
FX forward contracts	Other current assets	\$ 1.2	Other current assets	\$ 0.5
FX embedded derivatives	Other current assets	0.2	Other current assets	0.1
FX embedded derivatives	—	—	Other assets	8.9
		<u>\$ 1.4</u>		<u>\$ 9.5</u>
FX forward contracts	Accrued expenses	\$ (0.1)	Accrued expenses	\$ (2.9)
FX embedded derivatives	Accrued expenses	(1.1)	—	—
		<u>\$ (1.2)</u>		<u>\$ (2.9)</u>

The following summarizes the effect of derivative financial instruments in cash flow hedging relationships on the condensed consolidated statements of operations for the three months ended June 27, 2009 and June 28, 2008:

	Amount of gain (loss) recognized in AOCI, pre-tax (1)		Classification of gain (loss) reclassified from AOCI	Amount of gain (loss) reclassified from AOCI to income, pre-tax (1)	
	2009	2008		2009	2008
Swaps	\$ (0.2)	\$ 16.1	Interest expense	\$ (4.7)	\$ (3.2)
FX embedded derivatives	(1.3)	—	Cost of products sold	—	—
Commodity contracts	1.2	0.2	Cost of products sold	(2.6)	0.7
	<u>\$ (0.3)</u>	<u>\$ 16.3</u>		<u>\$ (7.3)</u>	<u>\$ (2.5)</u>

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The following summarizes the effect of derivative financial instruments in cash flow hedging relationships on the condensed consolidated statements of operations for the six months ended June 27, 2009 and June 28, 2008:

	Amount of gain (loss) recognized in AOCI, pre-tax (1)		Classification of gain (loss)	Amount of gain (loss) reclassified from AOCI to income, pre-tax (1)	
	2009	2008		2009	2008

	2009	2008	reclassified from AOCI	2009	2008
Swaps	\$ (1.5)	\$ (2.7)	Interest expense	\$ (9.0)	\$ (3.2)
FX embedded derivatives	(1.3)	—	Cost of products sold	—	—
Commodity contracts	2.4	3.0	Cost of products sold	(5.5)	0.5
	<u>\$ (0.4)</u>	<u>\$ 0.3</u>		<u>\$ (14.5)</u>	<u>\$ (2.7)</u>

(1) For the three and six months ended June 27, 2009, \$0.2 was recognized in other income (expense), net relating to derivative ineffectiveness and amounts excluded from effectiveness testing.

The following summarizes the effect of derivative financial instruments not designated as cash flow hedging relationships on the condensed consolidated statements of operations for the three months ended June 27, 2009 and June 28, 2008:

	Classification of gain (loss) recognized in income	Amount of gain (loss) recognized in income	
		2009	2008
FX forward contracts	Other income (expense), net	\$ 5.1	\$ (1.7)
FX embedded derivatives	Other income (expense), net	(7.5)	(0.7)
		<u>\$ (2.4)</u>	<u>\$ (2.4)</u>

The following summarizes the effect of derivative financial instruments not designated as cash flow hedging relationships on the condensed consolidated statements of operations for the six months ended June 27, 2009 and June 28, 2008:

	Classification of gain (loss) recognized in income	Amount of gain (loss) recognized in income	
		2009	2008
FX forward contracts	Other income (expense), net	\$ 6.3	\$ (3.2)
FX embedded derivatives	Other income (expense), net	(15.7)	(0.1)
		<u>\$ (9.4)</u>	<u>\$ (3.3)</u>

## (12) EQUITY AND STOCK-BASED COMPENSATION

### Earnings Per Share

The following table sets forth the number of weighted-average shares outstanding used in the computation of basic and diluted income per share:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Weighted-average shares outstanding used in basic income per share	49.021	53.656	49.484	53.407
Dilutive Securities—Employee stock options and restricted stock units	0.403	0.990	0.364	0.988
Weighted-average number of common and dilutive securities used for calculating diluted income per share	<u>49.424</u>	<u>54.646</u>	<u>49.848</u>	<u>54.395</u>

The total number of stock options that were not included in the computation of diluted income per share because their exercise price was greater than the average market price of common shares was 0.840 and 0.884 for the three and six months ended June 27, 2009, respectively, and 0.046 for the six months ended June 28, 2008. For the three and six months ended June 27, 2009, 0.225 and 0.227 of unvested restricted stock units were excluded from the computation of diluted income per share because required market thresholds for vesting (as discussed below) were not met.

### Stock-based Compensation

Under the 2002 Stock Compensation Plan, as amended in 2006, the successor plan to the 1992 Stock Compensation Plan, up to 20,000 shares of our common stock may be granted to key employees and 5,533 of these shares were available for grant at June 27, 2009. The 2002 Stock Compensation Plan permits the issuance of new shares or shares from treasury upon the exercise of options and the vesting of restricted stock units or restricted stock.

During the six months ended June 27, 2009 and June 28, 2008, we classified excess tax benefits from stock-based compensation of \$0.7 and \$28.5, respectively, as financing cash flows and included such amounts in “Minimum tax withholding paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options and other” within our condensed consolidated statements of cash flows.

Restricted stock or restricted stock units may be granted to eligible employees or non-employee directors in accordance with applicable equity compensation plan documents and agreements. Subject to plan terms and conditions, the restrictions generally lapse and awards vest over three years. Market (“company performance”) thresholds have been instituted for vesting of substantially all restricted stock and restricted stock unit awards. This vesting is based on SPX shareholder return versus the S&P 500 composite index. On each vesting date, we compare the SPX shareholder return to the performance of the S&P 500 composite index for the prior year and for the cumulative period since the date of the grant. If SPX outperforms the S&P 500 composite index for the prior year, the one-third portion of the grant associated with that year will vest. If SPX outperforms the S&P 500 composite index for the cumulative period, any unvested portion of the grant that was subject to vesting on or prior to the vesting date will vest. Restricted stock and restricted stock units that do not vest within the three-year vesting period are forfeited.

We grant restricted stock to non-employee directors under the 2006 Non-Employee Directors’ Stock Incentive Plan (the “Directors’ Plan”). Under the Directors’ Plan, up to 0.100 shares of our common stock may be granted to non-employee directors; 0.053 of these shares were available for grant at June 27, 2009. Restricted stock grants have a three-year vesting period based on SPX shareholder return versus the S&P 500 composite index, which are subject to the same company performance thresholds and other vesting provisions for employee awards described in the preceding paragraph. Restricted stock that does not vest within the three-year vesting period in accordance with these company performance requirements is forfeited.



Stock options may be granted to key employees in the form of incentive stock options or nonqualified stock options, vest ratably over three years, which vesting may be subject to company performance criteria, and expire no later than 10 years from the date of grant. The option price per share may be no less than the fair market value of our common stock on the date of grant. Upon exercise, the employee has the option to surrender previously owned shares at current value in payment of the exercise price and/or for withholding tax obligations, and, subject to certain restrictions, may receive a reload option having an exercise price equal to the current market value for the number of shares so surrendered. The reload option expires at the same time that the exercised option would have expired. Any future issuances of options under the plan will not have a reload feature, pursuant to the terms of the plan.

We use the Monte Carlo simulation model valuation technique to determine fair value as our restricted stock and restricted stock units contain a “market condition.” The Monte Carlo simulation model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award and calculates the fair value of each restricted stock and restricted stock unit award. We used the following assumptions in determining the fair value of the awards granted on January 2, 2009 and January 2, 2008:

	Annual expected stock price volatility	Annual expected dividend yield	Risk free interest rate	Correlation between total shareholder return for SPX and S&P 500 Composite Index
<b>January 2, 2009:</b>				
SPX Corporation	52.7%	2.31%	1.12%	0.7272
S&P 500 Composite Index	26.2%	n/a	1.12%	
<b>January 2, 2008:</b>				
SPX Corporation	26.5%	0.98%	2.85%	0.4913
S&P 500 Composite Index	12.4%	n/a	2.85%	

Annual expected stock price volatility is based on the three-year historical volatility. The annual expected dividend yield is based on annual expected dividend payments and the stock price on the date of the grant. The risk-free interest rate is based on the one-year through three-year daily treasury yield curve rate as of the grant date. The fair value of the restricted stock and restricted stock units is amortized over the lesser of the requisite or derived service period of each award, which is up to three years.

The following table summarizes the restricted stock and restricted stock unit activity from December 31, 2008 through June 27, 2009:

	Unvested Restricted Stock and Restricted Stock Units	Weighted-Average Grant-Date Fair Value
Outstanding at December 31, 2008	1.251	\$ 58.01
Granted	0.662	33.29
Vested	(0.417)	41.30
Forfeited	(0.035)	54.26
Outstanding at June 27, 2009	1.461	51.86

As of June 27, 2009, there was \$23.7 of unrecognized compensation cost related to restricted stock and restricted stock unit compensation arrangements. We expect this cost to be recognized over a weighted-average period of 1.3 years.

The following table summarizes the stock option activity from December 31, 2008 through June 27, 2009:

	Options	Weighted-Average Exercise Price
Outstanding at December 31, 2008	1.308	\$ 64.89
Exercised	(0.005)	39.69
Forfeited	(0.273)	95.03
Outstanding and exercisable at June 27, 2009	1.030	57.03

The weighted-average remaining term, in years, of stock options outstanding and exercisable at June 27, 2009 was 2.1. The total number of in-the-money options exercisable on June 27, 2009 was 0.367. Aggregate intrinsic value (market value of stock less the option exercise price) represents the total pretax intrinsic value, based on our closing stock price on June 27, 2009, which would have been received by the option holders had all in-the-money option holders exercised their options as of that date. The aggregate intrinsic value of the options outstanding and exercisable at June 27, 2009 was \$3.4. The aggregate intrinsic value of options exercised during the first six months of 2008 was \$39.3, while the related amount for the first six months of 2009 was less than \$0.1.

#### Accumulated Other Comprehensive Loss

The components of the balance sheet caption “Accumulated other comprehensive loss” were as follows:

	June 27, 2009	December 31, 2008
Foreign currency translation adjustment	\$ 182.9	\$ 204.0
Pension liability adjustment, net of tax benefit of \$207.3 and \$211.5, respectively	(344.9)	(352.3)
Unrealized losses on qualifying cash flow hedges, net of tax benefit of \$14.2 and \$19.7, respectively	(23.0)	(31.6)
Accumulated other comprehensive loss	\$ (185.0)	\$ (179.9)

#### Common Stock in Treasury

During the six months ended June 27, 2009, we repurchased 2.625 shares of our common stock, associated with a written trading plan under Rule 10b5-1 of the Securities and Exchange Act of 1934, for total cash consideration of \$113.2. We record common stock repurchases based on the

settlement date. In addition to the above repurchases, during the six months ended June 27, 2009, "Common Stock in Treasury" was decreased by the settlement of restricted stock units issued from treasury stock of \$8.2 and increased by \$2.5 for common stock that was surrendered by recipients of restricted stock as a means of funding the related income tax withholding requirements.

There were no common stock repurchases during the six months ended June 28, 2008. However, during the six months ended June 28, 2008, "Common Stock in Treasury" was decreased by stock issued from treasury relating to stock option exercises and the settlement of vested restricted stock units of \$24.0 and \$3.8, respectively, and increased by \$11.4 for common stock that was surrendered by recipients of restricted stock as a means of funding the related income tax withholding requirements.

### Dividends

The dividends declared during each of the first two quarters of 2009 and 2008 were \$0.25 per share and totaled \$12.2 and \$12.3 in the first and second quarters of 2009 and \$13.3 and \$13.5 during the first and second quarters of 2008, respectively. Second quarter dividends were paid on July 2, 2009 and July 2, 2008.

### Changes in Equity

A summary of the changes in equity for the three months ended June 27, 2009 and June 28, 2008 is provided below:

	June 27, 2009			June 28, 2008		
	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
Equity, beginning of period	\$ 1,853.3	\$ 30.0	\$ 1,883.3	\$ 2,179.8	\$ 14.4	\$ 2,194.2
Net income (loss)	33.4	(0.3)	33.1	94.8	(0.2)	94.6
Net unrealized gains on qualifying cash flow hedges, net of tax provision of \$2.8 and \$7.2, respectively	4.2	—	4.2	11.6	—	11.6
Minimum pension liability adjustment, net of tax provision of \$2.0 and \$2.3, respectively	3.7	—	3.7	3.7	—	3.7
Foreign currency translation adjustments	50.7	—	50.7	(26.7)	—	(26.7)
Total comprehensive income (loss)	92.0	(0.3)	91.7	83.4	(0.2)	83.2
Dividends declared	(12.3)	—	(12.3)	(13.5)	—	(13.5)
Exercise of stock options and other incentive plan activity, including tax benefit of \$0.1 and \$13.8, respectively	3.9	—	3.9	54.0	—	54.0
Amortization of restricted stock and stock unit grants (includes \$0.1 recorded to discontinued operations in the first quarter of 2008)	6.1	—	6.1	9.8	—	9.8
Restricted stock and restricted stock unit vesting, net of tax withholdings	—	—	—	(1.6)	—	(1.6)
Purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	—
Other changes in noncontrolling interests	—	1.2	1.2	—	0.6	0.6
Purchases of common stock	—	—	—	—	—	—
Equity, end of period	\$ 1,943.0	\$ 30.9	\$ 1,973.9	\$ 2,311.9	\$ 14.8	\$ 2,326.7

A summary of the changes in equity for the six months ended June 27, 2009 and June 28, 2008 is provided below:

	June 27, 2009			June 28, 2008		
	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
Equity, beginning of period	\$ 2,010.8	\$ 34.0	\$ 2,044.8	\$ 2,006.0	\$ 10.4	\$ 2,016.4
Net income (loss)	57.8	(0.4)	57.4	156.2	3.0	159.2
Net unrealized gains on qualifying cash flow hedges, net of tax provision of \$5.5 and \$1.1, respectively	8.6	—	8.6	1.9	—	1.9
Minimum pension liability adjustment, net of tax provision of \$4.2 and \$4.6, respectively	7.4	—	7.4	7.3	—	7.3
Foreign currency translation	(21.1)	—	(21.1)	83.4	—	83.4

adjustments, including \$1.3 of translation gains recognized upon sale of discontinued operations in the first quarter of 2009

Total comprehensive income (loss)	52.7	(0.4)	52.3	248.8	3.0	251.8
Dividends declared	(24.5)	—	(24.5)	(26.8)	—	(26.8)
Exercise of stock options and other incentive plan activity, including tax benefit of \$0.7 and \$28.7, respectively	10.1	—	10.1	82.9	—	82.9
Amortization of restricted stock and stock unit grants (includes \$0.3 recorded to discontinued operations in the first half of 2008)	15.3	—	15.3	26.0	—	26.0
Restricted stock and restricted stock unit vesting, net of tax withholdings	(6.4)	—	(6.4)	(25.0)	—	(25.0)
Purchase of subsidiary shares from noncontrolling interests	(1.8)	(1.2)	(3.0)	—	—	—
Other changes in noncontrolling interests	—	(1.5)	(1.5)	—	1.4	1.4
Purchases of common stock	(113.2)	—	(113.2)	—	—	—
Equity, end of period	\$ 1,943.0	\$ 30.9	\$ 1,973.9	\$ 2,311.9	\$ 14.8	\$ 2,326.7

### (13) CONTINGENCIES AND OTHER MATTERS

#### General

Numerous claims, complaints and proceedings arising in the ordinary course of business, including but not limited to those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property, competitive claims, etc.), environmental matters, and risk management matters (e.g., product and general liability, automobile, workers' compensation, etc.), have been filed or are pending against us and certain of our subsidiaries. Additionally, we may become subject to significant claims, of which we are currently unaware, or the claims, of which we are aware, may result in our incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, environmental, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with these acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable to protect us against potential loss exposures. In addition, we have increased our self-insurance limits over the past several years. While we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures. However, we believe that our accruals related to these items are sufficient and that these

items and our rights to available insurance and indemnity will be resolved without material adverse effect, individually or in the aggregate, on our financial position, results of operations and cash flows. These accruals totaled \$342.5 (including \$266.0 for risk management matters) and \$340.9 (including \$260.7 for risk management matters) at June 27, 2009 and December 31, 2008, respectively. Of these amounts, \$265.3 and \$266.8 were included in "Other long-term liabilities" within our condensed consolidated balance sheets at June 27, 2009 and December 31, 2008, respectively, with the remainder included in "Accrued expenses."

#### Litigation Matters

We are subject to legal proceedings and claims that arise in the normal course of business. In our opinion, these matters are either without merit or of a kind that should not have a material adverse effect individually or in the aggregate on our financial position, results of operations or cash flows. However, we cannot assure you that these proceedings or claims will not have a material adverse effect on our financial position, results of operations or cash flows.

#### Environmental Matters

Our operations and properties are subject to federal, state, local and foreign regulatory requirements relating to environmental protection. It is our policy to comply fully with all applicable requirements. As part of our effort to comply, we have a comprehensive environmental compliance program that includes environmental audits conducted by internal and external independent professionals, as well as regular communications with our operating units regarding environmental compliance requirements and anticipated regulations. Based on current information, we believe that our operations are in substantial compliance with applicable environmental laws and regulations, and we are not aware of any violation that could have a material adverse effect on our business, financial condition, results of operations or cash flows. We have liabilities for site investigation and/or remediation at 99 sites that we own or control. In addition, while we believe that we maintain adequate accruals to cover the costs of site investigation and/or remediation, there can be no assurance that currently unknown matters, new laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect our business or operations in the future.

Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. Accordingly, our estimates may change based on future developments, including new or changes in existing environmental laws or policies, differences in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. It is our policy to realize a change in estimate once it becomes probable and can be reasonably estimated. We do not discount our environmental accruals and do not reduce them by anticipated insurance recoveries. We do take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification.

In the case of contamination at offsite, third-party disposal sites, we have been notified that we are potentially responsible and have received other notices of potential liability pursuant to various environmental laws at 27 sites at which the liability has not been settled, and only 10 of which have been active in the past few years. These laws may impose liability on certain persons that are considered jointly and severally liable for the costs of investigation and remediation of hazardous substances present at these sites, regardless of fault or legality of the original disposal. These persons include the present or former owners or operators of the site and companies that generated, disposed of or arranged for the disposal of hazardous substances at the site. We are considered a “*de minimis*” potentially responsible party at most of the sites, and we estimate the aggregate probable remaining liability at these sites is immaterial.

We conduct extensive environmental due diligence with respect to potential acquisitions, including environmental site assessments and such further testing as we may deem warranted. If an environmental problem is identified, we estimate the cost and either establish a reserve, purchase insurance or obtain an indemnity from a financially sound seller. However, in connection with our acquisitions or dispositions, we may assume or retain significant environmental liabilities, some of which we may be unaware. The potential costs related to these environmental matters and the possible impact on future operations are uncertain due in part to the complexity of government laws and regulations and their interpretations, the varying costs and effectiveness of various clean-up technologies, the uncertain level of insurance or other types of recovery, and the questionable level of our responsibility. We account for these assumed liabilities in accordance with SFAS No. 5 “Accounting for Contingencies” and Statement of Position 96-1 “Environmental Remediation Liabilities” and, therefore, record the liability when it is both probable and the amount can be reasonably estimated. Due to the uncertainties previously described, we are unable to reasonably estimate the amount of possible additional losses associated with the resolution of these matters beyond what has been recorded.

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In our opinion, after considering accruals established for such purposes, remedial actions for compliance with the present laws and regulations governing the protection of the environment are not expected to have a material adverse impact on our business, financial condition, results of operations or cash flows.

### ***Risk Management Matters***

We are self-insured for certain of our product and general liability, workers’ compensation, disability and health costs, and automobile costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for risk management matters are determined by management, based on claims filed and estimates of claims incurred but not yet reported, and are not discounted. Management considers a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts. This insurance may be insufficient or unavailable to protect us against potential loss exposures.

### ***Consortium Arrangements***

We enter into consortium arrangements for certain projects within our Thermal Equipment and Services segment. Under such arrangements, each consortium member is responsible for performing certain discrete items of work within the total scope of the contracted work and the consortium expires when all contractual obligations are completed. The revenue for these discrete items of work is defined in the contract with the project owner and each consortium member bears the profitability risk associated with its own work. Our consortium arrangements typically provide that each consortium member assumes its responsible share of any damages or losses associated with the project; however, the use of a consortium arrangement typically results in joint and several liability for the consortium members. If responsibility cannot be determined, then each consortium member is responsible according to its share of the contract value. Within our condensed consolidated financial statements, we account for our share of the revenues and profits under the consortium arrangements. As of June 27, 2009 our share of the aggregate contract value on open consortium arrangements was \$411.9 (of which approximately 40% has been recognized as revenue), whereas the aggregate contract value on open consortium arrangements was \$988.1. As of December 31, 2008, our share of the aggregate contract value on open consortium arrangements was \$316.3 (of which approximately 42.0% had been recognized as revenue), whereas the aggregate contract value on open consortium arrangements was \$738.6. At June 27, 2009 and December 31, 2008, we recorded liabilities of \$4.4 and \$3.1, respectively, representing the estimated fair value of our potential obligations under the joint and several liability provisions associated with our consortium arrangements.

## **(14) INCOME TAXES**

### ***FIN 48***

As of June 27, 2009, we had gross unrecognized tax benefits of \$105.7 (net unrecognized tax benefits of \$84.2), of which \$70.8, if recognized, would impact our effective tax rate on continuing operations.

We classify interest and penalties related to unrecognized tax benefits as a component of our income tax provision. As of June 27, 2009, gross accrued interest excluded from the amounts above totaled \$23.4 (net accrued interest of \$16.6). There were no significant penalties recorded during the three and six months ended June 27, 2009 or June 28, 2008.

Based on the outcome of certain examinations or as a result of the expiration of statute of limitations for certain jurisdictions, we believe that within the next 12 months it is reasonably possible that our previously unrecognized tax benefits could decrease by approximately \$15.0 to \$20.0.

### ***Tax Contingencies and Other Tax Matters***

We perform reviews of our income tax positions on a continuous basis and accrue for potential contingencies when we determine that an uncertain position meets the criteria of FIN 48. Accruals for these contingencies are recorded in “Income taxes payable” and “Deferred and other income taxes” in the accompanying condensed consolidated balance sheets based on the expectation as to the timing of when the contingency will be resolved. As events change and resolution occurs, these accruals are adjusted, such as in the case of audit settlements with taxing authorities.

The IRS currently is performing an audit of our 2006 and 2007 federal income tax returns. At this stage, the outcome of the audit is uncertain; however, we believe that any contingencies are adequately provided for. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months as we do not expect the examination will conclude within the next 12 months.

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State income tax returns generally are subject to examination for a period of three to five years after filing of the respective tax returns. The impact on such tax returns of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. We have various state income tax returns in the process of examination, administrative appeals or litigation.

We have various foreign income tax returns under examination. Currently, there are audits underway by Canadian tax authorities related to our 2000 to 2006 tax returns. The German tax authorities have commenced audits of certain income tax returns related to the 2002 to 2006 tax years. We believe that any contingencies related to these examinations have been adequately provided for.

An unfavorable resolution on one or more of the above matters could have a material adverse effect on our results of operations or cash flows in the quarter and year in which an adjustment is recorded or the tax is due or paid. As audits and examinations are still in process or we have not yet reached the final stages of the appeals process for the above matters, the timing of the ultimate resolution and any payments that may be required for the above matters cannot be determined at this time.

Upon the conclusion of our disposition activities discussed in Note 3 to these condensed consolidated financial statements, we may recognize an additional income tax provision or benefit, generally as part of discontinued operations.

## (15) FAIR VALUE

Effective January 1, 2009, we adopted SFAS No. 157 for our nonfinancial assets and nonfinancial liabilities measured on a non-recurring basis. We adopted the provisions of SFAS No. 157 for measuring the fair value of our financial assets and liabilities during 2008. As defined in SFAS No. 157, 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. We utilize market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable quoted prices in active markets for identical assets or liabilities (level 1), significant other observable inputs (level 2) or significant unobservable inputs (level 3).

Our financial derivative assets and liabilities include interest rate Swaps, FX forward contracts, FX embedded derivatives and commodity contracts that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risk. Based on these inputs, the derivative assets and liabilities are classified within level 2 of the valuation hierarchy. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments to be active.

As of June 27, 2009, there has been no significant impact to the fair value of our derivative liabilities due to our own credit risk, as the related agreements are collateralized under our senior credit facilities. Similarly, there has been no significant impact to the valuation of our derivative assets based on our evaluation of our counterparties' credit risk.

We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount. Assets and liabilities measured at fair value on a recurring basis included the following as of June 27, 2009:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets — FX embedded derivatives and FX forward contracts	\$ —	\$ 1.4	\$ —
Noncurrent assets — FX embedded derivatives	—	0.7	—
Current liabilities — FX forward contracts, FX embedded derivatives and commodity contracts	—	2.4	—
Long-term liabilities — FX embedded derivatives and Swaps	—	42.1	—

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Assets and liabilities measured at fair value on a recurring basis included the following as of December 31, 2008:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets — FX forward contracts and FX embedded derivatives	\$ —	\$ 0.6	\$ —
Noncurrent assets — FX embedded derivatives	—	8.9	—
Current liabilities — FX forward contracts and commodity contracts	—	10.1	—
Long-term liabilities — Swaps	—	42.0	—

In accordance with SFAS No. 144, we recorded pre-tax impairment charges of \$20.8 during the six months ended June 27, 2009 to "Gain (loss) on disposition of discontinued operations," related to discontinued operations (see Note 3) in order to reduce the carrying values of the related net assets to their net fair values. The fair values were based on recent indications of interest for the businesses, which are unobservable inputs (level 3). In addition, we recorded impairment charges of \$2.4 during the three and six months ended June 27, 2009 to "Special charges, net" related to assets to be disposed in connection with certain restructuring initiatives. The fair values were based on the estimated selling prices for these assets. We determined the estimated selling prices by obtaining information in the specific markets being evaluated, including comparable sales of similar assets and assumptions about demand in the market for these assets, which are unobservable inputs (level 3).

The carrying amount of cash and equivalents and receivables reported in the condensed consolidated balance sheets approximates fair value because of the short maturity of those instruments.

The fair value of our debt instruments, based on borrowing rates available to us at June 27, 2009 for similar debt, was \$1,410.9 at June 27, 2009, compared to our carrying value of \$1,450.0.

**ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**  
(in millions, except per share data)

**EXECUTIVE OVERVIEW**

During the three and six months ended June 27, 2009, our operating results were impacted negatively by the continued difficult conditions within the global economic environment. Specifically, organic revenue declined during these periods on a year-over-year basis by 14.8% and 11.2%, respectively, while operating income for the same periods declined by 51.5% and 43.4%, respectively. Cash flows also have been impacted negatively by the current economic environment, as indicated by the \$26.9 of operating cash flows from continuing operations during the first six months of 2009 as compared to \$50.2 during the first six months of 2008. We expect the current global economic situation to continue to present challenges to our operating results over the foreseeable future. However, we continue to take the necessary actions to ensure that our cost structure remains in line with our anticipated revenues, as evidenced by the \$75.0 of special charges we expect to incur during 2009 related to initiatives to consolidate manufacturing, sales and administrative facilities and functions. These initiatives are expected to result in headcount reductions approaching 2,600 by the end of 2009. During the first six months of 2009, we incurred special charges of \$35.2. Despite the current economic conditions and the impact to our operating results, we remain confident in our long-term strategy and growth opportunities.

**RESULTS OF CONTINUING OPERATIONS**

The unaudited information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements contained in our 2008 Annual Report on Form 10-K. Interim results are not necessarily indicative of results for a full year. We establish actual interim closing dates using a "fiscal" calendar, which requires our businesses to close their books on the Saturday closest to the end of the calendar quarter. The interim closing dates for the first, second and third quarters of 2009 are March 28, June 27 and September 26, respectively, and March 29, June 28 and September 27 for 2008, respectively. This practice only impacts the quarterly reporting periods and not the annual reporting period. We had two fewer days in the first quarter of 2009 and will have one additional day in the fourth quarter of 2009 when compared to the respective 2008 periods.

*Seasonality and Competition* — Many of our businesses closely follow changes in the industries and end markets they serve. In addition, certain businesses have seasonal fluctuations. Our heating and ventilation products businesses tend to be stronger during the third and fourth quarters, as customer buying habits are driven largely by seasonal weather patterns. Demand for cooling towers and related services is highly correlated to timing on large construction contracts, which may cause significant fluctuations from period to period. Revenues for our service solutions business typically follow program launch timing for diagnostic systems and service equipment. In aggregate, our businesses tend to be stronger in the second half of the year.

Although our businesses operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since our competitors do not offer all the same product lines or serve all of the same markets. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are price, service, product performance and technical innovations. These methods vary with the type of product sold. We believe we can compete effectively on the basis of each of these factors as they apply to the various products and services we offer.

*Non-GAAP Measures* — Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations, acquisitions and divestitures. We believe that this metric is a useful financial measure for investors in evaluating our operating performance for the periods presented, as when read in conjunction with our revenues, it presents a useful tool to evaluate our ongoing operations and provides investors with a tool they can use to evaluate our management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors we use in internal evaluations of the overall performance of our business. This metric, however, is not a measure of financial performance under accounting principles generally accepted in the United States ("GAAP") and should not be considered a substitute for revenue growth (decline) as determined in accordance with GAAP and may not be comparable to similarly titled measures reported by other companies.

The following table provides selected financial information for the three and six months ended June 27, 2009 and June 28, 2008, respectively, including the reconciliation of organic revenue decline to net revenue decline, as defined herein:

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 1,193.5	\$ 1,504.9	(20.7)	\$ 2,353.1	\$ 2,849.9	(17.4)
Gross profit	348.1	461.1	(24.5)	680.1	864.2	(21.3)
% of revenues	29.2%	30.6%		28.9%	30.3%	
Selling, general and administrative expense	242.1	290.6	(16.7)	484.1	580.5	(16.6)
% of revenues	20.3%	19.3%		20.6%	20.4%	
Intangible amortization	5.2	6.6	(21.2)	10.4	13.3	(21.8)
Special charges, net	23.3	4.2	*	35.2	4.9	*
Other income (expense), net	(1.6)	(4.2)	(61.9)	(13.8)	1.5	*
Interest expense, net	(20.7)	(27.4)	(24.5)	(41.6)	(56.2)	(26.0)
Equity earnings in joint ventures	5.5	11.6	(52.6)	16.3	23.2	(29.7)
Income from continuing operations before income taxes	60.7	139.7	(56.5)	111.3	234.0	(52.4)
Income tax provision	(21.6)	(49.4)	(56.3)	(33.9)	(79.4)	(57.3)
Income from continuing operations	39.1	90.3	(56.7)	77.4	154.6	(49.9)

Components of consolidated revenue growth:



Organic decline	(14.8)	(11.2)
Foreign currency	(6.1)	(6.4)
Acquisitions, net	0.2	0.2
Net revenue decline	<u>(20.7)</u>	<u>(17.4)</u>

\* Not meaningful for comparison purposes.

**Revenues** — For the three and six months ended June 27, 2009, the decrease in revenues compared to the respective 2008 periods was the result of organic revenue declines and a stronger U.S. dollar against most foreign currencies (e.g., the Euro and British Pound) in 2009 when compared to 2008. The decline in organic revenue was directly attributable to the substantial recent changes in the global economic environment, which have significantly impacted many of the end markets in which we participate, with the most significant impact on the automotive, food and beverage, and general industrial end markets.

**Gross Profit** — The decrease in gross profit for the three and six months ended June 27, 2009 compared to the respective 2008 periods was due primarily to the revenue performance described above. Gross profit as a percentage of revenues for the three and six months ended June 27, 2009, as compared to the respective 2008 periods, was impacted negatively by:

- Unfavorable project mix at the cooling systems and products business within our Thermal Equipment and Services segment; and
- Lower absorption of fixed costs, due to the declines in revenue noted above, and unfavorable sales mix at the Service Solutions business within our Test and Measurement segment.

These declines in gross profit for the six months ended June 27, 2009 compared to the respective 2008 period, were offset partially by an increase in gross profit at APV, as APV's gross profit for the first quarter of 2008 included an incremental charge of \$7.5 for the excess fair value (over historical value) of inventory acquired in the APV transaction that was subsequently sold in the first quarter of 2008.

**Selling, General and Administrative ("SG&A") expenses** — For the three and six months ended June 27, 2009, the decrease in SG&A expense compared to the respective 2008 periods was due primarily to:

- Cost reductions associated with integration efforts at APV and restructuring initiatives at a number of our businesses, including Service Solutions;
- A lower amount of incentive compensation expense during the three and six months ended June 27, 2009 as a result of declines in profitability, which impacted both SG&A at our business units and corporate expense;

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- A lower amount of stock compensation expense during the three and six months ended June 27, 2009 attributable to a lower fair value for the 2009 stock compensation awards resulting from a decline in our share price; and
- A stronger U.S. dollar against most foreign currencies in 2009 when compared to 2008.

**Intangible Amortization** — For the three and six months ended June 27, 2009, the decrease in intangible amortization compared to the respective 2008 periods was due to the stronger U.S. dollar in 2009 and certain intangible assets becoming fully amortized in 2008.

**Special Charges, net** — Special charges related primarily to restructuring initiatives to consolidate manufacturing, distribution, and administrative facilities and functions. See Note 5 to the condensed consolidated financial statements for the details of actions taken in 2009 and 2008.

**Other Income (Expense), net** — Other income (expense), net, for the three months ended June 27, 2009 was composed primarily of a net charge associated with the net decline in fair value of our foreign currency protection agreements ("FX forward contracts") and currency forward embedded derivatives ("FX embedded derivatives") of \$2.4 (see Note 11 to our condensed consolidated financial statements), partially offset by a gain of \$1.4 associated with the final settlement of a product line sale that occurred in 2006. Other income (expense), net, for the three months ended June 28, 2008 was composed primarily of a net charge associated with the net decline in fair value of our FX forward contracts and FX embedded derivatives of \$2.4 (see Note 11 to our condensed consolidated financial statements) and foreign currency transaction losses of \$2.0.

Other income (expense), net, for the six months ended June 27, 2009 was composed primarily of a net charge associated with the net decline in fair value of our FX forward contracts and FX embedded derivatives of \$9.4 (see Note 11 to our condensed consolidated financial statements) and foreign currency transaction losses of \$4.9, partially offset by the \$1.4 gain noted above. Other income (expense), net, for the six months ended June 28, 2008 was composed primarily of foreign currency transaction gains of \$4.6, partially offset by a net charge associated with the net decline in fair value of our FX forward contracts and FX embedded derivatives of \$3.3 (see Note 11 to our condensed consolidated financial statements).

**Interest Expense, net** — Interest expense, net, includes both interest expense and interest income. The decrease in interest expense, net, was the result of lower average debt balances and a lower average interest rate on the variable rate portion of our senior credit facilities. The average variable interest rate on our senior credit facilities for the six months ended June 27, 2009 has declined by approximately 200 basis points when compared to the same 2008 period. Refer to the discussion of Liquidity and Financial Condition in our 2008 Annual Report on Form 10-K for details pertaining to our 2008 debt activity.

**Equity Earnings in Joint Ventures** — The decrease in equity earnings in joint ventures for the three and six months ended June 27, 2009 compared to the respective 2008 periods was attributable to a decline in operational performance at our EGS Electrical Group, LLC and Subsidiaries joint venture primarily due to the challenging global economic environment.

**Income Tax Provision** — For the three and six months ended June 27, 2009, we recorded an income tax provision of \$21.6 and \$33.9 on \$60.7 and \$111.3 of pre-tax income from continuing operations, respectively, resulting in an effective tax rate of 35.6% and 30.5%, respectively. This compares to an income tax provision for the three and six months ended June 28, 2008 of \$49.4 and \$79.4 on \$139.7 and \$234.0 of pre-tax income from continuing



operations, respectively, resulting in an effective tax rate of 35.4% and 33.9%, respectively. The lower effective tax rate for the six months ended June 27, 2009 as compared to the same 2008 period is due primarily to the favorable settlement of certain tax matters, which totaled \$5.0.

## RESULTS OF DISCONTINUED OPERATIONS

We report discontinued operations in accordance with the guidance of Statement of Financial Accounting Standards (“SFAS”) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” Accordingly, we report businesses or asset groups as discontinued operations when, among other things, we commit to a plan to divest the business or asset group, we actively begin marketing the business or asset group, and when the sale of the business or asset group is deemed probable within the next 12 months. The following businesses, which have been sold, met these requirements and therefore have been reported as discontinued operations for the periods presented:

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Business	Quarter Discontinued	Actual Closing Date of Sale
Dezurik	Q3 2008	Q1 2009
Scales and Counting Systems business (“Scales”)	Q3 2008	Q4 2008
Vibration Testing and Data Acquisition Equipment business (“LDS”)	Q1 2008	Q4 2008
Air Filtration	Q3 2007	Q3 2008

*Dezurik* — Sold for total consideration of \$23.5, including \$18.8 in cash and a promissory note of \$4.7, resulting in a loss, net of taxes, of \$1.0 during the first quarter of 2009. During the second quarter of 2009, we recorded a net charge of \$0.2 in connection with adjustments to certain liabilities that we retained. During the fourth quarter of 2008, we recorded a net charge of \$6.0 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value.

*Scales* — Sold for cash consideration of \$16.8, resulting in a loss, net of taxes, of \$1.2 and \$3.5 during the third and fourth quarters of 2008, respectively.

*LDS* — Sold for cash consideration of \$82.5, resulting in a gain, net of taxes, of \$17.1 during the fourth quarter of 2008. During the first quarter of 2009, we recorded a net charge of \$2.6 in connection with an adjustment to certain liabilities that we retained. In addition, during the second quarter of 2009, we recorded additional income tax expense of \$1.6 related to the disposition.

*Air Filtration* — Sold for cash consideration of \$38.5, resulting in an aggregate loss, net of taxes, of \$0.8 during 2008, including a net charge during the first quarter of 2008 of \$3.1 to “Gain (loss) on disposition of discontinued operations, net of tax” to adjust the deferred tax assets of the Air Filtration business to their estimated realizable value. During 2007, we recorded a net charge of \$11.0 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value.

During the fourth quarter of 2008, we committed to a plan to divest a business within our Industrial Products and Services segment. As a result of this planned divestiture, during the fourth quarter of 2008 we recorded a net impairment charge of \$23.0 attributable to SPX common shareholders in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value. During the first quarter of 2009, we recorded an additional net charge of \$8.5 based on indications of interest for the business. In addition, during the second quarter of 2009, we committed to a plan to divest another business within our Industrial Products and Services segment. As a result of this planned divestiture, we recorded a net charge of \$7.3 during the second quarter of 2009 to “Gain (loss) on disposition of discontinued operations, net of tax” in order to reduce the carrying value of the net assets to be sold to their estimated net realizable value. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our condensed consolidated financial statements. We are actively pursuing the sale of these businesses and anticipate that the sales will be completed during the next twelve months.

In addition to the businesses discussed above, we recognized a net gain of \$2.6 during the three and six months ended June 27, 2009 and a net gain of \$0.1 during the three months ended June 28, 2008, resulting from net adjustments to gains (losses) on sales from previously discontinued businesses. Refer to the consolidated financial statements contained in our 2008 Annual Report on Form 10-K for the disclosure of all discontinued businesses for fiscal years 2006 through 2008.

The final sales price for certain of the divested businesses is subject to adjustment based on working capital existing at the respective closing dates. The working capital figures are subject to agreement with the buyers or if we cannot come to agreement, an arbitration process. Final agreement of the working capital figures for certain of these transactions has yet to occur. In addition, changes in estimates associated with liabilities retained in connection with a business divestiture (e.g., income taxes) may occur. It is possible that the sales price and resulting gains (losses) on these, and other previous divestitures, may be materially adjusted in subsequent periods.

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For the three and six months ended June 27, 2009 and June 28, 2008, income (loss) from discontinued operations and the related income taxes are shown below:

	Three months ended		Six months ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Income (loss) from discontinued operations	\$ (6.9)	\$ 6.7	\$ (28.5)	\$ 10.0
Income tax (provision) benefit	0.9	(2.4)	8.5	(5.4)
Income (loss) from discontinued operations, net	\$ (6.0)	\$ 4.3	\$ (20.0)	\$ 4.6

For the three and six months ended June 27, 2009 and June 28, 2008, results of operations for our businesses reported as discontinued operations were as follows:

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 25.6	\$ 103.9	(25.9)	\$ 47.8	\$ 196.8	(23.0)
Pre-tax income (loss)	0.8	6.6	(87.7)	(2.2)	10.1	(115.0)

## SEGMENT RESULTS OF OPERATIONS

The following information should be read in conjunction with our condensed consolidated financial statements and related notes. The segment results exclude the operating results of discontinued operations for all periods presented. See Note 4 to the condensed consolidated financial statements for a description of each of our reportable segments.

**Non-GAAP Measures** — Throughout the following discussion of segment results, we use “organic revenue” growth (decline) to facilitate explanation of the operating performance of our segments. Organic revenue growth (decline) is a non-GAAP financial measure, and is not a substitute for revenue growth (decline). Refer to the explanation of this measure and purpose of use by management under Results of Continuing Operations.

### Flow Technology

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 396.2	\$ 534.5	(25.9)	\$ 790.2	\$ 1,026.6	(23.0)
Segment income	48.5	69.7	(30.4)	98.6	116.4	(15.3)
% of revenues	12.2%	13.0%	(6.9%)	12.5%	11.3%	11.5%
Components of segment revenue decline:						
Organic decline			(17.4)			(13.8)
Foreign currency			(8.5)			(9.2)
Acquisitions, net			—			—
Net segment revenue decline			(25.9)			(23.0)

**Revenues**— For the three and six months ended June 27, 2009, the decrease in revenues compared to the respective 2008 periods was due to the decline in organic revenues and a stronger U.S. dollar. Specifically, the challenging global economic environment has negatively impacted the general industrial, dehydration, mining, and food and beverage end markets served by the segment, resulting in the decline in organic revenue.

**Segment Income**— For the three months ended June 27, 2009, segment income and margin decreased compared to the respective 2008 period primarily as a result of the decline in organic revenue noted above and lower absorption of fixed costs as a result of the revenue decline.

For the six months ended June 27, 2009, segment income declined primarily as a result of the matters noted above. Despite the matters noted above, segment margins for the six months ended June 27, 2009 increased over the prior year as segment income for the six months ended June 28, 2008 included a charge of \$7.5, representing the excess fair value (over historical cost) of inventory acquired in the APV transaction that was subsequently sold during the first quarter of 2008. In

addition, segment income and margins for the three and six months ended June 27, 2009 were impacted favorably by cost reductions associated with integration activities at APV.

### Test and Measurement

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 207.6	\$ 320.0	(35.1)	\$ 403.6	\$ 590.0	(31.6)
Segment income	13.3	36.6	(63.7)	19.1	60.5	(68.4)
% of revenues	6.4%	11.4%	(43.9%)	4.7%	10.3%	(54.4%)
Components of segment revenue growth (decline):						
Organic decline			(29.4)			(25.8)
Foreign currency			(6.6)			(6.7)
Acquisitions, net			0.9			0.9
Net segment revenue decline			(35.1)			(31.6)

**Revenues**— For the three and six months ended June 27, 2009, the decrease in revenues compared to the respective 2008 periods was due to an organic revenue decline resulting from the challenging global economic environment and to the impact of the stronger U.S. dollar. The decline in organic revenue related primarily to the continued difficulties being experienced by global vehicle manufacturers and their dealer service networks.

**Segment Income**— For the three and six months ended June 27, 2009, segment income and margin decreased compared to the respective 2008 periods primarily as a result of a decline in organic revenues, lower absorption of fixed costs as a result of the revenue decline, and unfavorable sales mix.

### Thermal Equipment and Services

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 368.9	\$ 409.4	(9.9)	\$ 711.1	\$ 756.2	(6.0)
Segment income	27.5	45.6	(39.7)	48.9	82.0	(40.4)
% of revenues	7.5%	11.1%	(32.4%)	6.9%	10.8%	(35.2%)
Components of segment revenue decline:						

Organic decline	(4.3)	(0.5)
Foreign currency	(5.6)	(5.5)
Acquisitions, net	—	—
Net segment revenue decline	<u>(9.9)</u>	<u>(6.0)</u>

**Revenues**— For the three months ended June 27, 2009, the decrease in revenues compared to the respective 2008 period was due to the stronger U.S. dollar and a decline in organic revenues. The decline in organic revenue during the three months ended June 27, 2009 was due primarily to the timing of contract execution.

For the six months ended June 27, 2009, the decrease in revenues compared to the respective 2008 period was primarily due to the stronger U.S. dollar.

**Segment Income**—For the three and six months ended June 27, 2009, segment income and margin decreased over the respective prior year periods primarily as a result of unfavorable project mix at our cooling systems and products business.

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### Industrial Products and Services

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Revenues	\$ 220.8	\$ 241.0	(8.4)	\$ 448.2	\$ 477.1	(6.1)
Segment income	46.6	54.0	(13.7)	95.5	107.1	(10.8)
% of revenues	21.1%	22.4%		21.3%	22.4%	
Components of segment revenue decline:						
Organic decline			(7.4)			(5.1)
Foreign currency			(1.0)			(1.0)
Acquisitions, net			—			—
Net segment revenue decline			<u>(8.4)</u>			<u>(6.1)</u>

**Revenues**— For the three and six months ended June 27, 2009, the decrease in revenues compared to the respective 2008 periods was due primarily to a decline in organic revenues associated with lower demand for our hydraulic tools product line driven by the economic downturn.

**Segment Income**— For the three and six months ended June 27, 2009, the decrease in segment income and margin compared to the respective 2008 periods was due to the organic revenue decline described above, as well as charges of \$3.3 and \$5.3, respectively, related to a product liability matter.

### Corporate and Other Expenses

	Three months ended			Six months ended		
	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
Total consolidated revenues	\$ 1,193.5	\$ 1,504.9	(20.7)	\$ 2,353.1	\$ 2,849.9	(17.4)
Corporate expense	19.2	24.7	(22.3)	42.5	54.9	(22.6)
% of revenues	1.6%	1.6%		1.8%	1.9%	
Stock-based compensation expense	6.1	9.7	(37.1)	15.3	25.7	(40.5)
Pension and postretirement expense	9.8	7.6	28.9	18.7	15.0	24.7

**Corporate Expense** — Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia-Pacific center in Shanghai, China. For the three and six months ended June 27, 2009, the decrease in corporate expense compared to the respective 2008 periods was due primarily to lower incentive compensation relating to a decline in profitability during the first half of 2009 (in comparison to the first half of 2008). In addition, the three and six months ended June 28, 2008 included higher professional fees relating to various income tax related projects and increased costs relating to a legacy legal matter.

**Stock-based Compensation Expense** — The decrease in stock-based compensation expense for the three and six months ended June 27, 2009 compared to the respective 2008 periods was due primarily to a decrease in the fair value of our 2009 restricted stock and restricted stock unit awards. The weighted-average fair value of our 2009 stock-based compensation awards, which is directly correlated to changes in our share price (see Note 12 to the condensed consolidated financial statements for a discussion of our valuation technique), decreased approximately 56% compared to the weighted-average fair value of our 2008 awards.

**Pension and Postretirement Expense** — Pension and postretirement expense represents our consolidated expense, which we do not allocate for segment reporting purposes. The increase in pension and postretirement expense for the three and six months ended June 27, 2009 was due primarily to lower expected returns on plan assets driven by lower plan asset value.

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## OUTLOOK

The following table highlights our backlog as of June 27, 2009 and December 31, 2008, and expectations of revenues for 2009 based on information available at the time of this report.

Segment	Comments
Flow Technology	We currently are expecting a double-digit decline in organic revenue in 2009, following three years of double-

digit, or near double-digit, growth as a result of softness within most of the end-markets served by the segment due to the economic slowdown. The segment had backlog of \$647.6 and \$645.6 as of June 27, 2009 and December 31, 2008, respectively.

Test and Measurement	We are projecting a significant decline in organic revenue in the second half of 2009, similar to what occurred during the first six months of the year, due to the difficulties being experienced by global vehicle manufacturers and their dealer service networks. Backlog for the segment is not material as the related businesses are primarily short-cycle in nature.
Thermal Equipment and Services	We are projecting flat revenue growth for the segment in 2009, as sales into the global power generation market remain stable and we continue to recognize revenue from our existing backlog. We had backlog of \$2,124.9 and \$2,083.6 as of June 27, 2009 and December 31, 2008, respectively, across the segment, with the majority in our cooling systems and products and thermal services and equipment businesses. Portions of this backlog are long-term in nature, with the related revenue expected to be recorded through 2015. We expect large contracts to continue to be significant for this segment, which may contribute to large fluctuations in revenues and profits from period to period.
Industrial Products and Services	We expect a significant decline in organic revenue in 2009, primarily during the second half of 2009, as the deterioration in economic conditions has significantly impacted the capital spending behavior of certain of the segment's customers, particularly with regard to power transformers, hydraulic tools, and solar power products. Backlog for the segment totaled \$403.6 and \$541.7 as of June 27, 2009 and December 31, 2008, respectively.

## LIQUIDITY AND FINANCIAL CONDITION

Listed below are the cash flows from (used in) operating, investing, and financing activities and discontinued operations, as well as the net change in cash and equivalents for the six months ended June 27, 2009 and June 28, 2008.

### Cash Flow

	Six months ended	
	June 27, 2009	June 28, 2008
Continuing operations:		
Cash flows from operating activities	\$ 26.9	\$ 50.2
Cash flows used in investing activities	(33.4)	(44.9)
Cash flows from (used in) financing activities	(42.3)	47.5
Cash flows from (used in) discontinued operations	26.9	(10.2)
Change in cash and equivalents due to changes in foreign currency exchange rates	(19.5)	22.9
Net change in cash and equivalents	\$ (41.4)	\$ 65.5

**Operating Activities** — The decrease in cash flows from operating activities during the six months ended June 27, 2009 as compared to the same period in 2008 was due primarily to a decline in operating earnings and cash outflows associated with the integration efforts at APV. These decreases were offset partially by an income tax refund of \$23.2 that was received during the six months ended June 27, 2009.

**Investing Activities** — The decrease in cash used in investing activities during the six months ended June 27, 2009 as compared to the same period in 2008 was due primarily to a decrease in restricted cash of \$9.9 and the proceeds of \$1.6 received from assets sales and other during the six months ended June 27, 2009.

**Financing Activities** — The decrease in cash flows from financing activities during the six months ended June 27, 2009 as compared to the same period in 2008 was due primarily to repurchases of common stock of \$113.2 during the six months ended June 27, 2009. We did not repurchase any common stock during the first six months of 2008. In addition, cash received related to the exercise of stock options was \$0.1 during the first six months of 2009 compared to \$44.0 during the same period in 2008. These decreases were offset partially by net borrowings on our various debt facilities of \$104.9 during the six months ended June 27, 2009 compared to net borrowings of \$26.5 during the six months ended June 28, 2008.

**Discontinued Operations** — The increase in cash flows from discontinued operations during the six months ended June 27, 2009 as compared to the same period in 2008 was due primarily to cash proceeds of \$18.8 received in connection with the sale of the Dezurik product line during the six months ended June 27, 2009. In addition, an income tax refund of \$17.4 was received during the six months ended June 27, 2009 that related to the disposition of the Air Filtration business.

### Borrowings and Availability

**Borrowings** — The following table summarizes our debt activity for the first six months of 2009. See Note 10 to the condensed consolidated financial statements for additional details regarding our indebtedness.

	December 31, 2008	Borrowings	Repayments	Other (3)	June 27, 2009
Term loan	\$ 675.0	\$ —	\$ (18.8)	\$ —	\$ 656.2
Domestic revolving loan facility	65.0	272.0	(182.0)	—	155.0(4)
7.625% senior notes	500.0	—	—	—	500.0
7.50% senior notes	28.2	—	—	—	28.2
6.25% senior notes	21.3	—	—	—	21.3
Trade receivables financing arrangement (1)	—	112.0	(60.0)	—	52.0
Other indebtedness (2)	55.2	—	(18.3)	0.4	37.3

Total debt	1,344.7	\$ 384.0	\$ (279.1)	\$ 0.4	1,450.0
Less: short-term debt	112.9				135.2
Less: current maturities of long-term debt	76.4				76.0
Total long-term debt	\$ 1,155.4				\$ 1,238.8

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- (1) Under this arrangement, we can borrow, on a continuous basis, up to \$130.0, as available.
- (2) Includes aggregate balances under accounts payable programs and a purchase card program of \$29.8 and \$47.9 at June 27, 2009 and December 31, 2008, respectively.
- (3) "Other" includes debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.
- (4) Based on our projected domestic cash flows over the next 12 months, we have included \$53.0 of the balance in short-term debt and the remaining \$102.0 in long-term debt.

Certain of our businesses participate in accounts payable programs through agreements with certain lending institutions. As of June 27, 2009 and December 31, 2008, the participating businesses had \$6.1 and \$7.3, respectively, outstanding under these arrangements. Additionally, certain of our businesses purchase goods and services under a purchasing card program allowing payment beyond their normal payment terms. As of June 27, 2009 and December 31, 2008, the participating businesses had \$23.7 and \$40.6, respectively, outstanding under this arrangement. As these arrangements extend the payment of our businesses' payables beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

**Availability** — At June 27, 2009, we had \$325.9 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facilities of \$155.0 and to \$119.1 reserved for outstanding letters of credit. In addition, at June 27, 2009, we had \$274.3 of available issuance capacity under our foreign trade facility after giving effect to \$675.7 reserved for outstanding letters of credit. We also have a trade receivables financing agreement, whereby we can borrow on a continuous basis up to \$130.0. Availability of funds may fluctuate over time given changes in eligible receivable balances, but will not exceed the \$130.0 program limit. As of June 27, 2009, we had \$15.7 available under the trade receivables financing agreement, after giving effect to borrowings of \$52.0. The facility contains representations, warranties, covenants, and indemnities customary for facilities of this type. The facility does not contain any covenants that we view as materially constraining to the activities of our business. See Note 10 to the condensed consolidated financial statements along with the consolidated financial statements contained in our 2008 Annual Report on Form 10-K for additional information on our debt.

We have a shelf registration statement for 8.3 shares of common stock that may be issued for acquisitions. In addition, other financing instruments may be used from time to time, including, but not limited to, private placement instruments, operating leases, capital leases and securitizations. We expect that we will continue to access these markets as appropriate to maintain liquidity and to provide sources of funds for general corporate purposes, acquisitions or to refinance existing debt.

Recent distress in the financial markets has had an adverse impact on financial market activities around the world including, among other things, extreme volatility in security prices, diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others. We have assessed the implications of these factors on our business, are closely monitoring the impact on our customers and suppliers, and have determined that there has not been a significant impact on our liquidity during the first half of 2009 and do not currently expect a significant impact in the near or long-term. While the impact of continued market volatility cannot be predicted, we believe that cash and equivalents, which totaled \$434.5 at June 27, 2009, cash flows from operations and our availability under our revolving credit facilities and existing trade receivables financing agreement will be sufficient to fund working capital needs, planned capital expenditures, on-going equity repurchases, dividend payments, other operational cash requirements and required debt service obligations for the foreseeable future.

## Derivative Financial Instruments

Effective January 1, 2009, we adopted SFAS No. 157 for our nonfinancial assets and nonfinancial liabilities measured on a non-recurring basis. We adopted the provisions of SFAS No. 157 for measuring the fair value of our financial assets and liabilities during 2008. As defined in SFAS No. 157, 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. We utilize market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable quoted prices

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in active markets for identical assets or liabilities (level 1), significant other observable inputs (level 2) or significant unobservable inputs (level 3).

Our financial derivative assets and liabilities include interest rate protection agreements ("Swaps"), FX forward contracts, FX embedded derivatives and forward contracts to manage the exposure on forecasted purchases of commodity raw materials ("commodity contracts") that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risk. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments to be active.

As of June 27, 2009, there has been no significant impact to the fair value of our derivative liabilities due to our own credit risk, as the related agreements are collateralized under our senior credit facilities. Similarly, there has been no significant impact to the valuation of our derivative assets based on our evaluation of our counterparties' credit risk.

We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount. Assets and liabilities measured at fair value on a recurring basis included the following as of June 27, 2009:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets – FX embedded derivatives and FX forward contracts	\$ —	\$ 1.4	\$ —
Noncurrent assets – FX embedded derivatives	—	0.7	—
Current liabilities – FX forward contracts, FX embedded derivatives and commodity contracts	—	2.4	—
Long-term liabilities – FX embedded derivatives and Swaps	—	42.1	—

Assets and liabilities measured at fair value on a recurring basis included the following as of December 31, 2008:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets – FX forward contracts and FX embedded derivatives	\$ —	\$ 0.6	\$ —
Noncurrent assets – FX embedded derivatives	—	8.9	—
Current liabilities – FX forward contracts and commodity contracts	—	10.1	—
Long-term liabilities – Swaps	—	42.0	—

### Interest Rate Swaps

We maintain Swaps to hedge the potential impact of increases in interest rates on our variable rate term loan. These Swaps, which we designate and account for as cash flow hedges, have maturities through September 2012 and effectively convert the majority of our borrowing under our variable rate term loan to a fixed rate of 4.795% plus the applicable margin. These are amortizing Swaps; therefore, the outstanding notional value is scheduled to decline commensurate with the scheduled maturities of the term loan. As of June 27, 2009, the aggregate notional amount of the Swaps was \$510.0. The unrealized loss, net of taxes, recorded in accumulated other comprehensive loss (“AOCI”) was \$21.2 and \$25.8 as of June 27, 2009 and December 31, 2008, respectively. In addition, as of June 27, 2009 and December 31, 2008, we recorded a long-term liability of \$34.5 and \$42.0, respectively, to recognize the fair value of our Swaps.

### Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency denominated cash flows and to minimize their impact. Our principal currency exposures relate to the Euro, British Pound, South African Rand and Chinese Yuan.

From time to time, we enter into FX forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries. Some of the contracts with underlying forecasted transactions contain FX embedded derivatives, as the currency of exchange is not “clearly and

closely” related to the functional currency of either party to the transaction. The net loss recorded in “Other income (expense)” from the change in the fair value of FX forward contracts and embedded derivatives totaled \$2.4 and \$9.4 for the three and six months ended June 27, 2009, respectively, and \$2.4 and \$3.3 for the three and six months ended June 28, 2008, respectively. The unrealized loss, net of taxes, recorded in AOCI was \$1.0 as of June 27, 2009.

We had FX forward contracts with an aggregate notional amount of \$110.7 outstanding as of June 27, 2009. The fair values of our FX forward contracts and embedded derivatives were as follows:

	June 27, 2009				December 31, 2008		
	Current Assets	Noncurrent Assets	Current Liabilities	Long-Term Liabilities	Current Assets	Noncurrent Assets	Current Liabilities
FX forward contracts	\$ 1.2	\$ —	\$ 0.1	\$ —	\$ 0.5	\$ —	\$ 2.9
FX embedded derivatives	0.2	0.7	1.1	7.6	0.1	8.9	—

### Commodity Contracts

From time to time, we enter into commodity contracts. We designate and account for these contracts as cash flow hedges. As of June 27, 2009 and December 31, 2008, the unrealized loss, net of tax, recorded in accumulated other comprehensive loss was \$0.8 and \$5.8, respectively. We expect to reclassify the unrealized loss mentioned above to cost of products sold over the next 12 months as the hedged transactions impact earnings. The fair values of contracts that had not settled with the counterparty as of June 27, 2009 and December 31, 2008 were \$1.2 and \$7.2, respectively, recorded as a current liability. We did not recognize any gain or loss during the three and six months ended June 27, 2009 and June 28, 2008 related to the ineffectiveness of the hedges.

### Concentration of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and temporary investments, trade accounts receivable, interest rate swap agreements, and foreign currency forward and forward commodity contracts. These financial instruments, other than trade accounts receivable, are placed with high-quality financial institutions throughout the world. We periodically evaluate the credit standing of these financial institutions.

We are exposed to credit losses in the event of nonperformance by counterparties to the above financial instruments, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not



obtain collateral or other security to support financial instruments subject to credit risk, but we do monitor the credit standing of counterparties.

Concentrations of credit risk arising from trade accounts receivable are due to selling to a large number of customers in a particular industry. We perform ongoing credit evaluations of our customers' financial conditions and obtain collateral or other security when appropriate.

## **Other Matters**

Contractual Obligations — There were no significant changes in the amounts of our contractual obligations from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008. Our total net liabilities for unrecognized tax benefits including interest were \$101.0 as of June 27, 2009. We believe that within the next 12 months it is reasonably possible that we could pay approximately \$15.0 to \$20.0 relating to uncertain tax positions, which includes an estimate for interest and penalties.

Contingencies and Other Matters — Numerous claims, complaints and proceedings arising in the ordinary course of business, including but not limited to those relating to environmental matters, competitive issues, contract issues, tax positions, intellectual property matters, personal injury and product liability claims, and workers' compensation have been filed or are pending against us and certain of our subsidiaries. We accrue for these contingencies when we believe a liability is probable and can be reasonably estimated. As events change and resolution occurs, these accruals may be adjusted and could differ materially from amounts originally estimated. See Notes 13 and 14 to the condensed consolidated financial statements for a further discussion of contingencies and other matters.

Our Certificate of Incorporation provides that we shall indemnify our officers and directors to the fullest extent permitted by the Delaware General Corporation Law for any personal liability in connection with their employment or

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service with us. While we maintain insurance for this type of liability, the liability could exceed the amount of the insurance coverage.

In addition, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Matters" herein, "Risk Factors" herein and in our 2008 Annual Report on Form 10-K, as well as similar sections in any future filings for an understanding of the risks, uncertainties, and trends facing our businesses.

## **Critical Accounting Policies and Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The accounting policies that we believe are most critical to the portrayal of our financial condition and results of operations, and that require management's most difficult, subjective or complex judgments in estimating the effect of inherent uncertainties are discussed in our 2008 Annual Report on Form 10-K. There has been no material change in our critical accounting policies and use of estimates since the filing of our 2008 Annual Report on Form 10-K.

## **FORWARD-LOOKING STATEMENTS**

Some of the statements in this document and any documents incorporated by reference, including any statements as to future results of operations and financial projections, constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our businesses or our industries' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. Such statements include, in particular, statements about our plans, strategies, prospects, changes and trends in our business and the markets in which we operate under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." In some cases, you can identify forward-looking statements by terminology such as "may," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or "continue" or the negative of those terms or other comparable terminology. Particular risks facing us include economic, business and other risks stemming from our international operations, legal and regulatory risks, costs of raw materials, pricing pressures, pension funding requirements, integration of acquisitions and changes in the economy. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors. All the forward-looking statements are qualified in their entirety by reference to the factors discussed under "Risk Factors" in our 2008 Annual Report on Form 10-K and any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements.

We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment and frequently enter into new businesses and product lines. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. In addition, our estimates of future operating results are based on our current complement of businesses, which is subject to change as management selects strategic markets.

## **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

Management does not believe our exposure to market risk has significantly changed since December 31, 2008 and does not believe that such risks will result in significant adverse impacts to our financial condition or results of operations.

## **ITEM 4. Controls and Procedures**

SPX management, including the Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of disclosure controls and procedures, pursuant to Exchange Act Rule 13a-15(b), as of June 27, 2009. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 27, 2009.

In connection with the evaluation by SPX management, including the Chief Executive Officer and the Chief Financial Officer, of our internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d), no changes



during the quarter ended June 27, 2009 were identified that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### ITEM 1. Legal Proceedings

The information required by this Item is incorporated by reference from the footnotes to the condensed consolidated financial statements, specifically Note 13 under the heading “Litigation Matters,” included under Part I of this Form 10-Q.

### ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2008, which could materially affect our business, financial condition or future results.

In addition, please note the following additional risk factor.

#### **Changes in tax laws and regulations or other factors could cause our income tax rate to increase, potentially reducing our net income and adversely affecting our cash flows.**

As a global manufacturing company, we are subject to taxation in various jurisdictions around the world. In preparing our financial statements, we calculate our effective income tax rate based on current tax laws and regulations and the estimated taxable income within each of these jurisdictions. Our effective income tax rate, however, may be higher due to numerous factors, including changes in tax laws or regulations. An effective income tax rate significantly higher than our expectations could have an adverse effect on our business, results of operations, and liquidity.

Officials in some of the jurisdictions in which we do business, including the United States, have proposed, or announced that they are reviewing, tax increases and other revenue raising laws and regulations. Any resulting changes in tax laws or regulations could impose new restrictions, costs or prohibitions on our current practices and reduce our net income and adversely affect our cash flows.

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases of common stock during the three months ended June 27, 2009.

### ITEM 4. Submission of Matters to a Vote of Security Holders

We held our Annual Meeting of Stockholders on April 22, 2009, at which stockholders elected two directors with terms expiring and voted on other matters as outlined below. The results of the voting for each item voted on by the stockholders were as follows:

#### **Proposal 1: Election of Directors**

Director	Term Expiring	For	Against	Abstain
Christopher J. Kearney	2012	39,826,937	1,661,577	139,005
Martha B. Wyrsh	2012	40,403,874	1,050,578	173,067

#### **Proposal 2: Ratification of the Appointment of Deloitte & Touche LLP as the Company’s Independent Registered Public Accountants in 2009**

For	Against	Abstain
40,907,550	587,025	132,994

### ITEM 6. Exhibits

- \*10.1 SPX Corporation Supplemental Retirement Plan for Top Management, as amended and restated April 22, 2009
- \*10.2 Employment Agreement between SPX Corporation and Jeremy W. Smeltser
- \*10.3 Employment Agreement between SPX Corporation and J. Michael Whitted
- \*10.4 Employment Agreement between SPX Corporation and Drew T. Ladau
- \*10.5 Change of Control Agreement between SPX Corporation and Jeremy W. Smeltser
- \*10.6 Change of Control Agreement between SPX Corporation and J. Michael Whitted
- \*10.7 Amendment to Change of Control Agreement between SPX Corporation and J. Michael Whitted
- \*10.8 Change of Control Agreement between SPX Corporation and Drew T. Ladau
- 11.1 Statement regarding computation of earnings per share. See condensed consolidated statements of operations, page 2 of this Form 10-Q.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

## SIGNATURES

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

**SPX CORPORATION**  
(Registrant)

Date: July 29, 2009

By /s/ Christopher J. Kearney  
**President and Chief Executive Officer**

Date: July 29, 2009

By /s/ Patrick J. O'Leary  
**Executive Vice President, Treasurer and Chief Financial Officer**

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## INDEX TO EXHIBITS

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**SPX CORPORATION**  
**SUPPLEMENTAL RETIREMENT PLAN**  
**FOR TOP MANAGEMENT**

*(As Amended and Restated Effective April 22, 2009)*

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**SPX CORPORATION  
SUPPLEMENTAL RETIREMENT PLAN  
FOR TOP MANAGEMENT**

The SPX Corporation Supplemental Retirement Plan for Top Management (the “Plan”) was adopted effective October 22, 1985, amended from time to time thereafter and is now amended and restated, effective as of April 22, 2009. The Plan is established and maintained by SPX Corporation for the purpose of providing supplemental retirement income benefits to a limited number of top management employees largely responsible for enhancing the earnings and growth of SPX Corporation.

The provisions set forth in this Plan are applicable only to Participants in the employ of SPX Corporation on or after the effective date of such provisions. Participants who retired with benefits commencing prior to such date, or who became disabled or separated from the employ of SPX Corporation prior to that date, or an eligible beneficiary of such Employees, shall be eligible for the benefits, if any, under the Plan as it existed at the time of retirement, disability or separation; or as subsequently amended such that the amended terms apply to such persons.

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**ARTICLE I  
DEFINITIONS**

Wherever used herein the following terms shall have the meanings hereinafter set forth (except as may otherwise be modified in other provisions or appendices of the Plan). Words in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified by the context. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

1.1 “**Actuarial Equivalent**” means a benefit having the same value as the benefit it replaces. Actuarial equivalency shall be determined on the basis of the following assumptions:

- (a) For purposes of converting a 100% joint and survivor annuity or a 50% joint and survivor annuity (as the case may be) at Normal Retirement Age to a lump sum at Normal Retirement Age or at any other time, or a lump sum at any age to a 100% joint and survivor annuity or a 50% joint and survivor annuity (as the case may be) at Normal Retirement Age or at any other time, (i) mortality shall be based upon the table prescribed in Code Section 417(e)(3)(A)(ii)(I), (ii) the ages of the Participant and the Participant's spouse shall be their actual ages and (iii) the assumed interest rate shall be the annual interest on 30-year Treasury securities, as published by the Board of Governors of the Federal Reserve System, for the November prior to the Plan Year during which the distribution is made.
- (b) For purposes of converting a 100% joint and survivor annuity or a 50% joint and survivor annuity (as the case may be) into a single life annuity, the factors set forth in Table A (attached hereto) shall be applied. If a Participant is not married, such application shall be based on the assumption that the Participant is married and that he and his spouse are the same age. If a Participant is married, such application shall be based on the actual ages of the Participant and his spouse. For purposes of converting into any other optional annuity form of benefit available under the Plan or for adjusting for a non-spousal Beneficiary, the 100% joint and survivor annuity or the 50% joint and survivor annuity (as the case may be) shall first be converted into a single life annuity, as described above, after which the actuarial factors set forth in Appendix A of the SPX Qualified Plan (as amended) shall be applied.

1.2 "**Affiliated Company**" or "**Affiliate**" means any corporation, trade or business entity which is a member of a controlled group of corporations, trades or businesses, or an affiliated service group, of which the Company is also a member, as provided in Code Sections 414(b), (c), (m) or (o).

1.3 "**Beneficiary**" means a Participant's beneficiary under the SPX Qualified Plan, or any person or persons designated by a Participant to receive benefits payable in the event of the Participant's death before benefits under the Plan begin, or to receive the survivor benefits under any joint and survivor benefit option or period certain benefit option after benefits under the Plan begin. Any separate designation of a Beneficiary under this Plan shall not be effective for any purpose unless and until it has been filed by the Participant with the Committee on a form approved by the Committee. In the event that a Participant shall not have a Beneficiary, or if for any reason a Beneficiary designation shall be legally ineffective, or if such Beneficiary predeceases the Participant, then, for purposes of the Plan, payments shall be made to the first surviving class, and in equal shares if there are more than one in each class, of the following classes of beneficiaries in order of preference: (i) Participant's widow or widower, (ii) surviving children, (iii) surviving parents, (iv) surviving brothers or sisters, and (v) legal representative, provided that if no legal representative is duly appointed and qualified within six months of the date of death of a deceased Participant, then payment shall be made to such persons as, at the date of the Participant's death, would be entitled to share in the distribution of such deceased Participant's estate under the provisions of the statute governing the descent of intestate property, then in force and effect in the state of Participant's residence. A Participant may, from time to time, on a form approved by and filed with the Committee, change the Beneficiary, provided that once benefit payments have commenced to be paid to a Participant, his designation of a Beneficiary may only be changed for the period certain and life benefit as described at Section 6.8, Option 5 of the SPX Qualified Plan. If payments under a period certain and life benefit have commenced to a Participant's designated Beneficiary and the Beneficiary

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dies before all payments under such form of payment have been made, any remaining payments shall be made to the Beneficiary's estate.

A married Participant may elect at any time to designate a non-spouse Beneficiary or to revoke any such election at any time. An election by a Participant to designate a non-spouse Beneficiary shall not take effect unless the Participant's spouse consents in writing to such election, such consent acknowledges the effect of such an election and the consent is witnessed by a representative of the Plan or a notary public, unless the Participant establishes to the satisfaction of the Committee that such consent may not be obtained because there is no spouse, the spouse cannot be located or due to other circumstances. The consent by a spouse shall be irrevocable and shall be effective only with respect to that spouse.

There shall be separate Beneficiary designations for a Participant's Non-409A Top Management Retirement Benefit and 409A Top Management Retirement Benefit (although a Participant may select the same person(s) as Beneficiary for both the Participant's Non-409A Top Management Retirement Benefit and 409A Top Management Retirement Benefit).

A Participant's spouse shall no longer be eligible for the Top Management Retirement Benefit provided in Sections 4.1(a) and 4.2(a) on the date of entry of a judgment of divorce from that spouse, provided that a Participant may designate a former spouse as his Beneficiary on a form approved by the Committee and filed with the Committee after the date of entry of the judgment of divorce and before his death.

1.4 "**Board**" means the Board of Directors of the Company.

1.5 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations relating thereto.

1.6 "**Committee**" or "**Compensation Committee**" means the Compensation Committee of the Board.

1.7 "**Company**" means (a) SPX Corporation, a Delaware corporation, (b) any Affiliated Company or Affiliate provided that such Affiliated Company or Affiliate shall have been included in the definition of Company only to the extent determined by action of the officer of SPX Corporation empowered to make such employee benefit determinations, or (c) to the extent provided in Section 7.9 below, any successor corporation or other entity resulting from a reorganization, merger or consolidation into or with the Company, or a transfer or sale of substantially all of the assets of the Company.

1.8 "**Continuous Service**" for purposes of this Plan shall be equal to a Participant's Continuous Service as shown on the records of the SPX Qualified Plan. For purposes of this Plan only, in the event a Participant was employed by a business entity acquired by the Company, his Continuous Service Commencement Date (as that term is defined in the SPX Qualified Plan) shall be the closing date of such acquisition.

1.9 "**Early Retirement Date**" means the first day of the month coinciding with or next following the date on which a Participant or former Participant meets all of the following requirements:

- terminated employment with the Company, prior to attaining Normal Retirement Age;

- after such Participant is Vested under this Plan; and
- when the Participant has attained at least age 55, regardless of whether he attained such age prior to his termination of employment.

1.10 “**Employee**” means an employee of the Company or of an Affiliated Company who is a participant (or deemed treated as a participant pursuant to an Appendix of this Plan) under the SPX Qualified Plan (or any successor or replacement to the SPX Qualified Plan).

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1.11 “**Final Average Pay**” shall mean the average monthly pay in the Participant’s highest paid three calendar years out of his last ten calendar years of Company employment, but with the following modifications:

- (a) In a Participant’s last calendar year of Company employment, Final Average Pay will be based on the full year, by annualizing the Participant’s last rate of pay for that year, and including the bonus paid to the Participant during that year.
- (b) Those items excluded from the definition of Compensation under the SPX Qualified Plan (including the payment of the “bank” portion of a Participant’s SPX Corporation Executive EVA Incentive Compensation Plan account as a result of termination of employment or Change-of-Control) shall also be excluded from Final Average Pay; provided that any deferrals of compensation made pursuant to the SPX Corporation Supplemental Retirement Savings Plan shall be includable in the determination of Final Average Pay.
- (c) For purposes of this Plan, Final Average Pay shall be determined, regardless of the limit (if any) provided by Code Section 401(a)(17) or any other statutorily imposed limit.

1.12 “**Normal Retirement Age**” shall mean age sixty-five (65).

1.13 “**Normal Retirement Date**” means the first day of the month coinciding with or next following the later of (i) the date of the Participant’s Normal Retirement Age or (ii) the date on which a Participant terminates employment with the Company on or after attainment of his Normal Retirement Age.

1.14 “**Participant**” means an Employee who is eligible to participate in this Plan pursuant to Article II hereof.

1.15 “**Plan**” means this SPX Corporation Supplemental Retirement Plan For Top Management.

1.16 “**SPX Qualified Plan**” means the SPX Corporation Individual Account Retirement Plan (formerly known as Pension Plan No. 3) and each predecessor, successor or replacement to the said SPX Qualified Plan.

1.17 “**SPX Qualified Plan Benefit**” means the aggregate benefit (including any portion to be paid to an alternate payee pursuant to a qualified domestic relations order) payable to and in respect of a Participant pursuant to the SPX Qualified Plan and any other tax-qualified (within the meaning of Code Section 401(a)) defined benefit pension plans (within the meaning of Code Section 414(j)) maintained by the Company and its Affiliates by reason of his termination of employment with the Company and all Affiliates. If benefits are paid under this Plan in a different form than the SPX Qualified Plan Benefit, the SPX Qualified Plan Benefit shall be determined as an Actuarial Equivalent benefit in the same form. SPX Qualified Plan Benefits paid prior to payment under this Plan shall (i) in the event of lump sum payments, be increased by the actual interest credits provided to SPX Qualified Plan participants between the date of payment under the SPX Qualified Plan and the date of payment under this Plan, and (ii) in the event of monthly annuity payments, such payments shall be redetermined as if paid by the SPX Qualified Plan on the Normal Retirement Date or Early Retirement Date under this Plan. This redetermination shall include actual interest credits provided to SPX Qualified Plan participants between the date of payment under the SPX Qualified Plan and the date of payment under this Plan.

1.18 “**Other Nonqualified Pension Plans**” shall mean the following plans (and any predecessor, successor or replacement plans) sponsored by the Company: the SPX Corporation Supplemental Individual Account Retirement Plan, the SPX Corporation Retirement Plan for Directors, the Restoration Plan for the Salaried Defined Benefit Retirement Plans of United Dominion Industries, Inc., the United Dominion Industries, Inc. Supplemental Executive Retirement Plan, the Marley Company Supplemental Benefits Plan and the UDI Core Industries, Inc. Benefit Equalization Plan or any other non-qualified defined benefit plan sponsored by the Company.

1.19 “**Surviving Spouse**” means the person who is married to a Participant at the date of his death.

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1.20 “**Top Management Retirement Benefit**” means the benefit payable to a Participant, a Surviving Spouse or a Beneficiary pursuant to the terms of this Plan.

1.20A. “**Non-409A Top Management Retirement Benefit**” refers to the Top Management Retirement Benefit that is determined under Code Section 409A to be (i) attributable to amounts deferred in taxable years beginning before January 1, 2005, and (ii) not subject to Code Section 409A.

1.20B. “**409A Top Management Retirement Benefit**” refers to the Top Management Retirement Benefit that is determined under Code Section 409A to be (i) attributable to amounts deferred in taxable years beginning on or after January 1, 2005, or (ii) attributable to amounts deferred in taxable years beginning before January 1, 2005 that are subject to Code Section 409A.

1.21 “**Vested**.” A Participant shall be Vested in his benefits under this Plan if he has 5 years of Continuous Service under the SPX Qualified Plan.

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**ARTICLE II  
ELIGIBILITY**

2.1 Participation. An Employee shall become a Participant hereunder upon designation as such by the Compensation Committee. Such designation shall be made in writing and filed with the records of the Plan. The Compensation Committee shall promptly notify those employees selected as Participants hereunder of their participation. Notwithstanding the foregoing, an Employee shall not be eligible to become a Participant at any point during a year if Code Section 409A would prevent such Employee from making a payment election under Section 3.4(b)(1)(i) of the Plan at such time. In such circumstances, such Employee would be permitted to participate in the Plan only as of the January 1st of the following year, and the Employee shall be permitted to make a payment election in accordance with Section 3.4(b)(1)(ii) of the Plan.

2.2 Top Hat Requirements and Reduction in Status. No Employee shall be designated as a Participant hereunder unless the Employee qualifies for inclusion in a "select group of management or highly compensated employees" as defined in Sections 201(2), 301(a)(3), 401(a)(1) and 4021(b)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In the event a Participant's compensation or level of responsibility is reduced so that such Participant no longer qualifies for inclusion in a "select group of management or highly compensated employees," the individual shall cease to be a Participant. A Vested Participant shall not forfeit benefits accrued to the date he ceases to be a Participant, while a non-Vested Participant shall forfeit all rights to benefits under the Plan.

2.3 Removal From Participation. Except in the event of a Change-of-Control (as defined in Article VIII), the Compensation Committee may reexamine a non-Vested Participant's eligibility and make a new determination as to whether he shall be entitled to continue as a Participant hereunder. If an Employee is removed from participation pursuant to this Section 2.3, he and his Surviving Spouse or Beneficiary shall forfeit all rights to benefits under this Plan. The Compensation Committee shall not be entitled to remove any Vested Participant from participation, except as described in Section 2.2 above or in the event of the termination of the Plan as to all Participants, in which case the Participant's Vested accrued benefits shall not be forfeitable.

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**ARTICLE III  
TOP MANAGEMENT RETIREMENT BENEFITS**

3.1 Normal Retirement.

(a) Normal Retirement for Employees Who Became Participants Before August 24, 2005. For Employees who became Participants in the Plan before August 24, 2005, the Top Management Retirement Benefit payable to an eligible Participant on his Normal Retirement Date shall be a monthly amount in the form of a 100% joint and survivor annuity equal to the remainder of (1) minus (2), as described below:

- (1) 60% of Final Average Pay multiplied by a ratio, the numerator of which is the Participant's Continuous Service (not to exceed 15) and the denominator of which is 15; minus
- (2) the Participant's SPX Qualified Plan Benefit determined as of the Participant's Normal Retirement Date without regard to when such benefit is actually paid.

(b) Normal Retirement for Employees Who Become Participants On and After August 24, 2005 and Before April 22, 2009. For Employees who become Participants in the Plan on and after August 24, 2005 and before April 22, 2009, the Top Management Retirement Benefit payable to an eligible Participant on his Normal Retirement Date shall be a monthly amount in the form of a 50% joint and survivor annuity equal to the remainder of (1) minus (2), as described below:

- (1) 50% of Final Average Pay multiplied by a ratio, the numerator of which is the Participant's Continuous Service (not to exceed 20) and the denominator of which is 20; minus
- (2) the Participant's SPX Qualified Plan Benefit determined as of the Participant's Normal Retirement Date without regard to when such benefit is actually paid.

(c) Normal Retirement for Employees Who Become Participants On and After April 22, 2009. For Employees who become Participants in the Plan on and after April 22, 2009, the Top Management Retirement Benefit payable to an eligible Participant on his Normal Retirement Date shall be a monthly amount in the form of a 50% joint and survivor annuity equal to the remainder of (1) minus (2), as described below:

- (1) 50% of Final Average Pay multiplied by a ratio, the numerator of which is the Participant's Continuous Service (not to exceed 25) and the denominator of which is 25; minus
- (2) the Participant's SPX Qualified Plan Benefit determined as of the Participant's Normal Retirement Date without regard to when such benefit is actually paid.

3.2 Early Retirement.

(a) Early Retirement for Employees Who Became Participants Before August 24, 2005. For Employees who became Participants in the Plan before August 24, 2005, the Top Management Retirement Benefit payable to an eligible Participant on his Early Retirement Date shall be a monthly amount equal to the Top Management Retirement Benefit to which he would be entitled at his Normal Retirement Date pursuant to Section 3.1(a) above, with the following adjustments:

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- (1) Amount If Early Retirement Is Within Five Years of Normal Retirement Age. The monthly amount payable hereunder to a Participant whose Early Retirement Date is within five (5) years of his Normal Retirement Age shall be an amount computed in the same manner as a benefit under Section 3.1(a) (without regard to Section 3.1(a)(2) above), based on his Final Average Pay and Continuous Service as of his Early Retirement Date.
  - (2) Amount If Early Retirement Is More Than Five Years From Normal Retirement Age. The monthly amount payable hereunder to a Participant whose Early Retirement Date is more than five years prior to his Normal Retirement Age shall be computed in the same manner as a benefit under Section 3.1(a) above (without regard to Section 3.1(a)(2)), based on his Final Average Pay and Continuous Service as of his Early Retirement Date, but such amount shall be reduced by one-twelfth (1/12) of three percent (3%) for each complete calendar month by which his first payment precedes his age 60.
  - (3) Reductions for Qualified Plan Benefits. The benefit so determined shall be reduced by the SPX Qualified Plan Benefit, or the Actuarial Equivalent thereof, if such benefit could not have been paid at such date.
- (b) Early Retirement for Employees Who Become Participants On and After August 24, 2005. For Employees who become Participants in the Plan on and after August 24, 2005, the Top Management Retirement Benefit payable to an eligible Participant on his Early Retirement Date shall be a monthly amount equal to the Top Management Retirement Benefit to which he would be entitled at his Normal Retirement Date pursuant to Section 3.1(b) or 3.1(c), as applicable, above, with the following adjustments:
- (1) Amount If Early Retirement Is Within Three Years of Normal Retirement Age. The monthly amount payable hereunder to a Participant whose Early Retirement Date is within three (3) years of his Normal Retirement Age shall be an amount computed in the same manner as a benefit under Section 3.1(b) (without regard to Section 3.1(b)(2) above) or Section 3.1(c) (without regard to Section 3.1(c)(2) above), as applicable, based on his Final Average Pay and Continuous Service as of his Early Retirement Date.
  - (2) Amount If Early Retirement Is More Than Three Years From Normal Retirement Age. The monthly amount payable hereunder to a Participant whose Early Retirement Date is more than three (3) years prior to his Normal Retirement Age shall be computed in the same manner as a benefit under Section 3.1(b) above (without regard to Section 3.1(b)(2)) or Section 3.1(c) above (without regard to Section 3.1(c)(2)), as applicable, based on his Final Average Pay and Continuous Service as of his Early Retirement Date, but such amount shall be reduced by one-twelfth (1/12) of four percent (4%) for each complete calendar month by which his first payment precedes his age 62.
  - (3) Reductions for Qualified Plan Benefits. The benefit so determined shall be reduced by the SPX Qualified Plan Benefit, or the Actuarial Equivalent thereof, if such benefit could not have been paid at such date.

3.3 Participation in Other Nonqualified Pension Plans. In addition to reducing a Participant's benefit under the Plan by his SPX Qualified Plan Benefit as provided above, such Plan benefit shall also be reduced by his benefit (as actuarially adjusted to the applicable optional form of payment and benefit commencement date hereunder) under the Other Nonqualified Pension Plans, if any. In the event a Participant's aggregate benefit under the Other Nonqualified Pension Plans is higher than his benefit under the Plan, he shall receive no benefits from this Plan.

### 3.4 Form and Timing of Benefit.

- (a) Non-409A Top Management Retirement Benefits.
  - (1) A Participant may elect to have his Non-409A Top Management Retirement Benefit payable in any optional form in which the benefit from the SPX Qualified Plan is payable to the Participant (including a lump sum payment). A Participant must make a separate election for the Non-409A Top Management Retirement Benefit under this Plan, which need not be the same as the Participant's election under the SPX Qualified Plan. However, any option other than the automatic form of benefit under the SPX Qualified Plan must have been elected for the Non-409A Top Management Retirement Benefit at least one year prior to a Participant's Normal or Early Retirement Date. Failure to elect a different option in a timely manner will result in payment in the automatic form of benefit under the SPX Qualified Plan for the Non-409A Top Management Retirement Benefit.
  - (2) Payment of the Non-409A Top Management Retirement Benefit to a Participant will commence no sooner than a date chosen by such Participant, which commencement date must be no sooner than the date when the Participant has both terminated employment and attained age 55. Such commencement date may be after the date the Participant has chosen to begin his SPX Qualified Plan Benefit.
- (b) 409A Top Management Retirement Benefits.
  - (1) Initial Eligibility and Payment Elections. For any person who shall newly become a Participant pursuant to Section 2.1, such person may elect to have his 409A Top Management Retirement Benefit payable in any optional form in which the benefit from the SPX Qualified Plan is payable to the Participant (including a lump sum payment). Such person must make a separate optional form election for the 409A Top Management Retirement Benefit under this Plan, which need not be the same as the Participant's election under the SPX Qualified Plan. Such person may also elect when the 409A Top Management Retirement Benefit will commence, which commencement date must be no sooner than the date when the Participant has both terminated employment and attained age 55.

- (i) To the extent permitted under Code Section 409A, such payment election must be made no later than thirty (30) days (or such earlier time as the Committee may designate) after the person becomes newly eligible to participate in the Plan.
  - (ii) If the election timing provided in clause (i) above is not permitted under Code Section 409A, such payment election must be made no later than the December 31st of the year preceding the year in which such person is initially eligible to participate in this Plan.
  - (iii) The payment form and timing election shall be irrevocable for the duration of a Participant's participation in the Plan except as set forth in the remainder of this Section 3.4(b).
- (2) Transition Period. For the transition period beginning January 1, 2008 and ending December 31, 2008, any Participant may elect to have his 409A Top Management Retirement Benefit payable in any optional form in which the

benefit from the SPX Qualified Plan is payable to the Participant (including a lump sum payment), and may elect when the 409A Top Management Retirement Benefit will commence, which commencement date must be no sooner than the date when the Participant has both terminated employment and attained age 55. Such election shall be made in accordance with Code Section 409A (and applicable Internal Revenue Service transition relief) and subject to the following provisions. As of December 31, 2008, any then effective transition payment election shall be irrevocable for the duration of a Participant's participation in the Plan except as set forth in paragraph (4) below. No payment election made in 2008 under this transition relief will apply to 409A Top Management Retirement Benefits that would otherwise be payable in 2008, nor may such election cause 409A Top Management Retirement Benefits to be paid in 2008 that would not otherwise be payable in 2008. No election under this transition relief may be made retroactively, or when 409A Top Management Retirement Benefit payments are imminent.

- (3) Timely Election Failure. Failure to make a timely payment election as provided above will result in such person deeming to elect the following with respect to the 409A Top Management Retirement Benefit: (i) benefit commencement date that is the later of (x) six months following termination of employment or (y) age 55 and (ii) benefit payment form that is a lump sum payment. Such deemed election shall be irrevocable for the duration of a Participant's participation in the Plan except as set forth in paragraph (4) below.
  - (4) Subsequent Change in Election. A Participant may change his payment election with respect to the 409A Top Management Retirement Benefit so long as: (i) the new payment election is made at least twelve (12) months before the original payment commencement date, (ii) the new payment election does not take effect until at least twelve (12) months after the date on which such election is made, and (iii) the original payment commencement date is deferred for a period of not less than five (5) years. Notwithstanding the foregoing, to the extent that a Participant's payment form election with respect to the 409A Top Management Retirement Benefit is a "life annuity" (as defined under Code Section 409A), the Participant may change such election to another optional form in which the benefit from the SPX Qualified Plan is payable to the Participant provided that:
    - (i) such optional form is also a "life annuity" (as defined under Code Section 409A) which is actuarially equivalent (as determined under Code Section 409A);
    - (ii) such election to change is timely made before the first scheduled annuity payment date of the original election; and
    - (iii) such first scheduled annuity payment date does not change as a result of the new election.
- (c) Form. The elections (including the change in payment election provisions under paragraph (b)(4) above) provided above shall be made on a form approved by the Committee and filed with the Committee in the time and manner prescribed by the Committee.
- (d) Six Month Delay Rule. If, at the time the Participant becomes entitled to 409A Top Management Retirement Benefit payments under the Plan, the Participant is a Specified Employee (as defined and determined under Code Section 409A), then, notwithstanding any other provision in the Plan to the contrary, the following provision shall apply. No 409A Top Management Retirement Benefit payments considered deferred compensation

under Code Section 409A which is determined to be payable upon a Participant's termination as determined under Code Section 409A and not subject to an exception or exemption thereunder, shall be paid to the Participant until the date that is six (6) months after the Participant's termination. Any such 409A Top Management Retirement Benefit payments that would otherwise have been paid to the Participant during this six-month period shall instead be aggregated with interest (at the Interest Credit Rate as defined under the SPX Qualified Plan) during such period, and be paid to the Participant on the date that is six (6) months after the Participant's termination. Any 409A Top Management Retirement Benefit payments to which the Participant is entitled to be paid after the date that is six (6) months after the Participant's termination shall be paid to the Participant in accordance with the applicable terms of this Plan.

- (e) Payments. Notwithstanding anything in the foregoing, a 409A Top Management Retirement Benefit payment shall be paid (or commence to be paid) on or as soon as practicable after the date determined pursuant to the above but not later than 30 days after such date.

3.5 [Reserved.]

3.6 Actuarial Equivalent. A Top Management Retirement Benefit which is payable in any other form than that prescribed under Sections 3.1 and 3.2 above, or which is payable in such form prescribed under Sections 3.1 and 3.2 above but with a Beneficiary other than such Participant's spouse, shall be the Actuarial Equivalent of the Top Management Retirement Benefit set forth in Sections 3.1 and 3.2 above.

3.7 Source of Benefit Payments. Any Top Management Retirement Benefit payable to a Participant, a Surviving Spouse or a Beneficiary shall be paid from the general assets of the Company.

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**ARTICLE IV  
TOP MANAGEMENT PRE-RETIREMENT DEATH BENEFIT**

4.1 Survivor Benefits for the Non-409A Top Management Retirement Benefit. If a Vested Participant dies before his Non-409A Top Management Retirement Benefit has commenced to be paid to him, the Surviving Spouse or Beneficiary, as shall be applicable, shall receive the Non-409A Top Management Retirement Benefit as described below:

- (a) Surviving Spouse. If the Participant was married at the time of death, the Surviving Spouse may elect (i) a single life annuity for the Surviving Spouse's life which is 100% of the Actuarial Equivalent of the Participant's Non-409A Top Management Retirement Benefit, payable as of the first day of the month following the date the Participant would have attained age 55, or (ii) a lump sum which is the Actuarial Equivalent of the Participant's Non-409A Top Management Retirement Benefit payable to the Surviving Spouse as of the first day of the month following the date of the Participant's death. If the Surviving Spouse dies after the Participant but before the Non-409A Top Management Retirement Benefit is paid or commenced to be paid to the Surviving Spouse, the Actuarial Equivalent shall be paid in a lump sum to the legal representative of such deceased Surviving Spouse; or if there shall be no such legal representative duly appointed and qualified within six months of the date of death of such deceased Surviving Spouse, then to such person as, at the date of the Surviving Spouse's death, would be entitled to share in the distribution of such deceased Surviving Spouse's personal estate under the provisions of the statute governing the descent of intestate property then in force and effect in the state of the deceased Surviving Spouse's residence.
- (b) Other Beneficiary. If the Participant dies before his Non-409A Top Management Retirement Benefit becomes payable and (1) the Participant was not married at the date of death or (2) the Participant is married but his spouse has consented to the Beneficiary designation as provided under Section 1.3, a lump sum amount equal to the Actuarial Equivalent of the Participant's Non-409A Top Management Retirement Benefit shall be paid to the Participant's designated Beneficiary as of the first day of the month following the date of the Participant's death.

4.2 Survivor Benefits for the 409A Top Management Retirement Benefit. If a Vested Participant dies before his 409A Top Management Retirement Benefit has commenced to be paid to him, the Surviving Spouse or Beneficiary, as shall be applicable, shall receive the 409A Top Management Retirement Benefit as described below:

- (a) Surviving Spouse. If the Participant was married at the time of death, the Surviving Spouse shall receive a lump sum which is the Actuarial Equivalent of the Participant's 409A Top Management Retirement Benefit payable to the Surviving Spouse on or as soon as administratively feasible following the first day of the month following the date of the Participant's death, but no later than 60 days after such date. If the Surviving Spouse dies after the Participant but before the lump sum is paid to the Surviving Spouse, the lump sum shall be paid to the legal representative of such deceased Surviving Spouse on or as soon as administratively feasible following the first day of the month following the date of the Participant's death, but no later than 60 days after such date; or if there shall be no such legal representative duly appointed and qualified at such time, then to such person as, at the date of the Surviving Spouse's death, would be entitled to share in the distribution of such deceased Surviving Spouse's personal estate under the provisions of the statute governing the descent of intestate property then in force and effect in the state of the deceased Surviving Spouse's residence.
- (b) Other Beneficiary. If the Participant dies before his 409A Top Management Retirement Benefit becomes payable and (1) the Participant was not married at the date of death or (2) the Participant is married but his spouse has consented to the Beneficiary designation

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as provided under Section 1.3, a lump sum amount equal to the Actuarial Equivalent of the Participant's 409A Top Management Retirement Benefit shall be paid to the Participant's designated Beneficiary on or as soon as administratively feasible following the first day of the month following the date of the Participant's death, but no later than 60 days after such date.

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**ARTICLE V  
ADMINISTRATION OF THE PLAN**

5.1 Administration by the Company. The Company, acting under the supervision of the Compensation Committee, shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof.

5.2 General Powers of Administration. All provisions set forth in the SPX Qualified Plan with respect to the administrative powers and duties of the Company, expenses of administration, and procedures for filing claims shall also be applicable with respect to the Plan. The Company shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by the Company with respect to the Plan.

5.3 409A Compliance. To the extent any provision of the Plan or action by the Committee or Company would subject any Participant to liability for interest or additional taxes under Code Section 409A, or make Non-409A Top Management Retirement Benefits subject to Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Committee. It is intended that the Plan will comply with Code Section 409A, and that the Non-409A Top Management Retirement Benefits be exempt from Code Section 409A coverage, and the Plan shall be interpreted and construed on a basis consistent with such intent. The Plan may be amended in any respect deemed necessary (including retroactively) by the Committee in order to preserve compliance with Code Section 409A and to maintain Code Section 409A exemption for the Non-409A Top Management Retirement Benefits. For purposes of this Plan with respect to 409A Top Management Retirement Benefits, a "termination of employment", "termination", "retirement" or "separation from service" (or other similar term having a similar import) under this Plan shall have the same meaning as a "separation from service" as defined in Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Plan benefits.

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## ARTICLE VI AMENDMENT OR TERMINATION

6.1 Amendment or Termination. The Company reserves the right, subject to Article VIII, to amend or terminate the Plan at any time. Any such amendment or termination shall be made pursuant to a resolution of the Compensation Committee and shall be effective as of the date of such resolution or as specified therein.

6.2 Effect of Amendment or Termination. No amendment or termination of the Plan shall directly or indirectly deprive any current or former Participant, Surviving Spouse, or Beneficiary of all or any portion of any Top Management Retirement Benefit or amount due to such persons, the payment of which has commenced prior to the effective date of such amendment or termination, or which is Vested at the time of such amendment or termination of the Plan. The Compensation Committee may remove an Employee from participation as provided in Section 2.2 and Section 2.3.

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## ARTICLE VII GENERAL PROVISIONS

7.1 Funding. The Plan is intended to constitute and at all times shall be interpreted and administered so as to qualify as an unfunded deferred compensation plan for a select group of management and highly compensated employees under ERISA. The Plan at all times shall be entirely unfunded within the meaning of ERISA and the Code and the Company shall not be required at any time to segregate any assets of the Company for payment of any benefits hereunder. No Participant, Surviving Spouse, Beneficiary, or any other person shall have any interest in any particular assets of the Company by reason of the right to receive a benefit under the Plan and any such Participant, Surviving Spouse, Beneficiary, or other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan.

7.2 General Conditions. Any SPX Qualified Plan Benefit shall be paid solely in accordance with the terms and conditions of the SPX Qualified Plan and nothing in this Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of the SPX Qualified Plan. Any Other Nonqualified Pension Plan shall be paid solely in accordance with the terms and conditions of such Other Nonqualified Pension Plan and nothing in this Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of any Other Nonqualified Pension Plan.

7.3 No Guaranty of Benefits. Nothing contained in the Plan (or any Plan communication) shall constitute a guaranty by the Company or any other entity or person that the assets of the Company will be sufficient to pay any benefit hereunder.

7.4 No Enlargement of Employee Rights. No Participant, Surviving Spouse, or Beneficiary shall have any right to a benefit under the Plan except in accordance with the terms of the Plan. Establishment of the Plan shall not be construed to give any Participant the right to be retained in the service of the Company, nor to create or confer on any Participant the right to receive future benefit accruals hereunder with respect to any future period of service with the Company. Nothing in the Plan shall interfere in any way with the right of the Company to terminate a Participant's service at any time with or without cause or notice and whether or not such termination results in any adverse effect on the individual's interests under the Plan.

7.5 Spendthrift Provision. No interest of any person or entity in, or right to receive a benefit under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a benefit be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance and claims in bankruptcy proceedings.

7.6 Applicable Law. The Plan (including, without limitation, any rules, regulations, determinations or decisions made by the Compensation Committee or Company relating to the Plan) shall be construed and administered exclusively in accordance with applicable federal laws and the laws of the State of Delaware, without regard to its conflict of laws principles.

7.7 Automatic Cashout. Notwithstanding anything in the Plan to the contrary, if at the time of benefit commencement, the lump sum amount which is the Actuarial Equivalent of a Participant's Top Management Retirement Benefit is less than \$100,000, the Company shall pay such lump sum amount to the Participant, Surviving Spouse or Beneficiary in a single lump sum in lieu of any further benefit payments hereunder. Subject to any six-month delay in payment (or portion of payment) required by Code Section 409A, such payment (or applicable portion) shall be made on or as soon as administratively practicable after the benefit commencement date (or the date required by Code Section 409A's six-month delay rule), but not later than 60 days after such date.

7.8 Incapacity of Recipient. If any person entitled to a benefit payment under the Plan is deemed by the Company to be incapable of personally receiving and giving a valid receipt for such payment, then, unless and until claim therefor shall have been made by a duly appointed guardian or other legal representative of such person, the Company may provide for such payment or any part thereof to be made to any other person or institution then contributing toward or providing for the care and maintenance of such person. Any such payment shall be deemed

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to be a payment for the account of such person and a complete discharge of any liability of the Company and the Plan therefor.

7.9 Corporate Successor. The Plan shall not be automatically terminated by a transfer or sale of assets of the Company or by the reorganization, merger or consolidation of the Company into or with any other corporation or other entity, but the Plan shall be continued after such transfer, sale, reorganization, merger or consolidation only if and to the extent that the transferee, purchaser or successor entity agrees to continue the Plan, except as set forth in Article VIII. In the event that the Plan is not continued by the transferee, purchaser or successor entity, then the Plan shall terminate subject to the provisions of Section 6.2.

7.10 Unclaimed Benefit. Each Participant shall keep the Company informed of his current address and the current address of his spouse and/or Beneficiary. The Company shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Company within three (3) years after the date on which payment of the Participant's Top Management Retirement Benefit may first be made, payment may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed, or, within three years after the actual death of a Participant, the Company is unable to locate any Surviving Spouse or Beneficiary of the Participant, then the Company shall have no further obligation to pay any benefit hereunder to such Participant, Surviving Spouse, Beneficiary or any other person and such benefit shall be irrevocably forfeited.

7.11 Limitations on Liability. Notwithstanding any of the preceding provisions of the Plan, neither the Company nor any individual acting as an employee or agent of the Company shall be liable to any Participant, former Participant, Surviving Spouse, Beneficiary or any other person for any claim, loss, liability or expense incurred in connection with the Plan.

7.12 Duties of Participants, Beneficiaries, and Surviving Spouses. A Participant, Surviving Spouse or Beneficiary shall, as a condition of receiving benefits under this Plan, be obligated to provide the Compensation Committee with such information as the Compensation Committee shall require in order to calculate benefits under this Plan or otherwise administer the Plan.

7.13 Taxes and Withholding. As a condition to any payment or distribution pursuant to the Plan, the Company may require a Participant (or as applicable, the Surviving Spouse or Beneficiary) to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by the Participant (or as applicable, the Surviving Spouse or Beneficiary) thereunder. The Company may deduct or withhold such sum from any payment or distribution to the Participant (or as applicable, the Surviving Spouse or Beneficiary).

7.14 Treatment for other Compensation Purposes. Payments received by a Participant (or as applicable, the Surviving Spouse or Beneficiary) under the Plan shall not be deemed part of a Participant's regular, recurring compensation for purposes of any termination, indemnity or severance pay laws and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company, unless expressly so provided by such other plan, contract or arrangement.

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## ARTICLE VIII CHANGE-OF-CONTROL

### 8.1 Benefit Rights Upon Change-of-Control.

- (a) Notwithstanding any other provision of the Plan to the contrary, in the event of a Change-of-Control, all Participants shall immediately become Vested in their accrued benefits under this Plan, and the Company or any successor shall be prohibited from amending or terminating the Plan in any manner so as to deprive, directly or indirectly, any current or former Participant, Surviving Spouse, or Beneficiary of all or any portion of any Top Management Retirement Benefit which has commenced prior to the effective date of such amendment or termination, or which would be payable if the Participant's employment terminated for any reason, including death, on such effective date. Following a Change-of-Control or 409A Change-of-Control, no action shall be taken under the Plan that will cause any Non-409A Top Management Retirement Benefit to be subject to Code Section 409A coverage, or cause any 409A Top Management Retirement Benefit to fail to comply in any respect with Code Section 409A, in either case without the written consent of the Participant, Surviving Spouse, or Beneficiary (as applicable).
- (b) (i) Each Participant whose employment terminates following a Change-of-Control, or (ii) in the event that the Plan is terminated following a Change-of-Control, each current or former Participant, Surviving Spouse, or Beneficiary, shall be paid immediately a lump sum amount with respect to the Non-409A Top Management Retirement Benefit (and with respect to the 409A Top Management Retirement Benefit if such employment terminates within two years following a 409A Change-of-Control or if such Plan (together with any other deferred compensation arrangements as required by Code Section 409A) terminates). This amount shall be the Actuarial Equivalent of any Non-409A Top Management Retirement Benefit (and with respect to the 409A Top Management Retirement Benefit if applicable), the payment of which has commenced prior to the effective date of any such termination, or which would be payable upon any termination of employment or which would be payable if the Participant's employment terminated on the effective date of any Plan termination.

8.2 Definition of Change-of-Control and 409A Change-of-Control. For purposes of this Plan, a "Change-of-Control" shall have the same meaning as set forth in the SPX Corporation Executive Bonus Plan. For purposes of this Plan, a "409A Change-of-Control" shall have the same meaning as set forth in the SPX Corporation Supplemental Individual Account Retirement Plan.

8.3 Excess Parachute Payments by the Company.

- (a) Anything in this Plan to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of a Participant (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, but determined without regard to any additional payments required under this Section 8.3) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or if any interest or penalties are incurred by the Participant with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereinafter collectively referred to as the "Excise Tax"), then the Participant shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Participant of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

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- (b) Subject to the provisions of paragraph (c) below, all determinations required to be made under this Section 8.3, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the accounting firm which is then serving as the auditors for the Company (the "Accounting Firm"), which shall provide detailed supporting calculations to both the Company and the Participant within fifteen (15) business days of the receipt of notice from the Participant that there has been a Payment, or such earlier time as is required by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change-of-Control, the Participant shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the "Accounting Firm" hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payments, as determined pursuant to this Section 8.3, shall be paid by the Company to the Participant within five (5) days of the receipt of the Accounting Firm's determination, but shall be paid no later than the end of the Participant's taxable year next following the Participant's taxable year in which the Participant remits the related taxes. If the Accounting Firm determines that no Excise Tax is payable by the Participant, it shall furnish the Participant with a written opinion that failure to report the Excise Tax on the Participant's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any good faith determination by the Accounting Firm shall be binding upon the Company and the Participant. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to paragraph (c) below, and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant, but shall be paid no later than the end of the Participant's taxable year next following the Participant's taxable year in which the Participant remits the related taxes. Further, such Underpayment shall include all interest and penalties assessed to the Participant for the failure to report and pay the Excise Tax on Participant's income tax return and shall place Participant in a position as if such Underpayment and associated Excise Tax were properly reported and paid.
- (c) The Participant shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than fifteen (15) business days after the Participant is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the thirty (30)-day period following the date on which the Participant gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Participant in writing prior to the expiration of such period that it desires to contest such claim, the Participant shall:
- (i) Give the Company any information reasonably requested by the Company relating to such claim,
  - (ii) Take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

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- (iii) Cooperate with the Company in good faith in order to effectively contest such claim, and
- (iv) Permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provision of this paragraph (c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings, and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Participant to pay the tax claimed and sue for a refund or contest the claim in any permissible manner; and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Participant to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Participant on an interest-free basis and shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with

respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

- (d) If, after the receipt by the Participant of an amount advanced by the Company pursuant to paragraph (c) above, the Participant becomes entitled to receive any refund with respect to such claim, the Participant shall (subject to the Company's complying with the requirements of said paragraph (c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon, after taxes applicable thereto). If, after the receipt by the Participant of an amount advanced by the Company pursuant to said paragraph (c), a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Company does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid (provided that such forgiveness shall be made no later than the end of the Participant's taxable year next following the Participant's taxable year in which the Participant remits the related taxes); and the amount of such advance shall offset, to the extent thereof, the amount of the Gross-Up Payment required to be paid.

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## ARTICLE IX SPECIAL PROVISIONS

The Company may determine to provide special benefits for any Participant as set forth in separate documents which may be appended hereto. To the extent that the Company has so determined, the Participant shall be entitled to the benefits provided in such documents, and to the extent that there is any inconsistency between this Plan and such document, and subject to Section 5.3, such other document will govern.

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### Appendix A

#### **Special Provisions for Peter M. Turner, Donald H. Johnson and A. David Joseph (Group "A" Participants)**

The retirement benefits accrued by Group A Participants under the Plan shall be governed and calculated in accordance with Plan provisions, except that:

- (a) **1994 Benefit Amount.** Without regard to the formula set forth in Section 3.1(a), the early retirement benefit payable under Article III of the Plan during the 1994 calendar year shall be:
- (i) The Group A Participant's total monthly salary, excluding bonuses, fringe benefits and other special compensation, in the month prior to his Early Retirement Date, less
  - (ii) the Group A Participant's SPX Qualified Plan Benefit and any benefit from such Group A Participant's former employer's tax qualified defined benefit plan (if any),

all determined as of the Participant's Early Retirement Date.

- (b) **Benefit Amount for Years After 1994.** The early retirement benefit payable to Group A Participants under the Plan for years after 1994 shall be calculated in accordance with the formula contained in Section 3.1(a) and all other Plan provisions, using the definition of Final Average Pay contained in Section 1.11 of the Plan, or, if greater:
- (i) the amount of the Group A Participant's 1993 compensation divided by 12, using the definition of compensation contained in the second to the last paragraph of Section 2.1(k) of the SPX Qualified Plan; or
  - (ii) the amount of the Group A Participant's 1994 compensation divided by 12, using the definition of compensation contained in the second to last paragraph of Section 2.1(k) of the SPX Qualified Plan.

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### Appendix B

#### **Special Provisions for Budd Werner and Curt Atkisson ("Group B Participants")**

The retirement benefits accrued by Group B Participants under the Plan shall be governed and calculated in accordance with Plan provisions, except that:

- (a) **Continuous Service.** For purposes of calculating Continuous Service for each Group B Participant under Section 1.8 of the Plan, one additional year of service will be added to such Participant's Continuous Service.
- (b) **Final Average Pay.** For purposes of calculating Final Average Pay for each Group B Participant under Section 1.11 of the Plan, the average monthly pay of the Group B Participant for the highest two out of the last five calendar years of Company employment shall be used in such determination instead of such pay for the highest three out of the last ten calendar years of Company employment.



**Appendix C****Special Provisions for Dale Johnson**

The retirement benefit accrued by Dale Johnson under the Plan shall be governed and calculated in accordance with Plan provisions, except that pursuant to the provisions of Section 3.2(a)(2) of the Plan, the Compensation Committee shall waive any early retirement payment reductions otherwise applicable with respect to benefits payable to him under the Plan on or after the date that Mr. Johnson reaches age 60. Any benefit payable under the Plan to Mr. Johnson prior to the date that he reaches age 60 shall be reduced in accordance with the provisions of Section 3.2(a).

**Appendix D****Special Provisions for David Reynolds**

David Reynolds shall receive benefits in accordance with Plan provisions, except that:

- (a) **Bridge Benefit.** A monthly bridge benefit shall be paid in the amount of \$5,834.00 from July 1, 1995 through December 31, 2000, or such shorter period as Mr. Reynolds may live. In the event of his death prior to December 31, 2000, his Surviving Spouse, if any, shall receive the Plan's Surviving Spouse pension.
- (b) **Early Retirement Date.** On September 1, 2001 (age 62), Mr. Reynolds may commence to receive his unreduced benefit from this Plan, as if he had retired from active employment with the Company at that date. Mr. Reynolds may elect to have benefits begin as early as January 1, 2001, subject to the Plan's usual reductions for benefit commencement prior to age 62.

**Appendix E****Special Provisions for John Tyson**

The retirement benefit accrued by John Tyson under the Plan upon his retirement on December 31, 1997 shall be a lifetime annuity of \$100,000 per year, less his SPX Qualified Plan Benefit and any adjustment required for the selection of any optional form of benefit.

**Appendix F****Special Provisions for Fred Florjancic**

Fred Florjancic will be treated as though he were a participant in the SPX Qualified Plan for purposes of determining the eligibility for benefits and the amount of benefits under this Plan.

**Appendix G****Special Provisions for Jay Caraviello and William Griffiths**

Jay Caraviello and William Griffiths will be treated as though they were participants in this Plan beginning as of February 27, 2003, the date they were named officers of SPX Corporation (*i.e.* Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to them under this Plan.

**Appendix H****Special Provisions for Ross Bricker**

Ross Bricker will be treated as though he were a participant in the SPX Qualified Plan for purposes of determining the eligibility for benefits and the amount of benefits under this Plan.

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#### **Appendix I**

##### **Special Provisions for Don L. Canterna and David A. Kowalski**

Don L. Canterna and David A. Kowalski will be treated as though they were participants in this Plan beginning on August 24, 2005, the date they were named officers of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to them under this Plan.

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#### **Appendix J**

##### **Special Provisions for Kevin Lilly**

Kevin Lilly will be treated (i) as though he were a participant in this Plan beginning on January 1, 2006, the date he was named an officer of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to him under this Plan and (ii) as though he were a participant in the SPX Qualified Plan for purposes of determining the eligibility for benefits and the amount of benefits under the Plan.

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#### **Appendix K**

##### **Special Provisions for Sharon K. Jenkins**

Sharon K. Jenkins will be treated (i) as though she were a participant in this Plan beginning on October 2, 2006, the date she was named an officer of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to her under this Plan and (ii) as though she were a participant in the SPX Qualified Plan for purposes of determining the eligibility for benefits and the amount of benefits under the Plan.

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#### **Appendix L**

##### **Special Provisions for James A. Peters**

James A. Peters will be treated as though he were a participant in this Plan beginning on December 13, 2006, the date he was named an officer of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to him under this Plan.

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#### **Appendix M**

##### **Special Provisions for Leslie S. Powell**

Leslie S. Powell will be treated (i) as though he were a participant in this Plan beginning on January 31, 2008, the date he was named an officer of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to him under this Plan and (ii) as though he were a participant in the SPX Qualified Plan for purposes of determining the eligibility for benefits and the amount of benefits under the Plan.

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#### **Appendix N**

##### **Special Provisions for Jeremy W. Smeltser and J. Michael Whitted**

Jeremy W. Smeltser and J. Michael Whitted will be treated (i) as though they were participants in this Plan beginning on April 22, 2009, the date they were named officers of SPX Corporation (*i.e.*, Continuous Service shall commence as of such date) for purposes of determining the amount of benefits payable to

them under this Plan, (ii) as though their Continuous Service commenced as of April 22, 2009 for purposes of determining whether they are Vested under this Plan, and (iii) as though they were participants in the SPX Qualified Plan for purposes of determining the amount of benefits under the Plan.

**Appendix O**

**Special Provisions for Drew T. Ladau**

If Drew T. Ladau is an Employee of the Company on January 1, 2010, he will become a participant in this Plan effective as of January 1, 2010, and he will be treated effective as of January 1, 2010 as though his Continuous Service commenced on April 22, 2009, the date he was named an officer of SPX Corporation, for purposes of determining the amount of benefits payable to him under this Plan and for purposes of determining whether he is Vested under this Plan.

**TABLE A**

**Table A  
Factors to Convert a 100% Joint and Survivor Annuity to a Life Annuity**

Supplemental Retirement Plan for Top Management

Equivalent Benefit Payable Under Single Life Annuity Option for Each \$1.00 Otherwise Payable

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	20	21	22	23	24	25	26	27	28	29
20	1.0486	1.0469	1.0451	1.0434	1.0417	1.0400	1.0383	1.0367	1.0351	1.0336
21	1.0524	1.0506	1.0487	1.0469	1.0451	1.0433	1.0415	1.0398	1.0381	1.0364
22	1.0565	1.0546	1.0526	1.0507	1.0487	1.0468	1.0450	1.0431	1.0413	1.0395
23	1.0609	1.0589	1.0568	1.0547	1.0527	1.0507	1.0487	1.0467	1.0448	1.0429
24	1.0656	1.0635	1.0613	1.0591	1.0570	1.0548	1.0527	1.0506	1.0486	1.0465
25	1.0707	1.0684	1.0661	1.0639	1.0616	1.0593	1.0571	1.0549	1.0527	1.0505
26	1.0761	1.0737	1.0713	1.0689	1.0665	1.0642	1.0618	1.0594	1.0571	1.0548
27	1.0819	1.0794	1.0769	1.0744	1.0719	1.0694	1.0668	1.0644	1.0619	1.0594
28	1.0880	1.0855	1.0828	1.0802	1.0776	1.0749	1.0723	1.0697	1.0670	1.0644
29	1.0946	1.0919	1.0892	1.0865	1.0837	1.0809	1.0782	1.0754	1.0726	1.0699
30	1.1017	1.0989	1.0960	1.0932	1.0903	1.0874	1.0845	1.0816	1.0786	1.0757
31	1.1092	1.1063	1.1033	1.1003	1.0973	1.0943	1.0912	1.0882	1.0851	1.0820
32	1.1172	1.1142	1.1111	1.1080	1.1049	1.1017	1.0985	1.0953	1.0921	1.0888
33	1.1257	1.1226	1.1194	1.1162	1.1129	1.1096	1.1063	1.1029	1.0995	1.0961
34	1.1347	1.1315	1.1283	1.1249	1.1215	1.1181	1.1146	1.1111	1.1076	1.1040
35	1.1444	1.1411	1.1377	1.1342	1.1307	1.1272	1.1235	1.1199	1.1162	1.1125
36	1.1547	1.1513	1.1478	1.1442	1.1406	1.1369	1.1331	1.1293	1.1254	1.1215
37	1.1656	1.1621	1.1585	1.1548	1.1510	1.1472	1.1433	1.1393	1.1353	1.1312
38	1.1773	1.1737	1.1699	1.1661	1.1622	1.1583	1.1542	1.1501	1.1459	1.1417
39	1.1897	1.1860	1.1821	1.1782	1.1742	1.1701	1.1659	1.1616	1.1572	1.1528
40	1.2029	1.1991	1.1951	1.1911	1.1869	1.1827	1.1783	1.1739	1.1694	1.1648
41	1.2170	1.2130	1.2090	1.2048	1.2005	1.1961	1.1916	1.1871	1.1824	1.1776
42	1.2320	1.2279	1.2237	1.2194	1.2150	1.2105	1.2059	1.2011	1.1963	1.1913
43	1.2478	1.2437	1.2394	1.2350	1.2304	1.2257	1.2210	1.2161	1.2110	1.2059
44	1.2647	1.2604	1.2560	1.2514	1.2467	1.2419	1.2370	1.2319	1.2267	1.2214
45	1.2825	1.2781	1.2735	1.2689	1.2640	1.2591	1.2540	1.2488	1.2434	1.2379
46	1.3012	1.2967	1.2921	1.2873	1.2823	1.2772	1.2720	1.2666	1.2611	1.2554
47	1.3211	1.3165	1.3117	1.3067	1.3016	1.2964	1.2910	1.2854	1.2797	1.2739
48	1.3420	1.3373	1.3324	1.3273	1.3221	1.3167	1.3111	1.3054	1.2995	1.2934
49	1.3641	1.3593	1.3542	1.3490	1.3436	1.3381	1.3324	1.3265	1.3204	1.3141
50	1.3875	1.3825	1.3773	1.3720	1.3664	1.3607	1.3548	1.3488	1.3425	1.3360
51	1.4122	1.4070	1.4017	1.3962	1.3905	1.3847	1.3786	1.3724	1.3659	1.3593
52	1.4383	1.4330	1.4276	1.4219	1.4161	1.4100	1.4038	1.3974	1.3907	1.3838
53	1.4659	1.4605	1.4549	1.4491	1.4431	1.4369	1.4305	1.4239	1.4170	1.4099
54	1.4953	1.4897	1.4840	1.4780	1.4718	1.4654	1.4588	1.4520	1.4450	1.4377
55	1.5264	1.5207	1.5148	1.5087	1.5023	1.4958	1.4890	1.4819	1.4747	1.4672
56	1.5596	1.5538	1.5477	1.5414	1.5349	1.5281	1.5211	1.5138	1.5063	1.4986
57	1.5950	1.5890	1.5828	1.5763	1.5695	1.5626	1.5554	1.5479	1.5402	1.5322
58	1.6329	1.6267	1.6203	1.6136	1.6067	1.5995	1.5920	1.5843	1.5764	1.5681
59	1.6735	1.6671	1.6605	1.6536	1.6464	1.6390	1.6314	1.6234	1.6152	1.6067
60	1.7171	1.7105	1.7036	1.6965	1.6892	1.6815	1.6736	1.6654	1.6569	1.6481
61	1.7639	1.7571	1.7501	1.7427	1.7351	1.7273	1.7191	1.7106	1.7018	1.6927
62	1.8144	1.8073	1.8001	1.7925	1.7846	1.7765	1.7680	1.7593	1.7502	1.7407
63	1.8687	1.8614	1.8539	1.8461	1.8379	1.8295	1.8208	1.8117	1.8023	1.7925
64	1.9271	1.9196	1.9118	1.9037	1.8953	1.8866	1.8775	1.8681	1.8584	1.8482

65	1.9900	1.9822	1.9741	1.9657	1.9570	1.9480	1.9386	1.9288	1.9187	1.9082
66	2.0574	2.0493	2.0409	2.0322	2.0232	2.0138	2.0040	1.9939	1.9834	1.9725
67	2.1294	2.1210	2.1123	2.1033	2.0939	2.0841	2.0740	2.0635	2.0525	2.0412
68	2.2066	2.1979	2.1888	2.1794	2.1697	2.1595	2.1490	2.1381	2.1267	2.1149
69	2.2900	2.2809	2.2715	2.2617	2.2516	2.2410	2.2301	2.2187	2.2068	2.1946
70	2.3806	2.3711	2.3613	2.3511	2.3406	2.3296	2.3181	2.3062	2.2939	2.2811

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	30	31	32	33	34	35	36	37	38	39
20	1.0321	1.0306	1.0292	1.0278	1.0264	1.0251	1.0238	1.0226	1.0214	1.0203
21	1.0348	1.0332	1.0317	1.0302	1.0287	1.0273	1.0259	1.0246	1.0233	1.0221
22	1.0378	1.0361	1.0344	1.0328	1.0312	1.0297	1.0282	1.0267	1.0254	1.0240
23	1.0410	1.0392	1.0374	1.0356	1.0339	1.0323	1.0307	1.0291	1.0276	1.0262
24	1.0445	1.0426	1.0406	1.0388	1.0369	1.0351	1.0334	1.0317	1.0301	1.0285
25	1.0483	1.0462	1.0442	1.0422	1.0402	1.0383	1.0364	1.0346	1.0328	1.0311
26	1.0525	1.0502	1.0480	1.0459	1.0438	1.0417	1.0397	1.0377	1.0358	1.0340
27	1.0570	1.0546	1.0522	1.0499	1.0476	1.0454	1.0433	1.0411	1.0391	1.0371
28	1.0619	1.0593	1.0568	1.0543	1.0519	1.0495	1.0472	1.0449	1.0427	1.0405
29	1.0671	1.0644	1.0617	1.0591	1.0565	1.0539	1.0514	1.0490	1.0466	1.0443
30	1.0728	1.0700	1.0671	1.0643	1.0615	1.0588	1.0561	1.0534	1.0509	1.0484
31	1.0790	1.0759	1.0729	1.0699	1.0669	1.0640	1.0611	1.0583	1.0556	1.0528
32	1.0856	1.0824	1.0792	1.0760	1.0728	1.0697	1.0667	1.0636	1.0607	1.0578
33	1.0927	1.0893	1.0860	1.0826	1.0792	1.0759	1.0726	1.0694	1.0662	1.0631
34	1.1004	1.0969	1.0933	1.0897	1.0862	1.0826	1.0791	1.0757	1.0723	1.0689
35	1.1087	1.1049	1.1012	1.0974	1.0936	1.0899	1.0862	1.0825	1.0789	1.0753
36	1.1176	1.1136	1.1097	1.1057	1.1017	1.0978	1.0938	1.0899	1.0860	1.0822
37	1.1271	1.1230	1.1188	1.1146	1.1104	1.1063	1.1021	1.0979	1.0938	1.0897
38	1.1374	1.1330	1.1287	1.1243	1.1199	1.1154	1.1110	1.1066	1.1023	1.0979
39	1.1484	1.1438	1.1392	1.1346	1.1300	1.1253	1.1207	1.1160	1.1114	1.1068
40	1.1601	1.1554	1.1506	1.1458	1.1409	1.1360	1.1311	1.1262	1.1213	1.1164
41	1.1728	1.1678	1.1628	1.1578	1.1527	1.1475	1.1424	1.1372	1.1320	1.1268
42	1.1863	1.1811	1.1759	1.1707	1.1653	1.1599	1.1545	1.1490	1.1436	1.1381
43	1.2007	1.1953	1.1899	1.1844	1.1788	1.1732	1.1675	1.1618	1.1560	1.1502
44	1.2160	1.2105	1.2048	1.1991	1.1933	1.1874	1.1814	1.1754	1.1693	1.1632
45	1.2323	1.2265	1.2207	1.2147	1.2086	1.2025	1.1962	1.1899	1.1836	1.1772
46	1.2496	1.2436	1.2375	1.2313	1.2250	1.2186	1.2121	1.2054	1.1988	1.1920
47	1.2678	1.2617	1.2554	1.2489	1.2424	1.2357	1.2289	1.2220	1.2150	1.2079
48	1.2872	1.2808	1.2743	1.2676	1.2608	1.2538	1.2467	1.2395	1.2322	1.2248
49	1.3077	1.3011	1.2944	1.2874	1.2803	1.2731	1.2657	1.2582	1.2506	1.2428
50	1.3294	1.3226	1.3156	1.3084	1.3011	1.2936	1.2859	1.2781	1.2701	1.2620
51	1.3524	1.3454	1.3381	1.3307	1.3231	1.3153	1.3073	1.2992	1.2909	1.2824
52	1.3768	1.3695	1.3620	1.3543	1.3465	1.3384	1.3301	1.3216	1.3130	1.3042
53	1.4027	1.3951	1.3874	1.3795	1.3713	1.3629	1.3543	1.3455	1.3365	1.3274
54	1.4301	1.4224	1.4144	1.4062	1.3977	1.3890	1.3801	1.3710	1.3617	1.3521
55	1.4594	1.4514	1.4431	1.4346	1.4259	1.4169	1.4077	1.3982	1.3885	1.3785
56	1.4906	1.4823	1.4738	1.4650	1.4560	1.4466	1.4371	1.4272	1.4172	1.4068
57	1.5239	1.5154	1.5066	1.4975	1.4881	1.4785	1.4685	1.4583	1.4479	1.4371
58	1.5596	1.5508	1.5417	1.5323	1.5226	1.5126	1.5023	1.4917	1.4808	1.4697
59	1.5979	1.5887	1.5793	1.5696	1.5596	1.5492	1.5385	1.5276	1.5163	1.5047
60	1.6390	1.6296	1.6198	1.6098	1.5994	1.5886	1.5776	1.5662	1.5544	1.5424
61	1.6833	1.6735	1.6634	1.6530	1.6422	1.6311	1.6196	1.6078	1.5956	1.5830
62	1.7310	1.7209	1.7104	1.6996	1.6884	1.6769	1.6650	1.6527	1.6400	1.6270
63	1.7824	1.7719	1.7611	1.7499	1.7383	1.7263	1.7139	1.7011	1.6879	1.6743
64	1.8378	1.8269	1.8156	1.8040	1.7919	1.7795	1.7666	1.7533	1.7396	1.7255
65	1.8973	1.8860	1.8743	1.8622	1.8497	1.8368	1.8234	1.8095	1.7952	1.7805
66	1.9612	1.9495	1.9373	1.9247	1.9117	1.8982	1.8843	1.8699	1.8550	1.8396
67	2.0295	2.0173	2.0046	1.9915	1.9780	1.9640	1.9494	1.9344	1.9189	1.9029
68	2.1027	2.0900	2.0768	2.0632	2.0491	2.0345	2.0193	2.0037	1.9875	1.9708
69	2.1818	2.1686	2.1549	2.1407	2.1260	2.1107	2.0949	2.0786	2.0617	2.0442
70	2.2678	2.2540	2.2397	2.2249	2.2095	2.1936	2.1771	2.1600	2.1423	2.1241

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	40	41	42	43	44	45	46	47	48	49
20	1.0192	1.0182	1.0172	1.0162	1.0153	1.0144	1.0136	1.0128	1.0120	1.0113
21	1.0209	1.0198	1.0187	1.0176	1.0166	1.0156	1.0147	1.0139	1.0130	1.0122
22	1.0227	1.0215	1.0203	1.0192	1.0181	1.0170	1.0160	1.0151	1.0141	1.0133
23	1.0248	1.0234	1.0221	1.0209	1.0197	1.0185	1.0174	1.0164	1.0154	1.0144
24	1.0270	1.0255	1.0241	1.0228	1.0215	1.0202	1.0190	1.0179	1.0168	1.0157
25	1.0295	1.0279	1.0263	1.0249	1.0234	1.0221	1.0208	1.0195	1.0183	1.0172

26	1.0322	1.0304	1.0288	1.0272	1.0256	1.0241	1.0227	1.0213	1.0200	1.0188
27	1.0351	1.0333	1.0315	1.0297	1.0280	1.0264	1.0248	1.0233	1.0219	1.0206
28	1.0384	1.0364	1.0344	1.0325	1.0307	1.0289	1.0272	1.0256	1.0240	1.0225
29	1.0420	1.0398	1.0377	1.0356	1.0336	1.0317	1.0298	1.0280	1.0263	1.0247
30	1.0459	1.0435	1.0412	1.0390	1.0368	1.0347	1.0327	1.0308	1.0289	1.0271
31	1.0502	1.0476	1.0451	1.0427	1.0404	1.0381	1.0359	1.0338	1.0318	1.0298
32	1.0549	1.0521	1.0494	1.0468	1.0443	1.0418	1.0394	1.0371	1.0349	1.0328
33	1.0600	1.0571	1.0541	1.0513	1.0486	1.0459	1.0433	1.0408	1.0384	1.0361
34	1.0657	1.0624	1.0593	1.0562	1.0533	1.0504	1.0476	1.0448	1.0422	1.0397
35	1.0718	1.0683	1.0649	1.0616	1.0584	1.0553	1.0523	1.0493	1.0465	1.0437
36	1.0785	1.0748	1.0711	1.0676	1.0641	1.0607	1.0574	1.0542	1.0511	1.0481
37	1.0857	1.0818	1.0779	1.0740	1.0703	1.0666	1.0631	1.0596	1.0563	1.0530
38	1.0936	1.0894	1.0852	1.0811	1.0771	1.0731	1.0693	1.0655	1.0619	1.0584
39	1.1022	1.0977	1.0932	1.0888	1.0845	1.0803	1.0761	1.0721	1.0681	1.0643
40	1.1115	1.1067	1.1019	1.0972	1.0926	1.0880	1.0836	1.0792	1.0750	1.0708
41	1.1217	1.1165	1.1114	1.1064	1.1014	1.0966	1.0918	1.0871	1.0825	1.0780
42	1.1326	1.1272	1.1218	1.1164	1.1111	1.1058	1.1007	1.0956	1.0907	1.0858
43	1.1444	1.1386	1.1329	1.1272	1.1215	1.1159	1.1104	1.1050	1.0996	1.0944
44	1.1571	1.1510	1.1449	1.1388	1.1328	1.1268	1.1209	1.1151	1.1093	1.1037
45	1.1707	1.1642	1.1578	1.1513	1.1449	1.1385	1.1322	1.1260	1.1198	1.1138
46	1.1852	1.1784	1.1716	1.1648	1.1580	1.1512	1.1444	1.1378	1.1312	1.1247
47	1.2008	1.1936	1.1864	1.1792	1.1719	1.1647	1.1576	1.1505	1.1434	1.1365
48	1.2173	1.2098	1.2022	1.1946	1.1869	1.1793	1.1717	1.1641	1.1566	1.1492
49	1.2350	1.2271	1.2191	1.2110	1.2030	1.1949	1.1868	1.1788	1.1708	1.1628
50	1.2538	1.2455	1.2371	1.2286	1.2201	1.2116	1.2030	1.1945	1.1860	1.1775
51	1.2739	1.2651	1.2563	1.2474	1.2385	1.2295	1.2204	1.2114	1.2023	1.1933
52	1.2952	1.2861	1.2769	1.2676	1.2581	1.2486	1.2391	1.2295	1.2199	1.2104
53	1.3180	1.3085	1.2989	1.2891	1.2792	1.2692	1.2591	1.2490	1.2389	1.2287
54	1.3424	1.3324	1.3223	1.3121	1.3017	1.2912	1.2806	1.2699	1.2592	1.2485
55	1.3684	1.3580	1.3475	1.3368	1.3259	1.3148	1.3037	1.2925	1.2811	1.2698
56	1.3963	1.3855	1.3744	1.3632	1.3518	1.3403	1.3285	1.3167	1.3048	1.2928
57	1.4261	1.4149	1.4034	1.3917	1.3797	1.3676	1.3553	1.3429	1.3303	1.3176
58	1.4582	1.4465	1.4345	1.4223	1.4098	1.3971	1.3842	1.3711	1.3579	1.3445
59	1.4928	1.4805	1.4680	1.4553	1.4422	1.4289	1.4154	1.4017	1.3878	1.3737
60	1.5300	1.5173	1.5042	1.4909	1.4773	1.4634	1.4492	1.4348	1.4202	1.4053
61	1.5701	1.5569	1.5433	1.5294	1.5151	1.5006	1.4857	1.4706	1.4553	1.4397
62	1.6135	1.5997	1.5855	1.5710	1.5561	1.5409	1.5254	1.5095	1.4934	1.4770
63	1.6604	1.6460	1.6312	1.6160	1.6004	1.5845	1.5682	1.5516	1.5347	1.5174
64	1.7109	1.6959	1.6804	1.6646	1.6483	1.6317	1.6146	1.5972	1.5794	1.5613
65	1.7653	1.7496	1.7335	1.7170	1.7000	1.6825	1.6647	1.6464	1.6277	1.6087
66	1.8238	1.8074	1.7906	1.7733	1.7555	1.7373	1.7185	1.6994	1.6798	1.6598
67	1.8863	1.8693	1.8517	1.8336	1.8150	1.7959	1.7763	1.7562	1.7356	1.7146
68	1.9535	1.9357	1.9173	1.8984	1.8790	1.8589	1.8384	1.8173	1.7957	1.7736
69	2.0262	2.0076	1.9883	1.9685	1.9482	1.9272	1.9057	1.8836	1.8609	1.8377
70	2.1052	2.0857	2.0656	2.0449	2.0235	2.0015	1.9789	1.9557	1.9319	1.9074

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	50	51	52	53	54	55	56	57	58	59
20	1.0106	1.0099	1.0093	1.0087	1.0081	1.0076	1.0071	1.0066	1.0062	1.0057
21	1.0115	1.0107	1.0100	1.0094	1.0088	1.0082	1.0076	1.0071	1.0066	1.0061
22	1.0124	1.0116	1.0109	1.0102	1.0095	1.0089	1.0083	1.0077	1.0071	1.0066
23	1.0135	1.0127	1.0118	1.0111	1.0103	1.0096	1.0089	1.0083	1.0077	1.0072
24	1.0147	1.0138	1.0129	1.0120	1.0112	1.0104	1.0097	1.0090	1.0084	1.0078
25	1.0161	1.0150	1.0141	1.0131	1.0122	1.0114	1.0106	1.0098	1.0091	1.0084
26	1.0176	1.0164	1.0154	1.0143	1.0133	1.0124	1.0115	1.0107	1.0099	1.0092
27	1.0192	1.0180	1.0168	1.0157	1.0146	1.0136	1.0126	1.0117	1.0108	1.0100
28	1.0211	1.0197	1.0184	1.0172	1.0160	1.0149	1.0138	1.0128	1.0119	1.0110
29	1.0231	1.0217	1.0202	1.0189	1.0176	1.0163	1.0152	1.0141	1.0130	1.0120
30	1.0254	1.0238	1.0222	1.0207	1.0193	1.0180	1.0167	1.0155	1.0143	1.0132
31	1.0279	1.0262	1.0244	1.0228	1.0213	1.0198	1.0184	1.0170	1.0158	1.0146
32	1.0307	1.0288	1.0269	1.0251	1.0234	1.0218	1.0202	1.0188	1.0174	1.0160
33	1.0338	1.0317	1.0296	1.0277	1.0258	1.0240	1.0223	1.0207	1.0192	1.0177
34	1.0373	1.0349	1.0327	1.0305	1.0285	1.0265	1.0247	1.0229	1.0212	1.0196
35	1.0411	1.0385	1.0361	1.0337	1.0315	1.0293	1.0273	1.0253	1.0234	1.0217
36	1.0452	1.0425	1.0398	1.0372	1.0347	1.0324	1.0301	1.0280	1.0260	1.0240
37	1.0499	1.0468	1.0439	1.0411	1.0384	1.0358	1.0334	1.0310	1.0288	1.0266
38	1.0550	1.0517	1.0485	1.0454	1.0425	1.0396	1.0369	1.0344	1.0319	1.0295
39	1.0606	1.0570	1.0535	1.0502	1.0470	1.0439	1.0409	1.0381	1.0354	1.0328
40	1.0668	1.0629	1.0591	1.0555	1.0520	1.0486	1.0453	1.0422	1.0393	1.0364
41	1.0736	1.0694	1.0653	1.0613	1.0575	1.0538	1.0502	1.0468	1.0436	1.0405
42	1.0811	1.0765	1.0721	1.0677	1.0636	1.0595	1.0557	1.0519	1.0484	1.0450
43	1.0893	1.0843	1.0795	1.0748	1.0703	1.0659	1.0616	1.0576	1.0536	1.0499

44	1.0982	1.0928	1.0876	1.0825	1.0776	1.0728	1.0682	1.0637	1.0594	1.0553
45	1.1079	1.1021	1.0964	1.0909	1.0855	1.0803	1.0753	1.0704	1.0658	1.0613
46	1.1183	1.1121	1.1060	1.1000	1.0942	1.0885	1.0831	1.0778	1.0727	1.0678
47	1.1296	1.1229	1.1163	1.1099	1.1036	1.0975	1.0915	1.0858	1.0802	1.0749
48	1.1418	1.1346	1.1275	1.1206	1.1138	1.1071	1.1007	1.0944	1.0884	1.0826
49	1.1550	1.1472	1.1396	1.1321	1.1248	1.1176	1.1107	1.1039	1.0973	1.0910
50	1.1691	1.1609	1.1527	1.1446	1.1367	1.1290	1.1215	1.1141	1.1070	1.1001
51	1.1844	1.1756	1.1668	1.1582	1.1497	1.1413	1.1332	1.1252	1.1175	1.1100
52	1.2009	1.1914	1.1821	1.1728	1.1637	1.1547	1.1459	1.1374	1.1290	1.1209
53	1.2186	1.2085	1.1985	1.1886	1.1789	1.1692	1.1598	1.1505	1.1415	1.1327
54	1.2377	1.2270	1.2164	1.2058	1.1953	1.1850	1.1748	1.1649	1.1551	1.1456
55	1.2584	1.2470	1.2357	1.2244	1.2132	1.2021	1.1912	1.1805	1.1700	1.1597
56	1.2807	1.2687	1.2566	1.2446	1.2326	1.2208	1.2091	1.1976	1.1862	1.1751
57	1.3049	1.2921	1.2793	1.2665	1.2538	1.2411	1.2286	1.2162	1.2040	1.1921
58	1.3311	1.3175	1.3040	1.2904	1.2768	1.2633	1.2499	1.2366	1.2235	1.2107
59	1.3595	1.3452	1.3308	1.3164	1.3019	1.2875	1.2732	1.2590	1.2449	1.2311
60	1.3903	1.3752	1.3600	1.3447	1.3294	1.3140	1.2987	1.2835	1.2684	1.2536
61	1.4239	1.4079	1.3918	1.3756	1.3593	1.3430	1.3267	1.3104	1.2943	1.2783
62	1.4603	1.4435	1.4264	1.4093	1.3920	1.3746	1.3572	1.3399	1.3226	1.3055
63	1.4999	1.4821	1.4641	1.4460	1.4276	1.4092	1.3907	1.3722	1.3537	1.3354
64	1.5428	1.5241	1.5051	1.4859	1.4664	1.4468	1.4272	1.4074	1.3877	1.3681
65	1.5892	1.5695	1.5495	1.5291	1.5086	1.4878	1.4669	1.4459	1.4249	1.4039
66	1.6393	1.6185	1.5974	1.5759	1.5541	1.5321	1.5099	1.4876	1.4652	1.4428
67	1.6931	1.6712	1.6489	1.6262	1.6032	1.5799	1.5564	1.5326	1.5088	1.4849
68	1.7510	1.7280	1.7045	1.6806	1.6562	1.6316	1.6066	1.5814	1.5560	1.5305
69	1.8139	1.7896	1.7649	1.7396	1.7139	1.6878	1.6613	1.6345	1.6075	1.5804
70	1.8824	1.8569	1.8307	1.8041	1.7769	1.7493	1.7212	1.6928	1.6641	1.6352

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	60	61	62	63	64	65	66	67	68	69
20	1.0053	1.0049	1.0046	1.0042	1.0039	1.0036	1.0033	1.0031	1.0028	1.0026
21	1.0057	1.0053	1.0049	1.0045	1.0042	1.0039	1.0036	1.0033	1.0030	1.0027
22	1.0061	1.0057	1.0053	1.0049	1.0045	1.0041	1.0038	1.0035	1.0032	1.0029
23	1.0066	1.0061	1.0057	1.0052	1.0048	1.0044	1.0041	1.0037	1.0034	1.0031
24	1.0072	1.0066	1.0061	1.0056	1.0052	1.0048	1.0044	1.0040	1.0037	1.0033
25	1.0078	1.0072	1.0066	1.0061	1.0056	1.0052	1.0047	1.0043	1.0040	1.0036
26	1.0085	1.0078	1.0072	1.0066	1.0061	1.0056	1.0051	1.0047	1.0043	1.0039
27	1.0093	1.0085	1.0079	1.0072	1.0066	1.0061	1.0056	1.0051	1.0046	1.0042
28	1.0101	1.0093	1.0086	1.0079	1.0072	1.0066	1.0061	1.0055	1.0050	1.0046
29	1.0111	1.0102	1.0094	1.0086	1.0079	1.0072	1.0066	1.0060	1.0055	1.0050
30	1.0122	1.0112	1.0103	1.0095	1.0087	1.0079	1.0072	1.0066	1.0060	1.0054
31	1.0134	1.0124	1.0114	1.0104	1.0095	1.0087	1.0080	1.0073	1.0066	1.0060
32	1.0148	1.0136	1.0125	1.0115	1.0105	1.0096	1.0088	1.0080	1.0073	1.0066
33	1.0163	1.0151	1.0138	1.0127	1.0116	1.0106	1.0097	1.0088	1.0080	1.0072
34	1.0181	1.0166	1.0153	1.0140	1.0129	1.0118	1.0107	1.0097	1.0088	1.0080
35	1.0200	1.0184	1.0170	1.0156	1.0143	1.0130	1.0119	1.0108	1.0098	1.0089
36	1.0222	1.0204	1.0188	1.0173	1.0158	1.0145	1.0132	1.0120	1.0109	1.0099
37	1.0246	1.0227	1.0209	1.0192	1.0176	1.0161	1.0147	1.0134	1.0121	1.0110
38	1.0273	1.0252	1.0232	1.0213	1.0196	1.0179	1.0164	1.0149	1.0135	1.0123
39	1.0303	1.0280	1.0258	1.0238	1.0218	1.0200	1.0182	1.0166	1.0151	1.0137
40	1.0337	1.0312	1.0288	1.0265	1.0243	1.0223	1.0204	1.0186	1.0169	1.0153
41	1.0375	1.0347	1.0320	1.0295	1.0271	1.0249	1.0228	1.0208	1.0189	1.0172
42	1.0417	1.0386	1.0357	1.0329	1.0303	1.0278	1.0254	1.0232	1.0212	1.0193
43	1.0463	1.0429	1.0397	1.0366	1.0337	1.0310	1.0284	1.0260	1.0237	1.0216
44	1.0514	1.0477	1.0441	1.0408	1.0376	1.0346	1.0317	1.0290	1.0265	1.0241
45	1.0570	1.0529	1.0490	1.0453	1.0418	1.0385	1.0353	1.0324	1.0296	1.0269
46	1.0631	1.0586	1.0543	1.0503	1.0464	1.0427	1.0393	1.0360	1.0329	1.0300
47	1.0697	1.0648	1.0602	1.0557	1.0514	1.0474	1.0436	1.0400	1.0366	1.0334
48	1.0770	1.0716	1.0665	1.0616	1.0569	1.0525	1.0483	1.0444	1.0406	1.0371
49	1.0849	1.0790	1.0734	1.0680	1.0629	1.0581	1.0535	1.0491	1.0450	1.0411
50	1.0935	1.0871	1.0809	1.0751	1.0695	1.0642	1.0591	1.0543	1.0498	1.0455
51	1.1028	1.0959	1.0892	1.0828	1.0766	1.0708	1.0653	1.0600	1.0550	1.0503
52	1.1130	1.1054	1.0982	1.0912	1.0845	1.0781	1.0720	1.0663	1.0608	1.0556
53	1.1242	1.1159	1.1080	1.1004	1.0931	1.0861	1.0794	1.0731	1.0671	1.0614
54	1.1364	1.1274	1.1188	1.1105	1.1025	1.0949	1.0876	1.0807	1.0741	1.0678
55	1.1497	1.1400	1.1306	1.1216	1.1129	1.1046	1.0966	1.0890	1.0818	1.0749
56	1.1643	1.1538	1.1436	1.1338	1.1243	1.1152	1.1065	1.0982	1.0903	1.0828
57	1.1804	1.1690	1.1580	1.1473	1.1370	1.1271	1.1175	1.1084	1.0997	1.0915
58	1.1981	1.1858	1.1738	1.1622	1.1510	1.1402	1.1298	1.1198	1.1103	1.1012
59	1.2175	1.2042	1.1913	1.1787	1.1665	1.1547	1.1434	1.1325	1.1221	1.1121
60	1.2390	1.2246	1.2106	1.1970	1.1837	1.1709	1.1585	1.1466	1.1352	1.1243
61	1.2626	1.2471	1.2320	1.2172	1.2028	1.1889	1.1754	1.1624	1.1499	1.1380

62	1.2886	1.2720	1.2556	1.2396	1.2241	1.2089	1.1942	1.1800	1.1664	1.1533
63	1.3172	1.2993	1.2817	1.2644	1.2475	1.2311	1.2151	1.1997	1.1847	1.1704
64	1.3487	1.3294	1.3104	1.2918	1.2735	1.2557	1.2383	1.2215	1.2051	1.1894
65	1.3830	1.3623	1.3419	1.3218	1.3021	1.2827	1.2639	1.2456	1.2278	1.2106
66	1.4204	1.3983	1.3763	1.3547	1.3334	1.3125	1.2920	1.2721	1.2527	1.2340
67	1.4610	1.4373	1.4137	1.3904	1.3674	1.3449	1.3227	1.3011	1.2801	1.2596
68	1.5050	1.4796	1.4544	1.4294	1.4046	1.3803	1.3564	1.3329	1.3101	1.2878
69	1.5532	1.5261	1.4990	1.4722	1.4456	1.4193	1.3935	1.3681	1.3433	1.3191
70	1.6062	1.5772	1.5482	1.5194	1.4908	1.4625	1.4346	1.4072	1.3803	1.3540

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	70	71	72	73	74	75	76	77	78	79
20	1.0024	1.0022	1.0020	1.0018	1.0016	1.0015	1.0013	1.0012	1.0011	1.0010
21	1.0025	1.0023	1.0021	1.0019	1.0017	1.0016	1.0014	1.0013	1.0012	1.0011
22	1.0027	1.0024	1.0022	1.0020	1.0018	1.0017	1.0015	1.0014	1.0012	1.0011
23	1.0028	1.0026	1.0024	1.0021	1.0019	1.0018	1.0016	1.0014	1.0013	1.0012
24	1.0030	1.0028	1.0025	1.0023	1.0021	1.0019	1.0017	1.0015	1.0014	1.0013
25	1.0033	1.0030	1.0027	1.0024	1.0022	1.0020	1.0018	1.0016	1.0015	1.0013
26	1.0035	1.0032	1.0029	1.0026	1.0024	1.0022	1.0019	1.0018	1.0016	1.0014
27	1.0038	1.0035	1.0031	1.0028	1.0026	1.0023	1.0021	1.0019	1.0017	1.0015
28	1.0041	1.0038	1.0034	1.0031	1.0028	1.0025	1.0023	1.0020	1.0018	1.0016
29	1.0045	1.0041	1.0037	1.0033	1.0030	1.0027	1.0024	1.0022	1.0020	1.0018
30	1.0049	1.0045	1.0040	1.0036	1.0033	1.0029	1.0027	1.0024	1.0021	1.0019
31	1.0054	1.0049	1.0044	1.0040	1.0036	1.0032	1.0029	1.0026	1.0023	1.0021
32	1.0059	1.0054	1.0048	1.0044	1.0039	1.0035	1.0032	1.0028	1.0025	1.0023
33	1.0065	1.0059	1.0053	1.0048	1.0043	1.0039	1.0035	1.0031	1.0028	1.0025
34	1.0072	1.0065	1.0059	1.0053	1.0047	1.0043	1.0038	1.0034	1.0031	1.0027
35	1.0080	1.0072	1.0065	1.0059	1.0053	1.0047	1.0042	1.0038	1.0034	1.0030
36	1.0089	1.0080	1.0072	1.0065	1.0058	1.0052	1.0047	1.0042	1.0037	1.0033
37	1.0099	1.0090	1.0081	1.0072	1.0065	1.0058	1.0052	1.0047	1.0042	1.0037
38	1.0111	1.0100	1.0090	1.0081	1.0073	1.0065	1.0058	1.0052	1.0047	1.0041
39	1.0124	1.0112	1.0101	1.0091	1.0081	1.0073	1.0065	1.0058	1.0052	1.0046
40	1.0139	1.0125	1.0113	1.0102	1.0091	1.0082	1.0073	1.0066	1.0059	1.0052
41	1.0156	1.0141	1.0127	1.0114	1.0103	1.0092	1.0083	1.0074	1.0066	1.0059
42	1.0175	1.0158	1.0143	1.0128	1.0116	1.0104	1.0093	1.0084	1.0075	1.0067
43	1.0196	1.0177	1.0160	1.0144	1.0130	1.0117	1.0105	1.0094	1.0085	1.0076
44	1.0219	1.0199	1.0180	1.0162	1.0146	1.0132	1.0118	1.0106	1.0095	1.0085
45	1.0245	1.0222	1.0201	1.0182	1.0164	1.0148	1.0133	1.0120	1.0107	1.0096
46	1.0273	1.0248	1.0225	1.0203	1.0184	1.0166	1.0149	1.0134	1.0121	1.0108
47	1.0304	1.0276	1.0250	1.0227	1.0205	1.0185	1.0167	1.0150	1.0135	1.0121
48	1.0338	1.0307	1.0279	1.0252	1.0228	1.0206	1.0186	1.0168	1.0151	1.0136
49	1.0375	1.0341	1.0309	1.0280	1.0254	1.0229	1.0207	1.0187	1.0168	1.0151
50	1.0415	1.0378	1.0343	1.0311	1.0282	1.0255	1.0230	1.0207	1.0187	1.0168
51	1.0459	1.0418	1.0380	1.0345	1.0312	1.0282	1.0255	1.0230	1.0207	1.0187
52	1.0508	1.0462	1.0420	1.0381	1.0346	1.0313	1.0283	1.0255	1.0230	1.0207
53	1.0561	1.0511	1.0465	1.0422	1.0382	1.0346	1.0313	1.0282	1.0254	1.0229
54	1.0620	1.0565	1.0514	1.0466	1.0423	1.0383	1.0346	1.0312	1.0282	1.0254
55	1.0685	1.0624	1.0568	1.0516	1.0468	1.0424	1.0383	1.0346	1.0312	1.0281
56	1.0757	1.0690	1.0628	1.0571	1.0518	1.0469	1.0424	1.0383	1.0345	1.0311
57	1.0837	1.0763	1.0695	1.0632	1.0574	1.0520	1.0470	1.0425	1.0383	1.0345
58	1.0926	1.0846	1.0771	1.0701	1.0636	1.0577	1.0522	1.0471	1.0425	1.0383
59	1.1027	1.0938	1.0855	1.0778	1.0707	1.0641	1.0580	1.0524	1.0473	1.0426
60	1.1139	1.1042	1.0950	1.0865	1.0786	1.0714	1.0646	1.0584	1.0528	1.0476
61	1.1266	1.1158	1.1058	1.0964	1.0877	1.0796	1.0721	1.0653	1.0589	1.0532
62	1.1408	1.1289	1.1178	1.1075	1.0978	1.0889	1.0806	1.0730	1.0660	1.0596
63	1.1567	1.1436	1.1314	1.1200	1.1093	1.0994	1.0903	1.0818	1.0740	1.0668
64	1.1744	1.1601	1.1466	1.1340	1.1223	1.1113	1.1011	1.0917	1.0831	1.0751
65	1.1941	1.1784	1.1636	1.1497	1.1367	1.1246	1.1134	1.1029	1.0933	1.0844
66	1.2160	1.1987	1.1825	1.1672	1.1529	1.1395	1.1270	1.1154	1.1047	1.0949
67	1.2399	1.2211	1.2032	1.1864	1.1707	1.1559	1.1421	1.1293	1.1174	1.1065
68	1.2663	1.2457	1.2262	1.2077	1.1904	1.1741	1.1589	1.1448	1.1316	1.1194
69	1.2957	1.2732	1.2518	1.2316	1.2125	1.1946	1.1778	1.1621	1.1476	1.1341
70	1.3285	1.3039	1.2805	1.2583	1.2374	1.2177	1.1992	1.1819	1.1657	1.1507

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	80	81	82	83	84	85	86	87	88	89
20	1.0009	1.0008	1.0007	1.0007	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003
21	1.0009	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0004	1.0004	1.0004
22	1.0010	1.0009	1.0008	1.0007	1.0007	1.0006	1.0005	1.0005	1.0004	1.0004



23	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0004	1.0004
24	1.0011	1.0010	1.0009	1.0008	1.0007	1.0007	1.0006	1.0005	1.0005	1.0004
25	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0004
26	1.0013	1.0012	1.0010	1.0009	1.0008	1.0007	1.0007	1.0006	1.0005	1.0005
27	1.0014	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005
28	1.0015	1.0013	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0005
29	1.0016	1.0014	1.0013	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006
30	1.0017	1.0015	1.0014	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006
31	1.0019	1.0017	1.0015	1.0013	1.0012	1.0011	1.0009	1.0008	1.0007	1.0007
32	1.0020	1.0018	1.0016	1.0015	1.0013	1.0012	1.0010	1.0009	1.0008	1.0007
33	1.0022	1.0020	1.0018	1.0016	1.0014	1.0013	1.0011	1.0010	1.0009	1.0008
34	1.0024	1.0022	1.0019	1.0017	1.0015	1.0014	1.0012	1.0011	1.0010	1.0008
35	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015	1.0013	1.0012	1.0010	1.0009
36	1.0030	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015	1.0013	1.0011	1.0010
37	1.0033	1.0029	1.0026	1.0023	1.0021	1.0018	1.0016	1.0014	1.0013	1.0011
38	1.0037	1.0033	1.0029	1.0026	1.0023	1.0020	1.0018	1.0016	1.0014	1.0012
39	1.0041	1.0037	1.0033	1.0029	1.0026	1.0023	1.0020	1.0018	1.0016	1.0014
40	1.0047	1.0041	1.0037	1.0033	1.0029	1.0026	1.0023	1.0020	1.0018	1.0015
41	1.0053	1.0047	1.0042	1.0037	1.0033	1.0029	1.0026	1.0023	1.0020	1.0017
42	1.0060	1.0053	1.0047	1.0042	1.0037	1.0033	1.0029	1.0026	1.0023	1.0020
43	1.0068	1.0060	1.0054	1.0048	1.0042	1.0038	1.0033	1.0029	1.0026	1.0023
44	1.0076	1.0068	1.0061	1.0054	1.0048	1.0043	1.0038	1.0033	1.0029	1.0026
45	1.0086	1.0077	1.0069	1.0061	1.0054	1.0048	1.0043	1.0038	1.0033	1.0029
46	1.0097	1.0087	1.0077	1.0069	1.0062	1.0055	1.0049	1.0043	1.0038	1.0033
47	1.0109	1.0097	1.0087	1.0078	1.0069	1.0062	1.0055	1.0048	1.0043	1.0038
48	1.0122	1.0109	1.0098	1.0087	1.0078	1.0069	1.0061	1.0054	1.0048	1.0043
49	1.0136	1.0122	1.0109	1.0097	1.0087	1.0077	1.0069	1.0061	1.0054	1.0048
50	1.0151	1.0135	1.0121	1.0109	1.0097	1.0086	1.0077	1.0068	1.0060	1.0053
51	1.0168	1.0151	1.0135	1.0121	1.0108	1.0096	1.0086	1.0076	1.0067	1.0060
52	1.0186	1.0167	1.0150	1.0134	1.0120	1.0107	1.0095	1.0085	1.0075	1.0066
53	1.0206	1.0185	1.0166	1.0149	1.0133	1.0119	1.0106	1.0094	1.0083	1.0074
54	1.0228	1.0205	1.0184	1.0165	1.0147	1.0131	1.0117	1.0104	1.0092	1.0082
55	1.0253	1.0227	1.0204	1.0182	1.0163	1.0146	1.0130	1.0115	1.0102	1.0090
56	1.0280	1.0251	1.0226	1.0202	1.0181	1.0161	1.0144	1.0128	1.0113	1.0100
57	1.0310	1.0279	1.0250	1.0224	1.0200	1.0179	1.0159	1.0142	1.0126	1.0111
58	1.0345	1.0310	1.0278	1.0249	1.0223	1.0199	1.0177	1.0157	1.0139	1.0123
59	1.0384	1.0345	1.0309	1.0277	1.0248	1.0221	1.0197	1.0175	1.0155	1.0137
60	1.0428	1.0385	1.0345	1.0310	1.0277	1.0247	1.0220	1.0196	1.0173	1.0153
61	1.0479	1.0431	1.0387	1.0347	1.0310	1.0277	1.0247	1.0219	1.0194	1.0172
62	1.0537	1.0483	1.0434	1.0389	1.0348	1.0311	1.0277	1.0246	1.0219	1.0193
63	1.0603	1.0543	1.0488	1.0438	1.0392	1.0350	1.0312	1.0278	1.0247	1.0218
64	1.0678	1.0611	1.0549	1.0493	1.0442	1.0395	1.0353	1.0314	1.0279	1.0247
65	1.0763	1.0688	1.0619	1.0556	1.0499	1.0447	1.0399	1.0355	1.0316	1.0280
66	1.0858	1.0774	1.0698	1.0628	1.0563	1.0504	1.0451	1.0402	1.0357	1.0317
67	1.0964	1.0871	1.0785	1.0707	1.0635	1.0569	1.0509	1.0454	1.0404	1.0358
68	1.1082	1.0978	1.0883	1.0796	1.0715	1.0641	1.0574	1.0512	1.0456	1.0405
69	1.1216	1.1101	1.0994	1.0897	1.0807	1.0724	1.0648	1.0579	1.0516	1.0458
70	1.1369	1.1240	1.1122	1.1013	1.0912	1.0819	1.0734	1.0657	1.0585	1.0521

Table A  
Factors to Convert a 50% Joint and Survivor Annuity to a Life Annuity  
Supplemental Retirement Plan for Top Management

Equivalent Benefit Payable Under Single Life Annuity Option for Each \$1.00 of Life Annuity Otherwise Payable

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	20	21	22	23	24	25	26	27	28	29
20	1.0243	1.0234	1.0226	1.0217	1.0208	1.0200	1.0192	1.0184	1.0176	1.0168
21	1.0262	1.0253	1.0244	1.0234	1.0225	1.0216	1.0208	1.0199	1.0190	1.0182
22	1.0283	1.0273	1.0263	1.0253	1.0244	1.0234	1.0225	1.0216	1.0206	1.0198
23	1.0305	1.0294	1.0284	1.0274	1.0264	1.0253	1.0243	1.0234	1.0224	1.0214
24	1.0328	1.0317	1.0306	1.0296	1.0285	1.0274	1.0264	1.0253	1.0243	1.0233
25	1.0353	1.0342	1.0331	1.0319	1.0308	1.0297	1.0285	1.0274	1.0263	1.0252
26	1.0380	1.0369	1.0357	1.0345	1.0333	1.0321	1.0309	1.0297	1.0285	1.0274
27	1.0409	1.0397	1.0384	1.0372	1.0359	1.0347	1.0334	1.0322	1.0309	1.0297
28	1.0440	1.0427	1.0414	1.0401	1.0388	1.0375	1.0362	1.0348	1.0335	1.0322
29	1.0473	1.0460	1.0446	1.0432	1.0419	1.0405	1.0391	1.0377	1.0363	1.0349
30	1.0508	1.0494	1.0480	1.0466	1.0451	1.0437	1.0422	1.0408	1.0393	1.0379
31	1.0546	1.0531	1.0517	1.0502	1.0487	1.0471	1.0456	1.0441	1.0426	1.0410
32	1.0586	1.0571	1.0555	1.0540	1.0524	1.0508	1.0493	1.0476	1.0460	1.0444
33	1.0628	1.0613	1.0597	1.0581	1.0565	1.0548	1.0531	1.0515	1.0498	1.0481

34	1.0674	1.0658	1.0641	1.0625	1.0608	1.0590	1.0573	1.0556	1.0538	1.0520
35	1.0722	1.0705	1.0689	1.0671	1.0654	1.0636	1.0618	1.0599	1.0581	1.0562
36	1.0773	1.0756	1.0739	1.0721	1.0703	1.0684	1.0665	1.0646	1.0627	1.0608
37	1.0828	1.0811	1.0793	1.0774	1.0755	1.0736	1.0716	1.0697	1.0677	1.0656
38	1.0886	1.0868	1.0850	1.0831	1.0811	1.0791	1.0771	1.0750	1.0730	1.0708
39	1.0949	1.0930	1.0911	1.0891	1.0871	1.0850	1.0829	1.0808	1.0786	1.0764
40	1.1015	1.0995	1.0976	1.0955	1.0935	1.0913	1.0892	1.0870	1.0847	1.0824
41	1.1085	1.1065	1.1045	1.1024	1.1003	1.0981	1.0958	1.0935	1.0912	1.0888
42	1.1160	1.1140	1.1119	1.1097	1.1075	1.1052	1.1029	1.1006	1.0981	1.0957
43	1.1239	1.1218	1.1197	1.1175	1.1152	1.1129	1.1105	1.1080	1.1055	1.1030
44	1.1323	1.1302	1.1280	1.1257	1.1234	1.1210	1.1185	1.1160	1.1134	1.1107
45	1.1412	1.1390	1.1368	1.1344	1.1320	1.1295	1.1270	1.1244	1.1217	1.1190
46	1.1506	1.1484	1.1460	1.1436	1.1412	1.1386	1.1360	1.1333	1.1305	1.1277
47	1.1605	1.1582	1.1558	1.1534	1.1508	1.1482	1.1455	1.1427	1.1399	1.1369
48	1.1710	1.1686	1.1662	1.1637	1.1610	1.1583	1.1556	1.1527	1.1497	1.1467
49	1.1821	1.1796	1.1771	1.1745	1.1718	1.1690	1.1662	1.1632	1.1602	1.1571
50	1.1937	1.1912	1.1887	1.1860	1.1832	1.1804	1.1774	1.1744	1.1712	1.1680
51	1.2061	1.2035	1.2009	1.1981	1.1953	1.1923	1.1893	1.1862	1.1830	1.1796
52	1.2191	1.2165	1.2138	1.2110	1.2080	1.2050	1.2019	1.1987	1.1954	1.1919
53	1.2330	1.2303	1.2275	1.2246	1.2216	1.2185	1.2152	1.2119	1.2085	1.2050
54	1.2476	1.2449	1.2420	1.2390	1.2359	1.2327	1.2294	1.2260	1.2225	1.2188
55	1.2632	1.2604	1.2574	1.2543	1.2512	1.2479	1.2445	1.2410	1.2373	1.2336
56	1.2798	1.2769	1.2738	1.2707	1.2674	1.2640	1.2605	1.2569	1.2532	1.2493
57	1.2975	1.2945	1.2914	1.2881	1.2848	1.2813	1.2777	1.2739	1.2701	1.2661
58	1.3164	1.3133	1.3101	1.3068	1.3033	1.2997	1.2960	1.2922	1.2882	1.2841
59	1.3367	1.3335	1.3302	1.3268	1.3232	1.3195	1.3157	1.3117	1.3076	1.3033
60	1.3585	1.3552	1.3518	1.3483	1.3446	1.3408	1.3368	1.3327	1.3285	1.3241
61	1.3820	1.3786	1.3750	1.3714	1.3676	1.3636	1.3595	1.3553	1.3509	1.3464
62	1.4072	1.4037	1.4000	1.3962	1.3923	1.3882	1.3840	1.3796	1.3751	1.3704
63	1.4343	1.4307	1.4269	1.4230	1.4190	1.4148	1.4104	1.4058	1.4011	1.3963
64	1.4636	1.4598	1.4559	1.4519	1.4477	1.4433	1.4388	1.4341	1.4292	1.4241
65	1.4950	1.4911	1.4871	1.4829	1.4785	1.4740	1.4693	1.4644	1.4593	1.4541
66	1.5287	1.5247	1.5205	1.5161	1.5116	1.5069	1.5020	1.4969	1.4917	1.4862
67	1.5647	1.5605	1.5562	1.5516	1.5469	1.5421	1.5370	1.5317	1.5263	1.5206
68	1.6033	1.5989	1.5944	1.5897	1.5848	1.5798	1.5745	1.5690	1.5634	1.5575
69	1.6450	1.6405	1.6358	1.6309	1.6258	1.6205	1.6150	1.6093	1.6034	1.5973
70	1.6903	1.6856	1.6807	1.6756	1.6703	1.6648	1.6591	1.6531	1.6470	1.6406

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	30	31	32	33	34	35	36	37	38	39
20	1.0160	1.0153	1.0146	1.0139	1.0132	1.0126	1.0119	1.0113	1.0107	1.0102
21	1.0174	1.0166	1.0158	1.0151	1.0143	1.0136	1.0130	1.0123	1.0117	1.0110
22	1.0189	1.0180	1.0172	1.0164	1.0156	1.0148	1.0141	1.0134	1.0127	1.0120
23	1.0205	1.0196	1.0187	1.0178	1.0170	1.0161	1.0153	1.0146	1.0138	1.0131
24	1.0223	1.0213	1.0203	1.0194	1.0185	1.0176	1.0167	1.0159	1.0150	1.0143
25	1.0242	1.0231	1.0221	1.0211	1.0201	1.0191	1.0182	1.0173	1.0164	1.0156
26	1.0262	1.0251	1.0240	1.0229	1.0219	1.0208	1.0198	1.0189	1.0179	1.0170
27	1.0285	1.0273	1.0261	1.0250	1.0238	1.0227	1.0216	1.0206	1.0195	1.0185
28	1.0309	1.0297	1.0284	1.0272	1.0259	1.0247	1.0236	1.0224	1.0213	1.0203
29	1.0336	1.0322	1.0309	1.0295	1.0282	1.0270	1.0257	1.0245	1.0233	1.0221
30	1.0364	1.0350	1.0336	1.0321	1.0308	1.0294	1.0280	1.0267	1.0254	1.0242
31	1.0395	1.0380	1.0365	1.0350	1.0335	1.0320	1.0306	1.0292	1.0278	1.0264
32	1.0428	1.0412	1.0396	1.0380	1.0364	1.0349	1.0333	1.0318	1.0303	1.0289
33	1.0464	1.0447	1.0430	1.0413	1.0396	1.0380	1.0363	1.0347	1.0331	1.0316
34	1.0502	1.0484	1.0466	1.0449	1.0431	1.0413	1.0396	1.0378	1.0361	1.0345
35	1.0543	1.0525	1.0506	1.0487	1.0468	1.0449	1.0431	1.0413	1.0394	1.0377
36	1.0588	1.0568	1.0548	1.0528	1.0509	1.0489	1.0469	1.0450	1.0430	1.0411
37	1.0636	1.0615	1.0594	1.0573	1.0552	1.0531	1.0510	1.0490	1.0469	1.0449
38	1.0687	1.0665	1.0643	1.0621	1.0599	1.0577	1.0555	1.0533	1.0511	1.0490
39	1.0742	1.0719	1.0696	1.0673	1.0650	1.0627	1.0603	1.0580	1.0557	1.0534
40	1.0801	1.0777	1.0753	1.0729	1.0705	1.0680	1.0656	1.0631	1.0606	1.0582
41	1.0864	1.0839	1.0814	1.0789	1.0763	1.0738	1.0712	1.0686	1.0660	1.0634
42	1.0931	1.0906	1.0880	1.0853	1.0827	1.0800	1.0772	1.0745	1.0718	1.0690
43	1.1003	1.0977	1.0950	1.0922	1.0894	1.0866	1.0838	1.0809	1.0780	1.0751
44	1.1080	1.1052	1.1024	1.0995	1.0966	1.0937	1.0907	1.0877	1.0847	1.0816
45	1.1161	1.1133	1.1103	1.1074	1.1043	1.1012	1.0981	1.0950	1.0918	1.0886
46	1.1248	1.1218	1.1188	1.1157	1.1125	1.1093	1.1060	1.1027	1.0994	1.0960
47	1.1339	1.1308	1.1277	1.1245	1.1212	1.1178	1.1144	1.1110	1.1075	1.1040
48	1.1436	1.1404	1.1371	1.1338	1.1304	1.1269	1.1234	1.1198	1.1161	1.1124
49	1.1539	1.1506	1.1472	1.1437	1.1402	1.1366	1.1329	1.1291	1.1253	1.1214
50	1.1647	1.1613	1.1578	1.1542	1.1505	1.1468	1.1429	1.1390	1.1351	1.1310
51	1.1762	1.1727	1.1691	1.1654	1.1615	1.1576	1.1537	1.1496	1.1454	1.1412

52	1.1884	1.1848	1.1810	1.1772	1.1732	1.1692	1.1650	1.1608	1.1565	1.1521
53	1.2013	1.1976	1.1937	1.1897	1.1856	1.1815	1.1772	1.1728	1.1683	1.1637
54	1.2151	1.2112	1.2072	1.2031	1.1989	1.1945	1.1901	1.1855	1.1808	1.1761
55	1.2297	1.2257	1.2216	1.2173	1.2129	1.2085	1.2038	1.1991	1.1942	1.1893
56	1.2453	1.2412	1.2369	1.2325	1.2280	1.2233	1.2185	1.2136	1.2086	1.2034
57	1.2620	1.2577	1.2533	1.2487	1.2441	1.2392	1.2343	1.2292	1.2239	1.2186
58	1.2798	1.2754	1.2708	1.2661	1.2613	1.2563	1.2511	1.2459	1.2404	1.2348
59	1.2989	1.2944	1.2897	1.2848	1.2798	1.2746	1.2693	1.2638	1.2581	1.2523
60	1.3195	1.3148	1.3099	1.3049	1.2997	1.2943	1.2888	1.2831	1.2772	1.2712
61	1.3416	1.3368	1.3317	1.3265	1.3211	1.3156	1.3098	1.3039	1.2978	1.2915
62	1.3655	1.3604	1.3552	1.3498	1.3442	1.3384	1.3325	1.3263	1.3200	1.3135
63	1.3912	1.3860	1.3805	1.3749	1.3691	1.3631	1.3569	1.3506	1.3440	1.3372
64	1.4189	1.4134	1.4078	1.4020	1.3960	1.3897	1.3833	1.3767	1.3698	1.3627
65	1.4486	1.4430	1.4372	1.4311	1.4249	1.4184	1.4117	1.4048	1.3976	1.3902
66	1.4806	1.4747	1.4687	1.4624	1.4558	1.4491	1.4421	1.4349	1.4275	1.4198
67	1.5147	1.5086	1.5023	1.4958	1.4890	1.4820	1.4747	1.4672	1.4595	1.4514
68	1.5513	1.5450	1.5384	1.5316	1.5245	1.5172	1.5097	1.5018	1.4938	1.4854
69	1.5909	1.5843	1.5775	1.5703	1.5630	1.5554	1.5475	1.5393	1.5308	1.5221
70	1.6339	1.6270	1.6199	1.6124	1.6048	1.5968	1.5885	1.5800	1.5712	1.5620

Equivalent Benefit Payable Under Single Life Annuity Option for Each \$1.00 Otherwise Payable

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	40	41	42	43	44	45	46	47	48	49
20	1.0096	1.0091	1.0086	1.0081	1.0076	1.0072	1.0068	1.0064	1.0060	1.0056
21	1.0104	1.0099	1.0093	1.0088	1.0083	1.0078	1.0074	1.0069	1.0065	1.0061
22	1.0114	1.0107	1.0102	1.0096	1.0090	1.0085	1.0080	1.0075	1.0071	1.0066
23	1.0124	1.0117	1.0111	1.0104	1.0098	1.0093	1.0087	1.0082	1.0077	1.0072
24	1.0135	1.0128	1.0121	1.0114	1.0107	1.0101	1.0095	1.0089	1.0084	1.0079
25	1.0147	1.0139	1.0132	1.0124	1.0117	1.0110	1.0104	1.0098	1.0092	1.0086
26	1.0161	1.0152	1.0144	1.0136	1.0128	1.0121	1.0113	1.0107	1.0100	1.0094
27	1.0176	1.0166	1.0157	1.0149	1.0140	1.0132	1.0124	1.0117	1.0110	1.0103
28	1.0192	1.0182	1.0172	1.0163	1.0153	1.0145	1.0136	1.0128	1.0120	1.0113
29	1.0210	1.0199	1.0188	1.0178	1.0168	1.0158	1.0149	1.0140	1.0132	1.0124
30	1.0230	1.0218	1.0206	1.0195	1.0184	1.0174	1.0164	1.0154	1.0145	1.0136
31	1.0251	1.0238	1.0226	1.0214	1.0202	1.0190	1.0180	1.0169	1.0159	1.0149
32	1.0275	1.0261	1.0247	1.0234	1.0221	1.0209	1.0197	1.0186	1.0175	1.0164
33	1.0300	1.0285	1.0271	1.0257	1.0243	1.0229	1.0216	1.0204	1.0192	1.0180
34	1.0328	1.0312	1.0297	1.0281	1.0266	1.0252	1.0238	1.0224	1.0211	1.0198
35	1.0359	1.0342	1.0325	1.0308	1.0292	1.0276	1.0261	1.0247	1.0232	1.0219
36	1.0392	1.0374	1.0356	1.0338	1.0320	1.0304	1.0287	1.0271	1.0256	1.0241
37	1.0429	1.0409	1.0389	1.0370	1.0351	1.0333	1.0315	1.0298	1.0281	1.0265
38	1.0468	1.0447	1.0426	1.0405	1.0385	1.0366	1.0346	1.0328	1.0310	1.0292
39	1.0511	1.0488	1.0466	1.0444	1.0422	1.0401	1.0381	1.0360	1.0341	1.0321
40	1.0558	1.0534	1.0510	1.0486	1.0463	1.0440	1.0418	1.0396	1.0375	1.0354
41	1.0608	1.0583	1.0557	1.0532	1.0507	1.0483	1.0459	1.0435	1.0412	1.0390
42	1.0663	1.0636	1.0609	1.0582	1.0555	1.0529	1.0503	1.0478	1.0453	1.0429
43	1.0722	1.0693	1.0664	1.0636	1.0608	1.0580	1.0552	1.0525	1.0498	1.0472
44	1.0786	1.0755	1.0724	1.0694	1.0664	1.0634	1.0604	1.0575	1.0547	1.0519
45	1.0854	1.0821	1.0789	1.0757	1.0725	1.0693	1.0661	1.0630	1.0599	1.0569
46	1.0926	1.0892	1.0858	1.0824	1.0790	1.0756	1.0722	1.0689	1.0656	1.0624
47	1.1004	1.0968	1.0932	1.0896	1.0860	1.0824	1.0788	1.0752	1.0717	1.0682
48	1.1087	1.1049	1.1011	1.0973	1.0935	1.0896	1.0858	1.0821	1.0783	1.0746
49	1.1175	1.1135	1.1095	1.1055	1.1015	1.0974	1.0934	1.0894	1.0854	1.0814
50	1.1269	1.1227	1.1185	1.1143	1.1101	1.1058	1.1015	1.0972	1.0930	1.0888
51	1.1369	1.1326	1.1282	1.1237	1.1192	1.1147	1.1102	1.1057	1.1012	1.0967
52	1.1476	1.1431	1.1384	1.1338	1.1291	1.1243	1.1195	1.1148	1.1100	1.1052
53	1.1590	1.1543	1.1494	1.1445	1.1396	1.1346	1.1296	1.1245	1.1194	1.1144
54	1.1712	1.1662	1.1612	1.1560	1.1509	1.1456	1.1403	1.1350	1.1296	1.1242
55	1.1842	1.1790	1.1737	1.1684	1.1629	1.1574	1.1518	1.1462	1.1406	1.1349
56	1.1981	1.1927	1.1872	1.1816	1.1759	1.1701	1.1643	1.1584	1.1524	1.1464
57	1.2131	1.2074	1.2017	1.1958	1.1899	1.1838	1.1777	1.1714	1.1652	1.1588
58	1.2291	1.2232	1.2173	1.2111	1.2049	1.1985	1.1921	1.1856	1.1789	1.1723
59	1.2464	1.2403	1.2340	1.2276	1.2211	1.2145	1.2077	1.2008	1.1939	1.1868
60	1.2650	1.2586	1.2521	1.2454	1.2386	1.2317	1.2246	1.2174	1.2101	1.2027
61	1.2851	1.2785	1.2717	1.2647	1.2576	1.2503	1.2429	1.2353	1.2276	1.2198
62	1.3068	1.2999	1.2928	1.2855	1.2781	1.2704	1.2627	1.2547	1.2467	1.2385
63	1.3302	1.3230	1.3156	1.3080	1.3002	1.2923	1.2841	1.2758	1.2673	1.2587
64	1.3554	1.3479	1.3402	1.3323	1.3242	1.3158	1.3073	1.2986	1.2897	1.2806
65	1.3827	1.3748	1.3668	1.3585	1.3500	1.3413	1.3323	1.3232	1.3139	1.3043
66	1.4119	1.4037	1.3953	1.3867	1.3778	1.3686	1.3593	1.3497	1.3399	1.3299
67	1.4432	1.4346	1.4259	1.4168	1.4075	1.3980	1.3882	1.3781	1.3678	1.3573

68	1.4768	1.4678	1.4587	1.4492	1.4395	1.4295	1.4192	1.4087	1.3979	1.3868
69	1.5131	1.5038	1.4942	1.4843	1.4741	1.4636	1.4528	1.4418	1.4304	1.4188
70	1.5526	1.5429	1.5328	1.5224	1.5117	1.5008	1.4895	1.4778	1.4659	1.4537

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	50	51	52	53	54	55	56	57	58	59
20	1.0053	1.0050	1.0046	1.0043	1.0041	1.0038	1.0035	1.0033	1.0031	1.0029
21	1.0057	1.0054	1.0050	1.0047	1.0044	1.0041	1.0038	1.0036	1.0033	1.0031
22	1.0062	1.0058	1.0054	1.0051	1.0048	1.0044	1.0041	1.0038	1.0036	1.0033
23	1.0068	1.0063	1.0059	1.0055	1.0052	1.0048	1.0045	1.0042	1.0039	1.0036
24	1.0074	1.0069	1.0064	1.0060	1.0056	1.0052	1.0049	1.0045	1.0042	1.0039
25	1.0080	1.0075	1.0070	1.0066	1.0061	1.0057	1.0053	1.0049	1.0045	1.0042
26	1.0088	1.0082	1.0077	1.0072	1.0067	1.0062	1.0058	1.0054	1.0050	1.0046
27	1.0096	1.0090	1.0084	1.0078	1.0073	1.0068	1.0063	1.0058	1.0054	1.0050
28	1.0105	1.0099	1.0092	1.0086	1.0080	1.0074	1.0069	1.0064	1.0059	1.0055
29	1.0116	1.0108	1.0101	1.0094	1.0088	1.0082	1.0076	1.0070	1.0065	1.0060
30	1.0127	1.0119	1.0111	1.0104	1.0097	1.0090	1.0083	1.0077	1.0072	1.0066
31	1.0140	1.0131	1.0122	1.0114	1.0106	1.0099	1.0092	1.0085	1.0079	1.0073
32	1.0154	1.0144	1.0135	1.0126	1.0117	1.0109	1.0101	1.0094	1.0087	1.0080
33	1.0169	1.0158	1.0148	1.0138	1.0129	1.0120	1.0112	1.0104	1.0096	1.0089
34	1.0186	1.0175	1.0163	1.0153	1.0142	1.0133	1.0123	1.0114	1.0106	1.0098
35	1.0205	1.0193	1.0180	1.0169	1.0157	1.0147	1.0136	1.0126	1.0117	1.0108
36	1.0226	1.0212	1.0199	1.0186	1.0174	1.0162	1.0151	1.0140	1.0130	1.0120
37	1.0249	1.0234	1.0220	1.0206	1.0192	1.0179	1.0167	1.0155	1.0144	1.0133
38	1.0275	1.0258	1.0242	1.0227	1.0212	1.0198	1.0185	1.0172	1.0159	1.0148
39	1.0303	1.0285	1.0268	1.0251	1.0235	1.0219	1.0205	1.0190	1.0177	1.0164
40	1.0334	1.0314	1.0296	1.0277	1.0260	1.0243	1.0227	1.0211	1.0196	1.0182
41	1.0368	1.0347	1.0326	1.0307	1.0287	1.0269	1.0251	1.0234	1.0218	1.0202
42	1.0406	1.0383	1.0360	1.0339	1.0318	1.0298	1.0278	1.0260	1.0242	1.0225
43	1.0446	1.0422	1.0397	1.0374	1.0351	1.0329	1.0308	1.0288	1.0268	1.0250
44	1.0491	1.0464	1.0438	1.0413	1.0388	1.0364	1.0341	1.0319	1.0297	1.0277
45	1.0539	1.0510	1.0482	1.0454	1.0428	1.0402	1.0376	1.0352	1.0329	1.0306
46	1.0592	1.0560	1.0530	1.0500	1.0471	1.0443	1.0415	1.0389	1.0363	1.0339
47	1.0648	1.0615	1.0582	1.0549	1.0518	1.0487	1.0458	1.0429	1.0401	1.0374
48	1.0709	1.0673	1.0638	1.0603	1.0569	1.0536	1.0503	1.0472	1.0442	1.0413
49	1.0775	1.0736	1.0698	1.0661	1.0624	1.0588	1.0553	1.0519	1.0487	1.0455
50	1.0846	1.0804	1.0763	1.0723	1.0684	1.0645	1.0607	1.0571	1.0535	1.0501
51	1.0922	1.0878	1.0834	1.0791	1.0748	1.0707	1.0666	1.0626	1.0588	1.0550
52	1.1004	1.0957	1.0910	1.0864	1.0818	1.0774	1.0730	1.0687	1.0645	1.0604
53	1.1093	1.1043	1.0993	1.0943	1.0894	1.0846	1.0799	1.0753	1.0707	1.0663
54	1.1189	1.1135	1.1082	1.1029	1.0977	1.0925	1.0874	1.0824	1.0776	1.0728
55	1.1292	1.1235	1.1178	1.1122	1.1066	1.1011	1.0956	1.0902	1.0850	1.0798
56	1.1404	1.1343	1.1283	1.1223	1.1163	1.1104	1.1045	1.0988	1.0931	1.0876
57	1.1524	1.1461	1.1397	1.1333	1.1269	1.1206	1.1143	1.1081	1.1020	1.0960
58	1.1655	1.1588	1.1520	1.1452	1.1384	1.1317	1.1249	1.1183	1.1118	1.1053
59	1.1797	1.1726	1.1654	1.1582	1.1510	1.1438	1.1366	1.1295	1.1225	1.1155
60	1.1952	1.1876	1.1800	1.1723	1.1647	1.1570	1.1494	1.1418	1.1342	1.1268
61	1.2119	1.2040	1.1959	1.1878	1.1796	1.1715	1.1633	1.1552	1.1471	1.1392
62	1.2302	1.2217	1.2132	1.2046	1.1960	1.1873	1.1786	1.1699	1.1613	1.1528
63	1.2499	1.2411	1.2321	1.2230	1.2138	1.2046	1.1953	1.1861	1.1769	1.1677
64	1.2714	1.2620	1.2525	1.2429	1.2332	1.2234	1.2136	1.2037	1.1939	1.1841
65	1.2946	1.2848	1.2747	1.2646	1.2543	1.2439	1.2334	1.2229	1.2124	1.2019
66	1.3197	1.3093	1.2987	1.2880	1.2771	1.2661	1.2550	1.2438	1.2326	1.2214
67	1.3466	1.3356	1.3245	1.3131	1.3016	1.2900	1.2782	1.2663	1.2544	1.2424
68	1.3755	1.3640	1.3522	1.3403	1.3281	1.3158	1.3033	1.2907	1.2780	1.2653
69	1.4069	1.3948	1.3824	1.3698	1.3569	1.3439	1.3306	1.3173	1.3038	1.2902
70	1.4412	1.4284	1.4154	1.4020	1.3884	1.3746	1.3606	1.3464	1.3320	1.3176

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EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	60	61	62	63	64	65	66	67	68	69
20	1.0027	1.0025	1.0023	1.0021	1.0020	1.0018	1.0017	1.0015	1.0014	1.0013
21	1.0029	1.0026	1.0024	1.0023	1.0021	1.0019	1.0018	1.0016	1.0015	1.0014
22	1.0031	1.0028	1.0026	1.0024	1.0022	1.0021	1.0019	1.0017	1.0016	1.0015
23	1.0033	1.0031	1.0028	1.0026	1.0024	1.0022	1.0020	1.0019	1.0017	1.0016
24	1.0036	1.0033	1.0031	1.0028	1.0026	1.0024	1.0022	1.0020	1.0018	1.0017
25	1.0039	1.0036	1.0033	1.0031	1.0028	1.0026	1.0024	1.0022	1.0020	1.0018
26	1.0042	1.0039	1.0036	1.0033	1.0030	1.0028	1.0026	1.0023	1.0021	1.0019
27	1.0046	1.0043	1.0039	1.0036	1.0033	1.0030	1.0028	1.0025	1.0023	1.0021
28	1.0051	1.0047	1.0043	1.0039	1.0036	1.0033	1.0030	1.0028	1.0025	1.0023

29	1.0055	1.0051	1.0047	1.0043	1.0040	1.0036	1.0033	1.0030	1.0027	1.0025
30	1.0061	1.0056	1.0052	1.0047	1.0043	1.0040	1.0036	1.0033	1.0030	1.0027
31	1.0067	1.0062	1.0057	1.0052	1.0048	1.0044	1.0040	1.0036	1.0033	1.0030
32	1.0074	1.0068	1.0063	1.0057	1.0053	1.0048	1.0044	1.0040	1.0036	1.0033
33	1.0082	1.0075	1.0069	1.0063	1.0058	1.0053	1.0048	1.0044	1.0040	1.0036
34	1.0090	1.0083	1.0077	1.0070	1.0064	1.0059	1.0054	1.0049	1.0044	1.0040
35	1.0100	1.0092	1.0085	1.0078	1.0071	1.0065	1.0059	1.0054	1.0049	1.0044
36	1.0111	1.0102	1.0094	1.0086	1.0079	1.0072	1.0066	1.0060	1.0055	1.0049
37	1.0123	1.0113	1.0104	1.0096	1.0088	1.0080	1.0073	1.0067	1.0061	1.0055
38	1.0137	1.0126	1.0116	1.0107	1.0098	1.0090	1.0082	1.0074	1.0068	1.0061
39	1.0152	1.0140	1.0129	1.0119	1.0109	1.0100	1.0091	1.0083	1.0076	1.0068
40	1.0169	1.0156	1.0144	1.0132	1.0122	1.0111	1.0102	1.0093	1.0084	1.0077
41	1.0188	1.0173	1.0160	1.0148	1.0136	1.0124	1.0114	1.0104	1.0095	1.0086
42	1.0209	1.0193	1.0178	1.0164	1.0151	1.0139	1.0127	1.0116	1.0106	1.0096
43	1.0232	1.0215	1.0199	1.0183	1.0169	1.0155	1.0142	1.0130	1.0119	1.0108
44	1.0257	1.0239	1.0221	1.0204	1.0188	1.0173	1.0159	1.0145	1.0132	1.0121
45	1.0285	1.0265	1.0245	1.0227	1.0209	1.0192	1.0177	1.0162	1.0148	1.0135
46	1.0316	1.0293	1.0272	1.0251	1.0232	1.0214	1.0196	1.0180	1.0165	1.0150
47	1.0349	1.0324	1.0301	1.0278	1.0257	1.0237	1.0218	1.0200	1.0183	1.0167
48	1.0385	1.0358	1.0332	1.0308	1.0285	1.0263	1.0242	1.0222	1.0203	1.0185
49	1.0424	1.0395	1.0367	1.0340	1.0315	1.0290	1.0267	1.0246	1.0225	1.0206
50	1.0467	1.0435	1.0405	1.0375	1.0347	1.0321	1.0296	1.0272	1.0249	1.0228
51	1.0514	1.0479	1.0446	1.0414	1.0383	1.0354	1.0326	1.0300	1.0275	1.0252
52	1.0565	1.0527	1.0491	1.0456	1.0422	1.0391	1.0360	1.0331	1.0304	1.0278
53	1.0621	1.0580	1.0540	1.0502	1.0465	1.0430	1.0397	1.0366	1.0336	1.0307
54	1.0682	1.0637	1.0594	1.0552	1.0513	1.0474	1.0438	1.0403	1.0370	1.0339
55	1.0749	1.0700	1.0653	1.0608	1.0564	1.0523	1.0483	1.0445	1.0409	1.0375
56	1.0822	1.0769	1.0718	1.0669	1.0622	1.0576	1.0533	1.0491	1.0451	1.0414
57	1.0902	1.0845	1.0790	1.0736	1.0685	1.0635	1.0588	1.0542	1.0499	1.0457
58	1.0990	1.0929	1.0869	1.0811	1.0755	1.0701	1.0649	1.0599	1.0551	1.0506
59	1.1088	1.1021	1.0956	1.0893	1.0832	1.0774	1.0717	1.0662	1.0610	1.0561
60	1.1195	1.1123	1.1053	1.0985	1.0919	1.0854	1.0793	1.0733	1.0676	1.0622
61	1.1313	1.1236	1.1160	1.1086	1.1014	1.0944	1.0877	1.0812	1.0750	1.0690
62	1.1443	1.1360	1.1278	1.1198	1.1120	1.1045	1.0971	1.0900	1.0832	1.0766
63	1.1586	1.1497	1.1408	1.1322	1.1238	1.1156	1.1076	1.0998	1.0924	1.0852
64	1.1743	1.1647	1.1552	1.1459	1.1367	1.1278	1.1192	1.1107	1.1026	1.0947
65	1.1915	1.1812	1.1710	1.1609	1.1510	1.1414	1.1320	1.1228	1.1139	1.1053
66	1.2102	1.1991	1.1882	1.1773	1.1667	1.1562	1.1460	1.1361	1.1264	1.1170
67	1.2305	1.2186	1.2068	1.1952	1.1837	1.1724	1.1614	1.1506	1.1400	1.1298
68	1.2525	1.2398	1.2272	1.2147	1.2023	1.1901	1.1782	1.1665	1.1550	1.1439
69	1.2766	1.2630	1.2495	1.2361	1.2228	1.2097	1.1967	1.1841	1.1716	1.1595
70	1.3031	1.2886	1.2741	1.2597	1.2454	1.2313	1.2173	1.2036	1.1901	1.1770

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	70	71	72	73	74	75	76	77	78	79
20	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0007	1.0006	1.0006	1.0005
21	1.0013	1.0011	1.0010	1.0009	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005
22	1.0013	1.0012	1.0011	1.0010	1.0009	1.0008	1.0008	1.0007	1.0006	1.0006
23	1.0014	1.0013	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0007	1.0006
24	1.0015	1.0014	1.0013	1.0011	1.0010	1.0009	1.0008	1.0008	1.0007	1.0006
25	1.0016	1.0015	1.0014	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0007
26	1.0018	1.0016	1.0015	1.0013	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007
27	1.0019	1.0017	1.0016	1.0014	1.0013	1.0012	1.0010	1.0009	1.0008	1.0008
28	1.0021	1.0019	1.0017	1.0015	1.0014	1.0013	1.0011	1.0010	1.0009	1.0008
29	1.0023	1.0020	1.0018	1.0017	1.0015	1.0014	1.0012	1.0011	1.0010	1.0009
30	1.0025	1.0022	1.0020	1.0018	1.0016	1.0015	1.0013	1.0012	1.0011	1.0010
31	1.0027	1.0024	1.0022	1.0020	1.0018	1.0016	1.0014	1.0013	1.0012	1.0010
32	1.0030	1.0027	1.0024	1.0022	1.0020	1.0018	1.0016	1.0014	1.0013	1.0011
33	1.0033	1.0030	1.0027	1.0024	1.0022	1.0019	1.0017	1.0016	1.0014	1.0012
34	1.0036	1.0033	1.0029	1.0026	1.0024	1.0021	1.0019	1.0017	1.0015	1.0014
35	1.0040	1.0036	1.0033	1.0029	1.0026	1.0024	1.0021	1.0019	1.0017	1.0015
36	1.0045	1.0040	1.0036	1.0033	1.0029	1.0026	1.0023	1.0021	1.0019	1.0017
37	1.0050	1.0045	1.0040	1.0036	1.0032	1.0029	1.0026	1.0023	1.0021	1.0019
38	1.0055	1.0050	1.0045	1.0040	1.0036	1.0033	1.0029	1.0026	1.0023	1.0021
39	1.0062	1.0056	1.0050	1.0045	1.0041	1.0036	1.0033	1.0029	1.0026	1.0023
40	1.0069	1.0063	1.0056	1.0051	1.0046	1.0041	1.0037	1.0033	1.0029	1.0026
41	1.0078	1.0070	1.0063	1.0057	1.0051	1.0046	1.0041	1.0037	1.0033	1.0030
42	1.0087	1.0079	1.0071	1.0064	1.0058	1.0052	1.0047	1.0042	1.0037	1.0033
43	1.0098	1.0089	1.0080	1.0072	1.0065	1.0059	1.0053	1.0047	1.0042	1.0038
44	1.0110	1.0099	1.0090	1.0081	1.0073	1.0066	1.0059	1.0053	1.0048	1.0043
45	1.0122	1.0111	1.0101	1.0091	1.0082	1.0074	1.0067	1.0060	1.0054	1.0048
46	1.0137	1.0124	1.0112	1.0102	1.0092	1.0083	1.0075	1.0067	1.0060	1.0054

47	1.0152	1.0138	1.0125	1.0113	1.0103	1.0093	1.0083	1.0075	1.0068	1.0061
48	1.0169	1.0154	1.0139	1.0126	1.0114	1.0103	1.0093	1.0084	1.0075	1.0068
49	1.0187	1.0170	1.0155	1.0140	1.0127	1.0115	1.0104	1.0093	1.0084	1.0076
50	1.0208	1.0189	1.0172	1.0156	1.0141	1.0127	1.0115	1.0104	1.0093	1.0084
51	1.0230	1.0209	1.0190	1.0172	1.0156	1.0141	1.0128	1.0115	1.0104	1.0093
52	1.0254	1.0231	1.0210	1.0191	1.0173	1.0156	1.0141	1.0128	1.0115	1.0103
53	1.0280	1.0255	1.0232	1.0211	1.0191	1.0173	1.0156	1.0141	1.0127	1.0115
54	1.0310	1.0282	1.0257	1.0233	1.0211	1.0191	1.0173	1.0156	1.0141	1.0127
55	1.0342	1.0312	1.0284	1.0258	1.0234	1.0212	1.0192	1.0173	1.0156	1.0140
56	1.0378	1.0345	1.0314	1.0285	1.0259	1.0234	1.0212	1.0191	1.0173	1.0156
57	1.0418	1.0382	1.0348	1.0316	1.0287	1.0260	1.0235	1.0212	1.0191	1.0172
58	1.0463	1.0423	1.0385	1.0350	1.0318	1.0288	1.0261	1.0236	1.0213	1.0192
59	1.0513	1.0469	1.0428	1.0389	1.0353	1.0320	1.0290	1.0262	1.0237	1.0213
60	1.0570	1.0521	1.0475	1.0433	1.0393	1.0357	1.0323	1.0292	1.0264	1.0238
61	1.0633	1.0579	1.0529	1.0482	1.0438	1.0398	1.0361	1.0326	1.0295	1.0266
62	1.0704	1.0645	1.0589	1.0537	1.0489	1.0445	1.0403	1.0365	1.0330	1.0298
63	1.0783	1.0718	1.0657	1.0600	1.0547	1.0497	1.0451	1.0409	1.0370	1.0334
64	1.0872	1.0801	1.0733	1.0670	1.0611	1.0557	1.0506	1.0459	1.0415	1.0375
65	1.0971	1.0892	1.0818	1.0749	1.0684	1.0623	1.0567	1.0515	1.0466	1.0422
66	1.1080	1.0994	1.0912	1.0836	1.0764	1.0697	1.0635	1.0577	1.0524	1.0474
67	1.1200	1.1105	1.1016	1.0932	1.0853	1.0780	1.0711	1.0647	1.0587	1.0532
68	1.1332	1.1229	1.1131	1.1039	1.0952	1.0871	1.0795	1.0724	1.0658	1.0597
69	1.1478	1.1366	1.1259	1.1158	1.1062	1.0973	1.0889	1.0811	1.0738	1.0670
70	1.1642	1.1520	1.1402	1.1292	1.1187	1.1088	1.0996	1.0909	1.0829	1.0754

EMPLOYEE'S AGE	BENEFICIARY'S AGE									
	80	81	82	83	84	85	86	87	88	89
20	1.0004	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002	1.0002	1.0002
21	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002	1.0002	1.0002
22	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002	1.0002
23	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002	1.0002
24	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002
25	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002	1.0002
26	1.0006	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003	1.0002
27	1.0007	1.0006	1.0006	1.0005	1.0004	1.0004	1.0004	1.0003	1.0003	1.0002
28	1.0007	1.0007	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003	1.0003
29	1.0008	1.0007	1.0006	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003	1.0003
30	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0004	1.0004	1.0003	1.0003
31	1.0009	1.0008	1.0007	1.0007	1.0006	1.0005	1.0005	1.0004	1.0004	1.0003
32	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0005	1.0004	1.0004
33	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005	1.0004	1.0004
34	1.0012	1.0011	1.0010	1.0009	1.0008	1.0007	1.0006	1.0005	1.0005	1.0004
35	1.0013	1.0012	1.0011	1.0010	1.0008	1.0008	1.0007	1.0006	1.0005	1.0005
36	1.0015	1.0013	1.0012	1.0011	1.0009	1.0008	1.0007	1.0006	1.0006	1.0005
37	1.0017	1.0015	1.0013	1.0012	1.0010	1.0009	1.0008	1.0007	1.0006	1.0006
38	1.0018	1.0016	1.0015	1.0013	1.0012	1.0010	1.0009	1.0008	1.0007	1.0006
39	1.0021	1.0018	1.0016	1.0015	1.0013	1.0011	1.0010	1.0009	1.0008	1.0007
40	1.0023	1.0021	1.0018	1.0016	1.0015	1.0013	1.0011	1.0010	1.0009	1.0008
41	1.0026	1.0023	1.0021	1.0019	1.0016	1.0015	1.0013	1.0011	1.0010	1.0009
42	1.0030	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015	1.0013	1.0011	1.0010
43	1.0034	1.0030	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015	1.0013	1.0011
44	1.0038	1.0034	1.0030	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015	1.0013
45	1.0043	1.0039	1.0034	1.0031	1.0027	1.0024	1.0021	1.0019	1.0017	1.0015
46	1.0048	1.0043	1.0039	1.0035	1.0031	1.0027	1.0024	1.0021	1.0019	1.0017
47	1.0054	1.0049	1.0044	1.0039	1.0035	1.0031	1.0027	1.0024	1.0021	1.0019
48	1.0061	1.0055	1.0049	1.0044	1.0039	1.0035	1.0031	1.0027	1.0024	1.0021
49	1.0068	1.0061	1.0054	1.0049	1.0043	1.0039	1.0034	1.0031	1.0027	1.0024
50	1.0076	1.0068	1.0061	1.0054	1.0049	1.0043	1.0038	1.0034	1.0030	1.0027
51	1.0084	1.0075	1.0067	1.0060	1.0054	1.0048	1.0043	1.0038	1.0034	1.0030
52	1.0093	1.0084	1.0075	1.0067	1.0060	1.0053	1.0048	1.0042	1.0037	1.0033
53	1.0103	1.0093	1.0083	1.0074	1.0066	1.0059	1.0053	1.0047	1.0042	1.0037
54	1.0114	1.0102	1.0092	1.0082	1.0074	1.0066	1.0059	1.0052	1.0046	1.0041
55	1.0126	1.0113	1.0102	1.0091	1.0082	1.0073	1.0065	1.0058	1.0051	1.0045
56	1.0140	1.0126	1.0113	1.0101	1.0090	1.0081	1.0072	1.0064	1.0057	1.0050
57	1.0155	1.0139	1.0125	1.0112	1.0100	1.0089	1.0080	1.0071	1.0063	1.0056
58	1.0172	1.0155	1.0139	1.0124	1.0111	1.0099	1.0088	1.0079	1.0070	1.0062
59	1.0192	1.0172	1.0155	1.0139	1.0124	1.0111	1.0099	1.0088	1.0078	1.0069
60	1.0214	1.0192	1.0173	1.0155	1.0138	1.0124	1.0110	1.0098	1.0087	1.0077
61	1.0239	1.0215	1.0193	1.0173	1.0155	1.0138	1.0123	1.0110	1.0097	1.0086
62	1.0268	1.0241	1.0217	1.0195	1.0174	1.0155	1.0139	1.0123	1.0109	1.0097
63	1.0301	1.0271	1.0244	1.0219	1.0196	1.0175	1.0156	1.0139	1.0123	1.0109
64	1.0339	1.0305	1.0275	1.0247	1.0221	1.0198	1.0176	1.0157	1.0139	1.0123

65	1.0381	1.0344	1.0310	1.0278	1.0250	1.0223	1.0199	1.0178	1.0158	1.0140
66	1.0429	1.0387	1.0349	1.0314	1.0282	1.0252	1.0225	1.0201	1.0179	1.0158
67	1.0482	1.0435	1.0393	1.0353	1.0317	1.0284	1.0254	1.0227	1.0202	1.0179
68	1.0541	1.0489	1.0442	1.0398	1.0358	1.0321	1.0287	1.0256	1.0228	1.0202
69	1.0608	1.0550	1.0497	1.0448	1.0403	1.0362	1.0324	1.0289	1.0258	1.0229
70	1.0684	1.0620	1.0561	1.0506	1.0456	1.0410	1.0367	1.0328	1.0293	1.0260



### Employment Agreement of Jeremy W. Smeltser

This Employment Agreement (the "Agreement") is effective as of April 22, 2009 (the "Effective Date"), by and between SPX Corporation (the "Company") and Jeremy W. Smeltser (the "Executive").

WHEREAS, the Company desires to employ the Executive as its Vice President, Finance;

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of the Executive's continued employment and wish to formalize that agreement.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Company and the Executive hereby agree as follows:

1. **Employment.** The Company employs the Executive and the Executive hereby accepts continued employment with the Company and appointment as its Vice President, Finance. During the Term (as hereinafter defined), the Executive will have the title, status and duties of the Vice President, Finance and will report directly to the Company's Chief Executive Officer or other senior executive officer. The Executive's principal business office shall be located in Charlotte, North Carolina, and the Executive's principal family residence shall be located within fifty (50) miles of the Company's principal business office for the duration of the Term.

2. **Term.** The term of employment under this Agreement ("Term") will commence on the Effective Date, and will continue thereafter until December 31, 2010; provided, however, that this Agreement shall remain in effect and the Term shall be extended from year to year thereafter unless, not less than one hundred eighty (180) days prior to December 31, 2010, or any subsequent December 31, either the Executive or the Company delivers to the other written notice of the Executive's or its intention not to continue this Agreement in effect, in which case this Agreement shall terminate as of December 31 of the year in which such notice is given; and provided further that, if a Change of Control (as defined below) shall have occurred during the Term, this Agreement shall continue in effect and the Term shall be extended until at least the second anniversary of such Change of Control.

3. **Duties.** During the Term:

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, other senior executive officer, or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned duties or responsibilities that are materially lower in status than those traditionally assigned to the Vice President, Finance.

(b) The Executive will devote the Executive's full time and best efforts, talents, knowledge and experience to serving as the Company's Vice President, Finance.

However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious, civic, and similar types of activities, speaking engagements and membership on other boards of directors, subject to Section 3(c) below, and provided such activities do not interfere in any material way with the business of the Company; and provided further that, the Executive cannot serve on any board of directors without the Company's Chief Executive Officer's written consent, or on the board of directors of more than one company without the Board's written consent. The time involved in such activities shall not be treated as vacation time. The Executive shall be entitled to keep any amounts paid to the Executive in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform the Executive's duties diligently and competently and shall act in conformity with the Company's written and oral policies and within the limits, budgets and business plans set by the Company. The Executive will at all times during the Term strictly adhere to and obey all of the rules, regulations and policies in effect from time to time relating to the conduct of executives of the Company. Except as provided in (b) above, the Executive shall not engage in consulting work or any trade or business for the Executive's own account. The Executive shall not engage in consulting work or any trade or business on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of the Executive's duties hereunder in any way.

4. **Compensation and Benefits.** During the Term, the Company shall provide to the Executive, and the Executive shall accept from the Company as full compensation for the Executive's services hereunder, compensation and benefits as follows:

(a) **Base Salary.** The Company shall pay the Executive an annual base salary ("Base Salary") of three hundred and twenty-five thousand dollars (\$325,000). The Board, or such committee of the Board as is responsible for setting the compensation of officers, shall review the Executive's performance and Base Salary annually and determine whether to adjust the Executive's Base Salary on a prospective basis. Such adjusted annual salary then shall become the Executive's "Base Salary" for purposes of this Agreement. The Executive's annual Base Salary shall not be reduced after any increase without the Executive's written consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all officers of the Company.

(b) **Incentive Compensation.** The Executive shall be eligible to participate in any annual performance bonus plans, long-term incentive plans, and/or equity-based compensation plans established or maintained by the Company for its officers, including, but not limited to the SPX Corporation Stock Compensation Plan, all as the Board (or appropriate Board committee) may determine from time to time in its discretion. For the 2009 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to seventy percent (70%) of the Executive's Base Salary, provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate the Executive's annual bonus plan participation and the applicable performance goals for subsequent bonus plan years no later than March 31 of such bonus plan year. The Company will pay the Executive's annual performance bonus at the same time as annual performance bonus

payments for such year (if any) are made to other participants with respect to such fiscal year, and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. Annual performance bonuses are intended to qualify for the short-term deferral exception to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Executive Benefit Plans. As the Board may determine in its discretion, the Executive will be eligible to participate in any benefit plans offered by the Company to similarly situated officers including, without limitation, medical, dental, short-term and long-term disability, life insurance, pension, profit sharing and nonqualified deferred compensation arrangements. The Company reserves the right to modify, suspend or discontinue any and all of the plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers.

(d) Business Expenses. The Company will reimburse the Executive for all reasonable and necessary business expenses incurred in the performance of services with the Company, according to the Company's policies and upon the Executive's presentation of an itemized written statement and such verification as the Company may require, provided that such expenses shall be reimbursed no later than December 31 of the year following the year in which the expenses were incurred.

(e) Perquisites. The Company will provide the Executive with all perquisites it provides to other similarly situated officers, as the Board may determine in its discretion. The Company also will reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per year, provided that the amount of such expenses available for reimbursement in one year shall not affect the amount of expenses available for reimbursement in any other year. The Company will make such reimbursements in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the expense was incurred.

(f) Vacation. The Executive will be entitled to vacation in accordance with the Company's vacation policy for officers, but in no event less than five (5) weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal the Executive's annual entitlement. Once the maximum accrual is reached, the Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical.

(i) The Executive shall be entitled to receive retiree medical benefits during the Executive's lifetime in accordance with the eligibility requirements, terms and conditions, and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover the individual who is the Executive's spouse as of the date of the Executive's termination of employment (the "Spouse") and/or the individuals who are the Executive's dependent children as of the date of the Executive's

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termination of employment (the "Dependents"), to the extent eligible at the time of the Executive's retirement, according to the terms and conditions of the Company's retiree medical benefit plan. The cost of such benefits for the Executive, the Executive's Spouse and eligible Dependents, will be 100% of the premiums and will be reimbursed by the Company on an annual basis up to the date the Executive reaches Medicare eligibility due to age, at which point such reimbursement will cease. Such reimbursement shall be made in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the premiums were incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). Depending on the plan, all or a portion of the reimbursement may be taxable. Such benefits shall include prescription drug coverage, but not dental or vision benefits unless included in the medical plan.

(ii) Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, the Executive's Spouse or eligible Dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease.

(iii) The Company reserves the right to modify, suspend or discontinue any and all retiree medical plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers; provided that, if the Company terminates retiree access to medical and/or prescription benefits generally for retirees, the Executive shall be entitled to an annual reimbursement from the Company upon proof of continued coverage for comparable medical and/or prescription coverage under an individual policy or other group policy, subject to a maximum total reimbursement of one and one-half (1½) times the applicable premium of the plan in effect at the time retiree access is terminated at the applicable coverage level, and subject to maximum annual inflation adjustment thereafter of five percent (5%).

(iv) Upon the death of the Executive, a surviving Spouse will continue eligibility and reimbursement as described above. Surviving Dependent children will not receive premium reimbursement beyond the COBRA continuation period. For all other COBRA qualifying events other than the death of the Executive, reimbursement will cease upon commencement of the COBRA continuation period.

## 5. **Payments on Termination of Employment.**

(a) Definition of Termination of Employment. For purposes of this Agreement, the Executive's employment with the Company shall be deemed to be terminated when the Executive has a "Separation from Service" within the meaning of Code Section 409A, and references to termination of employment shall be deemed to refer to a Separation from Service.

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(b) Termination of Employment for any Reason. The following payments will be made upon the Executive's termination of employment for any reason:

- (i) Earned but unpaid Base Salary through the date of termination;
- (ii) Any annual incentive plan bonus, for which the performance measurement period has ended, but which is unpaid at the time of termination;
- (iii) Any accrued but unpaid vacation;
- (iv) Any amounts payable under any of the Company's benefit plans in accordance with the terms of those plans, except as may be required under Code Section 401(a)(13); and
- (v) Unreimbursed business expenses incurred by the Executive on the Company's behalf.

(c) Termination of Employment for Death or Disability. In addition to the amounts determined under (a) above, if the Executive's termination of employment occurs by reason of death or Disability (as defined below), the Executive (or the Executive's estate) will receive a pro rata portion of any bonus payable under the Company's annual incentive plan for the year in which such termination occurs determined based on the highest of (i) the actual annual bonus paid for the bonus plan year immediately preceding such termination, or (ii) the target bonus for the bonus plan year in which such termination occurs. For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive 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 twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.

(d) Termination by the Company Without Cause, or Voluntary Termination by the Executive for Good Reason. If the Company terminates the Executive's employment other than for Cause, death or Disability, or the Executive voluntarily terminates employment for Good Reason, in addition to the benefits payable under Section 5(b), the Company will pay the following amounts and provide the following severance benefits:

- (i) The Executive's Base Salary through the one (1)-year anniversary of the Executive's termination of employment, and the Executive's annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such termination of employment, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination of employment occurs (excluding any years of partial, or no, bonus plan participation), plus (C) the amount, if any, to which the bonus that would have been paid to the Executive for the bonus plan year in which such termination of

employment occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

- (ii) Continued coverage under the Company's medical, dental, vision, key manager life insurance and pension through the one (1)-year anniversary of the Executive's termination of employment, at the same cost to the Executive as in effect on the date of the Executive's termination of employment, provided that to the extent such continued coverage extends beyond the COBRA continuation period, such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). The period through the end of the Employment Term, as it may have been extended, shall continue to count for purposes of determining the Executive's age and service with the Company with respect to eligibility, vesting and the amount of benefits under the Company's benefit plans to the maximum extent permitted by applicable law. If the Company determines that the Executive cannot participate in any benefit plan because the Executive is not actively performing services for the Company, the Company will provide such benefits under (A) an alternate arrangement, such as through the purchase of an individual insurance policy that provides similar benefits, provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions) or (B) if applicable, through a nonqualified pension or profit sharing plan, provided that such payments shall be made no later than December 31 of the calendar year following the calendar year in which the Executive's termination of employment occurs. To the extent that the Executive's compensation is necessary for determining the amount of any such continued coverage or benefits, such compensation (Base Salary and annual incentive bonus) through the one (1)-year anniversary of the Executive's termination of employment shall be at the highest rate in effect during the twelve (12)-month period immediately preceding the Executive's termination of employment.

- (iii) Executive perquisites on the same basis on which the Executive was receiving such perquisites prior to the Executive's termination of employment, including: (A) reimbursement for club dues through the one (1)-year anniversary of the Executive's termination of employment; and (B) reimbursement of expenses relating to financial planning services, tax return preparation and annual physicals incurred on or before December 31 of the calendar year that includes the first anniversary of the Executive's termination of employment; provided that reimbursement of such perquisites shall be made to the Executive in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the calendar year that includes the third anniversary of the Executive's termination of employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's termination of employment. Perquisites otherwise receivable by the Executive pursuant to this Section shall be reduced to the extent comparable perquisites are actually received by or made available to the Executive without cost during the period following the Executive's termination of employment

covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Any outstanding stock options, restricted stock or other equity-based compensation awards that would have vested during the period through the one year anniversary of the Executive's employment termination shall immediately vest upon the date of the Executive's termination of employment, and any such vested stock options will be immediately exercisable at any time prior to the earlier of (A) two (2) years from the Executive's termination of employment, or (B) the stock option expiration or other termination date, subject to the terms of the equity-based compensation award and applicable insider trading policies and regulations. Notwithstanding the foregoing, any restricted stock or other equity-based compensation awards that were intended to satisfy the requirements for performance-based compensation under Code Section 162(m), and would become vested only upon the attainment of specified performance goals, shall vest only if (and at the time that) such performance goals are achieved.

(v) Outplacement services, as elected by the Executive (and with a firm selected by the Executive), not to exceed \$35,000 in total. Such outplacement services must be incurred by the Executive no later than the end of the calendar year that includes the second anniversary of the Executive's termination of employment. If applicable, reimbursement of such expenses shall be made to the Executive no later than the end of the calendar year that includes the third anniversary of the Executive's termination of employment.

(e) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without the Executive's consent: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material diminution in the budget over which the Executive retains authority; (iv) a material change in the geographic location at which the Executive's must perform the services; or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. The Executive's must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition. Any termination for Good Reason must occur within two (2) years following the initial existence of one (1) or more of the foregoing conditions.

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to satisfactorily perform the Executive's duties as an executive of the Company (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for performance is delivered to the Executive, which demand specifically identifies the manner in which the Executive has not satisfactorily performed the Executive's duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct or dishonesty, which is demonstrably and materially injurious to the Company, monetarily,

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reputationally, or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that the Executive's credibility and reputation no longer conforms to the standard of officers of the Company, (iv) the Executive's refusal or failure to substantially comply with the Company's human resources rules, policies, directions and/or restrictions relating to harassment and/or discrimination, or to substantially comply with the Company's compliance or risk management rules, policies, directions and/or restrictions (including, without limitation, the Company's Code of Business Conduct); (v) the Executive's loss of any license or registration that is necessary for the Executive to perform the Executive's duties, or commission of any act that could result in the legal disqualification of the Executive from being employed by the Company or a subsidiary; (vi) the Executive's failure to cooperate with the Company or a subsidiary in any internal investigation or administrative, regulatory or judicial proceeding; or (vii) the Executive's conviction of, or plea of *nolo contendere* to, a felony or other crime involving moral turpitude. In addition, the Executive's employment shall be deemed to have terminated for Cause if, after the Executive's employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

(g) Non-Renewal. If the Company gives written notice to the Executive of its intention not to continue this Agreement in effect, in accordance with Section 2, and the Executive remains employed until the December 31 termination of the Agreement (and a Change of Control has not occurred that would extend the Agreement), the Executive may deliver the Executive's written resignation to the Company effective December 31, within thirty (30) days prior to such December 31, and the Company will provide the Executive with a lump sum payment equal to six (6) months of the Executive's Base Salary within thirty (30) days following the December 31 effective date of the Executive's resignation.

(h) Timing of Payments. Subject to Sections 5(i) and 5(j) and except as provided otherwise in this Agreement, all payments described in Section 5 above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) days) following the Executive's termination of employment. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned (subject to Section 5(i)).

(i) Six (6) -Month Delay. If, at the time the Executive becomes entitled to a termination payment under this Section 5, the Executive is a "specified employee" (as defined under Code Section 409A), then, notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply.

(i) No such termination payment considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to the Executive until the date that is six (6) months after the Executive's termination or, if earlier, the date of the Executive's death (the "Six -Month Delay Rule"). Any such termination payment that would otherwise

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have been paid to the Executive during this six-month period (the "Six -Month Delay") shall instead be aggregated and paid to the Executive no later than ten (10) days following the date that is six (6) months after the Executive's termination (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any termination payment to which the Executive is entitled to be paid under this Section 5 after the date that is six (6) months after the Executive's termination shall be paid to the Executive in accordance with the applicable terms of Section 5.

(ii) During the Six-Month Delay, the Company will pay to the Executive the applicable payments set forth in this Section 5, to the extent any of the following exceptions to the Six-Month Delay Rule apply:

(A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

(B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

(C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Section 5 on account of the separation from service and any applicable Company benefit plan.

(j) **Release.** The Company shall deliver to the Executive a form of general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following the Executive's termination of employment. Notwithstanding anything in this Agreement to the contrary, no payments pursuant to Section 5(c) or Section 5(d) shall be made prior to the date that both (i) the Executive has delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that the Executive had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following the Executive's termination of employment. If the Executive does not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) the Executive's rights shall be limited to those made available to the Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay

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or provide to the Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of the Executive's employment.

(k) **Removal from any Boards and Positions.** Upon the Executive's termination of employment for any reason under this Agreement, the Executive shall be deemed to resign (i) if a member, from the Board or board of directors of any affiliate or any other board to which the Executive has been appointed or nominated by or on behalf of the Company, (ii) from any position with the Company or any affiliate, including, but not limited to, as an officer of the Company or any of its affiliates, and (iii) as a fiduciary of any employee benefit plan of the Company.

6. **Recapture of Certain Incentive Compensation.** If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, during the Term, as a result of misconduct, with any financial reporting requirement under the securities laws, the Executive shall reimburse the Company, promptly upon notice and demand, for (a) any bonus or other incentive-based or equity-based compensation received from the Company during the twelve (12) -month period following the first public issuance or filing with the Securities and Exchange Commission, whichever occurs first, of the financial document embodying such financial reporting requirement; and (b) any profits realized from the sale of securities of the Company during that twelve (12) - -month period.

7. **Assignment; Successors.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company may not assign this Agreement without the Executive's written consent, except that the Company's obligations under this Agreement shall be the binding legal obligations of any successor to the Company by sale, and in the event of any transaction that results in the transfer of substantially all of the assets or business of the Company, the Company will use its best efforts to cause the transferee to assume the obligations of the Company under this Agreement. The Executive may not assign this Agreement during the Executive's life. Upon the Executive's death, this Agreement will inure to the benefit of the Executive's heirs, legatees and legal representatives of the Executive's estate.

8. **Interpretation.** The laws of the State of Delaware shall govern the validity, interpretation, construction and performance of this Agreement, without regard to the conflict of laws principles thereof. The Company and the Executive agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively by arbitration, or in the courts (as provided by Section 22) in the State of North Carolina, Mecklenburg County, including the federal courts located therein or responsible therefor (should federal jurisdiction exist), and the Company and the Executive hereby submit and consent to said jurisdiction and venue.

9. **Withholding.** The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law. The Company may, at its option (a) require the Executive to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with the Executive to satisfy such withholding obligations.

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10. **Amendment or Termination.** This Agreement may be amended at any time by written agreement between the Company and the Executive.

11. **Notices.** Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (i) overnight carrier, (ii) telecopy, (iii) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (iv) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

The Company may change the person and/or address to which the Executive must give notice under this Section 11 by giving the Executive written notice of such change, in accordance with the procedures described above. Notices to or with respect to the Executive will be directed to the Executive, or to the Executive's executors, personal representatives or distributees, if the Executive is deceased, or the assignees of the Executive, at the Executive's home address on the records of the Company.

12. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

13. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings, written or oral, relating to the subject matter hereof; provided, however, that: (i) the Executive's Change of Control Agreement dated April 22, 2009 shall remain in full force and effect, and payments and benefits provided thereunder shall replace those provided in this Agreement to the extent that such payments or benefits otherwise clearly would be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

14. **Consultation With Counsel.** The Executive acknowledges that the Executive has had a full and complete opportunity to consult with counsel of the Executive's own choosing concerning the terms, enforceability and implications of this Agreement, and the Company has made no representations or warranties to the Executive concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

15. **No Waiver.** No failure or delay by the Company or the Executive in enforcing or exercising any right or remedy hereunder shall operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by the Executive from any of the terms or conditions thereof, shall be effective unless in writing and signed by the

Chairman of the Company's Board. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

16. **Effect on Other Obligations.** Payments and benefits herein provided to be paid to the Executive by the Company shall be made without regard to and in addition to any other payments or benefits required to be paid the Executive at any time hereafter under the terms of any other agreement between the Executive and the Company or under any other policy of the Company relating to compensation, or retirement or other benefits. Except as otherwise expressly provided herein, payments or benefits provided the Executive hereunder shall be reduced by any amount the Executive may earn or receive from employment with another employer or from any another source.

17. **Survival.** All Sections of this Agreement survive beyond the Term except as otherwise specifically stated.

18. **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning thereof.

19. **Counterparts.** The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

20. **409A Compliance.** To the extent any provision of this Agreement or action by the Company would subject the Executive to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A and the interpretive guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 5 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for the Executive's compensation and benefits.

21. **Payments to Estate.** The executor of the Executive's estate shall be entitled to receive all amounts owing to the Executive at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed to refer, where appropriate, to the Executive's estate or other legal representative.

22. **Dispute Resolution.** In the event of any dispute or claim relating to or arising out of this Agreement, the Executive and Company agree that all such claims or disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association ("AAA") in Charlotte, North Carolina in accordance with the AAA's National Rules

for the Resolution of Employment Disputes, provided, however, that this arbitration provision shall not apply to, and Company shall be free to seek, injunctive or other equitable relief with respect to any actual or threatened breach or violation by the Executive of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, in any court having appropriate jurisdiction. The Executive acknowledges that by accepting this arbitration provision he is waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not

required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 22 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, but may pursue its remedies, including injunctive relief, for such breach in a court of competent jurisdiction in Charlotte, North Carolina, or in the sole discretion of the Company, in a court of competent jurisdiction where the Executive has committed or is threatening to commit a breach of the Executive's covenants, and no arbitrator may make any ruling inconsistent with the findings or rulings of such court.

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective as of the date first written above.

**EXECUTIVE ACCEPTANCE**

**SPX CORPORATION**

/s/Jeremy W. Smeltser  
\_\_\_\_\_  
Jeremy W. Smeltser

By: /s/Christopher J. Kearney  
\_\_\_\_\_  
Christopher J. Kearney

Its: Chairman, President and  
Chief Executive Officer

Date: April 22, 2009  
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### Employment Agreement of J. Michael Whitted

This Employment Agreement (the "Agreement") is effective as of April 22, 2009 (the "Effective Date"), by and between SPX Corporation (the "Company") and J. Michael Whitted (the "Executive").

WHEREAS, the Company desires to employ the Executive as its Vice President, Business Development;

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of the Executive's continued employment and wish to formalize that agreement.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Company and the Executive hereby agree as follows:

1. **Employment.** The Company employs the Executive and the Executive hereby accepts continued employment with the Company and appointment as its Vice President, Business Development. During the Term (as hereinafter defined), the Executive will have the title, status and duties of the Vice President, Business Development and will report directly to the Company's Chief Executive Officer or other senior executive officer. The Executive's principal business office shall be located in Charlotte, North Carolina, and the Executive's principal family residence shall be located within fifty (50) miles of the Company's principal business office for the duration of the Term.

2. **Term.** The term of employment under this Agreement ("Term") will commence on the Effective Date, and will continue thereafter until December 31, 2010; provided, however, that this Agreement shall remain in effect and the Term shall be extended from year to year thereafter unless, not less than one hundred eighty (180) days prior to December 31, 2010, or any subsequent December 31, either the Executive or the Company delivers to the other written notice of the Executive's or its intention not to continue this Agreement in effect, in which case this Agreement shall terminate as of December 31 of the year in which such notice is given; and provided further that, if a Change of Control (as defined below) shall have occurred during the Term, this Agreement shall continue in effect and the Term shall be extended until at least the second anniversary of such Change of Control.

3. **Duties.** During the Term:

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, other senior executive officer, or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned duties or responsibilities that are materially lower in status than those traditionally assigned to the Vice President, Business Development.

(b) The Executive will devote the Executive's full time and best efforts, talents, knowledge and experience to serving as the Company's Vice President, Business

Development. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious, civic, and similar types of activities, speaking engagements and membership on other boards of directors, subject to Section 3(c) below, and provided such activities do not interfere in any material way with the business of the Company; and provided further that, the Executive cannot serve on any board of directors without the Company's Chief Executive Officer's written consent, or on the board of directors of more than one company without the Board's written consent. The time involved in such activities shall not be treated as vacation time. The Executive shall be entitled to keep any amounts paid to the Executive in connection with such activities (*e.g.*, director fees and honoraria).

(c) The Executive will perform the Executive's duties diligently and competently and shall act in conformity with the Company's written and oral policies and within the limits, budgets and business plans set by the Company. The Executive will at all times during the Term strictly adhere to and obey all of the rules, regulations and policies in effect from time to time relating to the conduct of executives of the Company. Except as provided in (b) above, the Executive shall not engage in consulting work or any trade or business for the Executive's own account. The Executive shall not engage in consulting work or any trade or business on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of the Executive's duties hereunder in any way.

4. **Compensation and Benefits.** During the Term, the Company shall provide to the Executive, and the Executive shall accept from the Company as full compensation for the Executive's services hereunder, compensation and benefits as follows:

(a) **Base Salary.** The Company shall pay the Executive an annual base salary ("Base Salary") of four hundred and thirty-five thousand dollars (\$435,000). The Board, or such committee of the Board as is responsible for setting the compensation of officers, shall review the Executive's performance and Base Salary annually and determine whether to adjust the Executive's Base Salary on a prospective basis. Such adjusted annual salary then shall become the Executive's "Base Salary" for purposes of this Agreement. The Executive's annual Base Salary shall not be reduced after any increase without the Executive's written consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all officers of the Company.

(b) **Incentive Compensation.** The Executive shall be eligible to participate in any annual performance bonus plans, long-term incentive plans, and/or equity-based compensation plans established or maintained by the Company for its officers, including, but not limited to the SPX Corporation Stock Compensation Plan, all as the Board (or appropriate Board committee) may determine from time to time in its discretion. For the 2009 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to eighty percent (80%) of the Executive's Base Salary, provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate the Executive's annual bonus plan participation and the applicable performance goals for subsequent bonus plan years no later than March 31 of such bonus plan year. The Company will pay the

Executive's annual performance bonus at the same time as annual performance bonus payments for such year (if any) are made to other participants with respect to such fiscal year, and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. Annual performance bonuses are intended to qualify for the short-term deferral exception to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Executive Benefit Plans. As the Board may determine in its discretion, the Executive will be eligible to participate in any benefit plans offered by the Company to similarly situated officers including, without limitation, medical, dental, short-term and long-term disability, life insurance, pension, profit sharing and nonqualified deferred compensation arrangements. The Company reserves the right to modify, suspend or discontinue any and all of the plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers.

(d) Business Expenses. The Company will reimburse the Executive for all reasonable and necessary business expenses incurred in the performance of services with the Company, according to the Company's policies and upon the Executive's presentation of an itemized written statement and such verification as the Company may require, provided that such expenses shall be reimbursed no later than December 31 of the year following the year in which the expenses were incurred.

(e) Perquisites. The Company will provide the Executive with all perquisites it provides to other similarly situated officers, as the Board may determine in its discretion. The Company also will reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per year, provided that the amount of such expenses available for reimbursement in one year shall not affect the amount of expenses available for reimbursement in any other year. The Company will make such reimbursements in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the expense was incurred.

(f) Vacation. The Executive will be entitled to vacation in accordance with the Company's vacation policy for officers, but in no event less than five (5) weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal the Executive's annual entitlement. Once the maximum accrual is reached, the Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical.

(i) The Executive shall be entitled to receive retiree medical benefits during the Executive's lifetime in accordance with the eligibility requirements, terms and conditions, and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover the individual who is the Executive's spouse as of the date of the Executive's termination of employment (the "Spouse") and/or the individuals who

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are the Executive's dependent children as of the date of the Executive's termination of employment (the "Dependents"), to the extent eligible at the time of the Executive's retirement, according to the terms and conditions of the Company's retiree medical benefit plan. The cost of such benefits for the Executive, the Executive's Spouse and eligible Dependents, will be 100% of the premiums and will be reimbursed by the Company on an annual basis up to the date the Executive reaches Medicare eligibility due to age, at which point such reimbursement will cease. Such reimbursement shall be made in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the premiums were incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). Depending on the plan, all or a portion of the reimbursement may be taxable. Such benefits shall include prescription drug coverage, but not dental or vision benefits unless included in the medical plan.

(ii) Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, the Executive's Spouse or eligible Dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease.

(iii) The Company reserves the right to modify, suspend or discontinue any and all retiree medical plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers; provided that, if the Company terminates retiree access to medical and/or prescription benefits generally for retirees, the Executive shall be entitled to an annual reimbursement from the Company upon proof of continued coverage for comparable medical and/or prescription coverage under an individual policy or other group policy, subject to a maximum total reimbursement of one and one-half (1½) times the applicable premium of the plan in effect at the time retiree access is terminated at the applicable coverage level, and subject to maximum annual inflation adjustment thereafter of five percent (5%).

(iv) Upon the death of the Executive, a surviving Spouse will continue eligibility and reimbursement as described above. Surviving Dependent children will not receive premium reimbursement beyond the COBRA continuation period. For all other COBRA qualifying events other than the death of the Executive, reimbursement will cease upon commencement of the COBRA continuation period.

## 5. **Payments on Termination of Employment.**

(a) Definition of Termination of Employment. For purposes of this Agreement, the Executive's employment with the Company shall be deemed to be terminated when the Executive has a "Separation from Service" within the meaning of Code Section 409A, and references to termination of employment shall be deemed to refer to a Separation from Service.

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(b) Termination of Employment for any Reason. The following payments will be made upon the Executive's termination of employment for any reason:

- (i) Earned but unpaid Base Salary through the date of termination;
- (ii) Any annual incentive plan bonus, for which the performance measurement period has ended, but which is unpaid at the time of termination;
- (iii) Any accrued but unpaid vacation;
- (iv) Any amounts payable under any of the Company's benefit plans in accordance with the terms of those plans, except as may be required under Code Section 401(a)(13); and
- (v) Unreimbursed business expenses incurred by the Executive on the Company's behalf.

(c) Termination of Employment for Death or Disability. In addition to the amounts determined under (a) above, if the Executive's termination of employment occurs by reason of death or Disability (as defined below), the Executive (or the Executive's estate) will receive a pro rata portion of any bonus payable under the Company's annual incentive plan for the year in which such termination occurs determined based on the highest of (i) the actual annual bonus paid for the bonus plan year immediately preceding such termination, or (ii) the target bonus for the bonus plan year in which such termination occurs. For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive 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 twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.

(d) Termination by the Company Without Cause, or Voluntary Termination by the Executive for Good Reason. If the Company terminates the Executive's employment other than for Cause, death or Disability, or the Executive voluntarily terminates employment for Good Reason, in addition to the benefits payable under Section 5(b), the Company will pay the following amounts and provide the following severance benefits:

- (i) The Executive's Base Salary through the one (1)-year anniversary of the Executive's termination of employment, and the Executive's annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such termination of employment, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination of employment occurs (excluding any years of partial, or no, bonus plan participation), plus (C) the amount, if any, to which the bonus that would have been paid to the Executive for the bonus plan year in which such termination of

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employment occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

- (ii) Continued coverage under the Company's medical, dental, vision, key manager life insurance and pension through the one (1)-year anniversary of the Executive's termination of employment, at the same cost to the Executive as in effect on the date of the Executive's termination of employment, provided that to the extent such continued coverage extends beyond the COBRA continuation period, such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). The period through the end of the Employment Term, as it may have been extended, shall continue to count for purposes of determining the Executive's age and service with the Company with respect to eligibility, vesting and the amount of benefits under the Company's benefit plans to the maximum extent permitted by applicable law. If the Company determines that the Executive cannot participate in any benefit plan because the Executive is not actively performing services for the Company, the Company will provide such benefits under (A) an alternate arrangement, such as through the purchase of an individual insurance policy that provides similar benefits, provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions) or (B) if applicable, through a nonqualified pension or profit sharing plan, provided that such payments shall be made no later than December 31 of the calendar year following the calendar year in which the Executive's termination of employment occurs. To the extent that the Executive's compensation is necessary for determining the amount of any such continued coverage or benefits, such compensation (Base Salary and annual incentive bonus) through the one (1)-year anniversary of the Executive's termination of employment shall be at the highest rate in effect during the twelve (12)-month period immediately preceding the Executive's termination of employment.

- (iii) Executive perquisites on the same basis on which the Executive was receiving such perquisites prior to the Executive's termination of employment, including: (A) reimbursement for club dues through the one (1)-year anniversary of the Executive's termination of employment; and (B) reimbursement of expenses relating to financial planning services, tax return preparation and annual physicals incurred on or before December 31 of the calendar year that includes the first anniversary of the Executive's termination of employment; provided that reimbursement of such perquisites shall be made to the Executive in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the calendar year that includes the third anniversary of the Executive's termination of employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's termination of employment. Perquisites otherwise receivable by the Executive pursuant to this Section shall be reduced to the extent comparable perquisites are actually received by or made available to the Executive without cost during the period following the Executive's termination of employment

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covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Any outstanding stock options, restricted stock or other equity-based compensation awards that would have vested during the period through the one year anniversary of the Executive's employment termination shall immediately vest upon the date of the Executive's termination of employment, and any such vested stock options will be immediately exercisable at any time prior to the earlier of (A) two (2) years from the Executive's termination of employment, or (B) the stock option expiration or other termination date, subject to the terms of the equity-based compensation award and applicable insider trading policies and regulations. Notwithstanding the foregoing, any restricted stock or other equity-based compensation awards that were intended to satisfy the requirements for performance-based compensation under Code Section 162(m), and would become vested only upon the attainment of specified performance goals, shall vest only if (and at the time that) such performance goals are achieved.

(v) Outplacement services, as elected by the Executive (and with a firm selected by the Executive), not to exceed \$35,000 in total. Such outplacement services must be incurred by the Executive no later than the end of the calendar year that includes the second anniversary of the Executive's termination of employment. If applicable, reimbursement of such expenses shall be made to the Executive no later than the end of the calendar year that includes the third anniversary of the Executive's termination of employment.

(e) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without the Executive's consent: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material diminution in the budget over which the Executive retains authority; (iv) a material change in the geographic location at which the Executive's must perform the services; or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. The Executive's must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition. Any termination for Good Reason must occur within two (2) years following the initial existence of one (1) or more of the foregoing conditions.

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to satisfactorily perform the Executive's duties as an executive of the Company (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for performance is delivered to the Executive, which demand specifically identifies the manner in which the Executive has not satisfactorily performed the Executive's duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct or dishonesty, which is demonstrably and materially injurious to the Company, monetarily,

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reputationally, or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that the Executive's credibility and reputation no longer conforms to the standard of officers of the Company, (iv) the Executive's refusal or failure to substantially comply with the Company's human resources rules, policies, directions and/or restrictions relating to harassment and/or discrimination, or to substantially comply with the Company's compliance or risk management rules, policies, directions and/or restrictions (including, without limitation, the Company's Code of Business Conduct); (v) the Executive's loss of any license or registration that is necessary for the Executive to perform the Executive's duties, or commission of any act that could result in the legal disqualification of the Executive from being employed by the Company or a subsidiary; (vi) the Executive's failure to cooperate with the Company or a subsidiary in any internal investigation or administrative, regulatory or judicial proceeding; or (vii) the Executive's conviction of, or plea of *nolo contendere* to, a felony or other crime involving moral turpitude. In addition, the Executive's employment shall be deemed to have terminated for Cause if, after the Executive's employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

(g) Non-Renewal. If the Company gives written notice to the Executive of its intention not to continue this Agreement in effect, in accordance with Section 2, and the Executive remains employed until the December 31 termination of the Agreement (and a Change of Control has not occurred that would extend the Agreement), the Executive may deliver the Executive's written resignation to the Company effective December 31, within thirty (30) days prior to such December 31, and the Company will provide the Executive with a lump sum payment equal to six (6) months of the Executive's Base Salary within thirty (30) days following the December 31 effective date of the Executive's resignation.

(h) Timing of Payments. Subject to Sections 5(i) and 5(j) and except as provided otherwise in this Agreement, all payments described in Section 5 above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) days) following the Executive's termination of employment. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned (subject to Section 5(i)).

(i) Six (6)-Month Delay. If, at the time the Executive becomes entitled to a termination payment under this Section 5, the Executive is a "specified employee" (as defined under Code Section 409A), then, notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply.

(i) No such termination payment considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to the Executive until the date that is six (6) months after the Executive's termination or, if earlier, the date of the Executive's death (the "Six -Month Delay Rule"). Any such termination payment that would otherwise

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have been paid to the Executive during this six-month period (the "Six -Month Delay") shall instead be aggregated and paid to the Executive no later than ten (10) days following the date that is six (6) months after the Executive's termination (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any termination payment to which the Executive is entitled to be paid under this Section 5 after the date that is six (6) months after the Executive's termination shall be paid to the Executive in accordance with the applicable terms of Section 5.

(ii) During the Six-Month Delay, the Company will pay to the Executive the applicable payments set forth in this Section 5, to the extent any of the following exceptions to the Six-Month Delay Rule apply:

(A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

(B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

(C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Section 5 on account of the separation from service and any applicable Company benefit plan.

(j) **Release.** The Company shall deliver to the Executive a form of general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following the Executive's termination of employment. Notwithstanding anything in this Agreement to the contrary, no payments pursuant to Section 5(c) or Section 5(d) shall be made prior to the date that both (i) the Executive has delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that the Executive had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following the Executive's termination of employment. If the Executive does not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) the Executive's rights shall be limited to those made available to the Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay

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or provide to the Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of the Executive's employment.

(k) **Removal from any Boards and Positions.** Upon the Executive's termination of employment for any reason under this Agreement, the Executive shall be deemed to resign (i) if a member, from the Board or board of directors of any affiliate or any other board to which the Executive has been appointed or nominated by or on behalf of the Company, (ii) from any position with the Company or any affiliate, including, but not limited to, as an officer of the Company or any of its affiliates, and (iii) as a fiduciary of any employee benefit plan of the Company.

6. **Recapture of Certain Incentive Compensation.** If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, during the Term, as a result of misconduct, with any financial reporting requirement under the securities laws, the Executive shall reimburse the Company, promptly upon notice and demand, for (a) any bonus or other incentive-based or equity-based compensation received from the Company during the twelve (12) - month period following the first public issuance or filing with the Securities and Exchange Commission, whichever occurs first, of the financial document embodying such financial reporting requirement; and (b) any profits realized from the sale of securities of the Company during that twelve (12) - month period.

7. **Assignment; Successors.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company may not assign this Agreement without the Executive's written consent, except that the Company's obligations under this Agreement shall be the binding legal obligations of any successor to the Company by sale, and in the event of any transaction that results in the transfer of substantially all of the assets or business of the Company, the Company will use its best efforts to cause the transferee to assume the obligations of the Company under this Agreement. The Executive may not assign this Agreement during the Executive's life. Upon the Executive's death, this Agreement will inure to the benefit of the Executive's heirs, legatees and legal representatives of the Executive's estate.

8. **Interpretation.** The laws of the State of Delaware shall govern the validity, interpretation, construction and performance of this Agreement, without regard to the conflict of laws principles thereof. The Company and the Executive agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively by arbitration, or in the courts (as provided by Section 22) in the State of North Carolina, Mecklenburg County, including the federal courts located therein or responsible therefor (should federal jurisdiction exist), and the Company and the Executive hereby submit and consent to said jurisdiction and venue.

9. **Withholding.** The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law. The Company may, at its option (a) require the Executive to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with the Executive to satisfy such withholding obligations.

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10. **Amendment or Termination.** This Agreement may be amended at any time by written agreement between the Company and the Executive.

11. **Notices.** Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (i) overnight carrier, (ii) telecopy, (iii) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (iv) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

The Company may change the person and/or address to which the Executive must give notice under this Section 11 by giving the Executive written notice of such change, in accordance with the procedures described above. Notices to or with respect to the Executive will be directed to the Executive, or to the Executive's executors, personal representatives or distributees, if the Executive is deceased, or the assignees of the Executive, at the Executive's home address on the records of the Company.

12. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

13. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings, written or oral, relating to the subject matter hereof; provided, however, that: (i) the Executive's Change of Control Agreement dated November 20, 2008 shall remain in full force and effect, and payments and benefits provided thereunder shall replace those provided in this Agreement to the extent that such payments or benefits otherwise clearly would be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

14. **Consultation With Counsel.** The Executive acknowledges that the Executive has had a full and complete opportunity to consult with counsel of the Executive's own choosing concerning the terms, enforceability and implications of this Agreement, and the Company has made no representations or warranties to the Executive concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

15. **No Waiver.** No failure or delay by the Company or the Executive in enforcing or exercising any right or remedy hereunder shall operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by the Executive from any of the terms or conditions thereof, shall be effective unless in writing and signed by the

Chairman of the Company's Board. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

16. **Effect on Other Obligations.** Payments and benefits herein provided to be paid to the Executive by the Company shall be made without regard to and in addition to any other payments or benefits required to be paid the Executive at any time hereafter under the terms of any other agreement between the Executive and the Company or under any other policy of the Company relating to compensation, or retirement or other benefits. Except as otherwise expressly provided herein, payments or benefits provided the Executive hereunder shall be reduced by any amount the Executive may earn or receive from employment with another employer or from any another source.

17. **Survival.** All Sections of this Agreement survive beyond the Term except as otherwise specifically stated.

18. **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning thereof.

19. **Counterparts.** The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

20. **409A Compliance.** To the extent any provision of this Agreement or action by the Company would subject the Executive to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A and the interpretive guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 5 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for the Executive's compensation and benefits.

21. **Payments to Estate.** The executor of the Executive's estate shall be entitled to receive all amounts owing to the Executive at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed to refer, where appropriate, to the Executive's estate or other legal representative.

22. **Dispute Resolution.** In the event of any dispute or claim relating to or arising out of this Agreement, the Executive and Company agree that all such claims or disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association ("AAA") in Charlotte, North Carolina in accordance with the AAA's National Rules

for the Resolution of Employment Disputes, provided, however, that this arbitration provision shall not apply to, and Company shall be free to seek, injunctive or other equitable relief with respect to any actual or threatened breach or violation by the Executive of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, in any court having appropriate jurisdiction. The Executive acknowledges that by accepting this arbitration provision he is waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not

required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 22 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, but may pursue its remedies, including injunctive relief, for such breach in a court of competent jurisdiction in Charlotte, North Carolina, or in the sole discretion of the Company, in a court of competent jurisdiction where the Executive has committed or is threatening to commit a breach of the Executive's covenants, and no arbitrator may make any ruling inconsistent with the findings or rulings of such court.

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective as of the date first written above.

**EXECUTIVE ACCEPTANCE**

**SPX CORPORATION**

/s/ J. Michael Whitted  
\_\_\_\_\_  
J. Michael Whitted

By: /s/Christopher J. Kearney  
\_\_\_\_\_  
Christopher J. Kearney

Its: Chairman, President and  
Chief Executive Officer

Date: April 22, 2009  
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### Employment Agreement of Drew T. Ladau

This Employment Agreement (the "Agreement") is effective as of April 22, 2009 (the "Effective Date"), by and between SPX Corporation (the "Company") and Drew T. Ladau (the "Executive").

WHEREAS, the Company desires to employ the Executive as its Segment President, Thermal Equipment & Services;

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of the Executive's continued employment and wish to formalize that agreement.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Company and the Executive hereby agree as follows:

1. **Employment.** The Company employs the Executive and the Executive hereby accepts continued employment with the Company and appointment as its Segment President, Thermal Equipment & Services. During the Term (as hereinafter defined), the Executive will have the title, status and duties of the Segment President, Thermal Equipment & Services and will report directly to the Company's Chief Executive Officer or other senior executive officer. The Executive's principal business office shall be located in Charlotte, North Carolina, and the Executive's principal family residence shall be located within fifty (50) miles of the Company's principal business office for the duration of the Term.

2. **Term.** The term of employment under this Agreement ("Term") will commence on the Effective Date, and will continue thereafter until December 31, 2010; provided, however, that this Agreement shall remain in effect and the Term shall be extended from year to year thereafter unless, not less than one hundred eighty (180) days prior to December 31, 2010, or any subsequent December 31, either the Executive or the Company delivers to the other written notice of the Executive's or its intention not to continue this Agreement in effect, in which case this Agreement shall terminate as of December 31 of the year in which such notice is given; and provided further that, if a Change of Control (as defined below) shall have occurred during the Term, this Agreement shall continue in effect and the Term shall be extended until at least the second anniversary of such Change of Control.

3. **Duties.** During the Term:

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, other senior executive officer, or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned duties or responsibilities that are materially lower in status than those traditionally assigned to the Segment President, Thermal Equipment & Services.

(b) The Executive will devote the Executive's full time and best efforts, talents, knowledge and experience to serving as the Company's Segment President,

Thermal Equipment & Services. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious, civic, and similar types of activities, speaking engagements and membership on other boards of directors, subject to Section 3(c) below, and provided such activities do not interfere in any material way with the business of the Company; and provided further that, the Executive cannot serve on any board of directors without the Company's Chief Executive Officer's written consent, or on the board of directors of more than one company without the Board's written consent. The time involved in such activities shall not be treated as vacation time. The Executive shall be entitled to keep any amounts paid to the Executive in connection with such activities (*e.g.*, director fees and honoraria).

(c) The Executive will perform the Executive's duties diligently and competently and shall act in conformity with the Company's written and oral policies and within the limits, budgets and business plans set by the Company. The Executive will at all times during the Term strictly adhere to and obey all of the rules, regulations and policies in effect from time to time relating to the conduct of executives of the Company. Except as provided in (b) above, the Executive shall not engage in consulting work or any trade or business for the Executive's own account. The Executive shall not engage in consulting work or any trade or business on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of the Executive's duties hereunder in any way.

4. **Compensation and Benefits.** During the Term, the Company shall provide to the Executive, and the Executive shall accept from the Company as full compensation for the Executive's services hereunder, compensation and benefits as follows:

(a) **Base Salary.** The Company shall pay the Executive an annual base salary ("Base Salary") of four hundred and fifty thousand dollars (\$450,000). The Board, or such committee of the Board as is responsible for setting the compensation of officers, shall review the Executive's performance and Base Salary annually and determine whether to adjust the Executive's Base Salary on a prospective basis. Such adjusted annual salary then shall become the Executive's "Base Salary" for purposes of this Agreement. The Executive's annual Base Salary shall not be reduced after any increase without the Executive's written consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all officers of the Company.

(b) **Incentive Compensation.** The Executive shall be eligible to participate in any annual performance bonus plans, long-term incentive plans, and/or equity-based compensation plans established or maintained by the Company for its officers, including, but not limited to the SPX Corporation Stock Compensation Plan, all as the Board (or appropriate Board committee) may determine from time to time in its discretion. For the 2009 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to seventy percent (70%) of the Executive's Base Salary, provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate the Executive's annual bonus plan participation and the applicable performance goals for subsequent bonus plan years no later than March 31 of such bonus plan year. The Company will pay the



Executive's annual performance bonus at the same time as annual performance bonus payments for such year (if any) are made to other participants with respect to such fiscal year, and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. Annual performance bonuses are intended to qualify for the short-term deferral exception to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Executive Benefit Plans. As the Board may determine in its discretion, the Executive will be eligible to participate in any benefit plans offered by the Company to similarly situated officers including, without limitation, medical, dental, short-term and long-term disability, life insurance, pension, profit sharing and nonqualified deferred compensation arrangements. The Company reserves the right to modify, suspend or discontinue any and all of the plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers.

(d) Business Expenses. The Company will reimburse the Executive for all reasonable and necessary business expenses incurred in the performance of services with the Company, according to the Company's policies and upon the Executive's presentation of an itemized written statement and such verification as the Company may require, provided that such expenses shall be reimbursed no later than December 31 of the year following the year in which the expenses were incurred.

(e) Perquisites. The Company will provide the Executive with all perquisites it provides to other similarly situated officers, as the Board may determine in its discretion. The Company also will reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per year, provided that the amount of such expenses available for reimbursement in one year shall not affect the amount of expenses available for reimbursement in any other year. The Company will make such reimbursements in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the expense was incurred.

(f) Vacation. The Executive will be entitled to vacation in accordance with the Company's vacation policy for officers, but in no event less than five (5) weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal the Executive's annual entitlement. Once the maximum accrual is reached, the Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical.

(i) The Executive shall be entitled to receive retiree medical benefits during the Executive's lifetime in accordance with the eligibility requirements, terms and conditions, and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover the individual who is the Executive's spouse as of the date of the Executive's termination of employment (the "Spouse") and/or the individuals who

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are the Executive's dependent children as of the date of the Executive's termination of employment (the "Dependents"), to the extent eligible at the time of the Executive's retirement, according to the terms and conditions of the Company's retiree medical benefit plan. The cost of such benefits for the Executive, the Executive's Spouse and eligible Dependents, will be 100% of the premiums and will be reimbursed by the Company on an annual basis up to the date the Executive reaches Medicare eligibility due to age, at which point such reimbursement will cease. Such reimbursement shall be made in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the year following the year in which the premiums were incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). Depending on the plan, all or a portion of the reimbursement may be taxable. Such benefits shall include prescription drug coverage, but not dental or vision benefits unless included in the medical plan.

(ii) Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, the Executive's Spouse or eligible Dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease.

(iii) The Company reserves the right to modify, suspend or discontinue any and all retiree medical plans, practices, policies and programs at any time without recourse by the Executive, so long as the Company takes such action generally with respect to other similarly situated officers; provided that, if the Company terminates retiree access to medical and/or prescription benefits generally for retirees, the Executive shall be entitled to an annual reimbursement from the Company upon proof of continued coverage for comparable medical and/or prescription coverage under an individual policy or other group policy, subject to a maximum total reimbursement of one and one-half (1½) times the applicable premium of the plan in effect at the time retiree access is terminated at the applicable coverage level, and subject to maximum annual inflation adjustment thereafter of five percent (5%).

(iv) Upon the death of the Executive, a surviving Spouse will continue eligibility and reimbursement as described above. Surviving Dependent children will not receive premium reimbursement beyond the COBRA continuation period. For all other COBRA qualifying events other than the death of the Executive, reimbursement will cease upon commencement of the COBRA continuation period.

## 5. **Payments on Termination of Employment.**

(a) Definition of Termination of Employment. For purposes of this Agreement, the Executive's employment with the Company shall be deemed to be terminated when the Executive has a "Separation from Service" within the meaning of Code Section 409A, and references to termination of employment shall be deemed to refer to a Separation from Service.

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(b) Termination of Employment for any Reason. The following payments will be made upon the Executive's termination of employment for any reason:

- (i) Earned but unpaid Base Salary through the date of termination;
- (ii) Any annual incentive plan bonus, for which the performance measurement period has ended, but which is unpaid at the time of termination;
- (iii) Any accrued but unpaid vacation;
- (iv) Any amounts payable under any of the Company's benefit plans in accordance with the terms of those plans, except as may be required under Code Section 401(a)(13); and
- (v) Unreimbursed business expenses incurred by the Executive on the Company's behalf.

(c) Termination of Employment for Death or Disability. In addition to the amounts determined under (a) above, if the Executive's termination of employment occurs by reason of death or Disability (as defined below), the Executive (or the Executive's estate) will receive a pro rata portion of any bonus payable under the Company's annual incentive plan for the year in which such termination occurs determined based on the highest of (i) the actual annual bonus paid for the bonus plan year immediately preceding such termination, or (ii) the target bonus for the bonus plan year in which such termination occurs. For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive 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 twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.

(d) Termination by the Company Without Cause, or Voluntary Termination by the Executive for Good Reason. If the Company terminates the Executive's employment other than for Cause, death or Disability, or the Executive voluntarily terminates employment for Good Reason, in addition to the benefits payable under Section 5(b), the Company will pay the following amounts and provide the following severance benefits:

- (i) The Executive's Base Salary through the one (1)-year anniversary of the Executive's termination of employment, and the Executive's annual incentive bonus, which will be determined as the higher of (A) the actual incentive bonus paid for the bonus plan year immediately preceding such termination of employment, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination of employment occurs (excluding any years of partial, or no, bonus plan participation), plus (C) the amount, if any, to which the bonus that would have been paid to the Executive for the bonus plan year in which such termination of

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employment occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

- (ii) Continued coverage under the Company's medical, dental, vision, key manager life insurance and pension through the one (1)-year anniversary of the Executive's termination of employment, at the same cost to the Executive as in effect on the date of the Executive's termination of employment, provided that to the extent such continued coverage extends beyond the COBRA continuation period, such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions). The period through the end of the Employment Term, as it may have been extended, shall continue to count for purposes of determining the Executive's age and service with the Company with respect to eligibility, vesting and the amount of benefits under the Company's benefit plans to the maximum extent permitted by applicable law. If the Company determines that the Executive cannot participate in any benefit plan because the Executive is not actively performing services for the Company, the Company will provide such benefits under (A) an alternate arrangement, such as through the purchase of an individual insurance policy that provides similar benefits, provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions) or (B) if applicable, through a nonqualified pension or profit sharing plan, provided that such payments shall be made no later than December 31 of the calendar year following the calendar year in which the Executive's termination of employment occurs. To the extent that the Executive's compensation is necessary for determining the amount of any such continued coverage or benefits, such compensation (Base Salary and annual incentive bonus) through the one (1)-year anniversary of the Executive's termination of employment shall be at the highest rate in effect during the twelve (12)-month period immediately preceding the Executive's termination of employment.

- (iii) Executive perquisites on the same basis on which the Executive was receiving such perquisites prior to the Executive's termination of employment, including: (A) reimbursement for club dues through the one (1)-year anniversary of the Executive's termination of employment; and (B) reimbursement of expenses relating to financial planning services, tax return preparation and annual physicals incurred on or before December 31 of the calendar year that includes the first anniversary of the Executive's termination of employment; provided that reimbursement of such perquisites shall be made to the Executive in accordance with the Company's reimbursement practices, and in all events no later than December 31 of the calendar year that includes the third anniversary of the Executive's termination of employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's termination of employment. Perquisites otherwise receivable by the Executive pursuant to this Section shall be reduced to the extent comparable perquisites are actually received by or made available to the Executive without cost during the period following the Executive's termination of employment

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covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Any outstanding stock options, restricted stock or other equity-based compensation awards that would have vested during the period through the one year anniversary of the Executive's employment termination shall immediately vest upon the date of the Executive's termination of employment, and any such vested stock options will be immediately exercisable at any time prior to the earlier of (A) two (2) years from the Executive's termination of employment, or (B) the stock option expiration or other termination date, subject to the terms of the equity-based compensation award and applicable insider trading policies and regulations. Notwithstanding the foregoing, any restricted stock or other equity-based compensation awards that were intended to satisfy the requirements for performance-based compensation under Code Section 162(m), and would become vested only upon the attainment of specified performance goals, shall vest only if (and at the time that) such performance goals are achieved.

(v) Outplacement services, as elected by the Executive (and with a firm selected by the Executive), not to exceed \$35,000 in total. Such outplacement services must be incurred by the Executive no later than the end of the calendar year that includes the second anniversary of the Executive's termination of employment. If applicable, reimbursement of such expenses shall be made to the Executive no later than the end of the calendar year that includes the third anniversary of the Executive's termination of employment.

(e) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without the Executive's consent: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material diminution in the budget over which the Executive retains authority; (iv) a material change in the geographic location at which the Executive's must perform the services; or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. The Executive's must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition. Any termination for Good Reason must occur within two (2) years following the initial existence of one (1) or more of the foregoing conditions.

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to satisfactorily perform the Executive's duties as an executive of the Company (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for performance is delivered to the Executive, which demand specifically identifies the manner in which the Executive has not satisfactorily performed the Executive's duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct or dishonesty, which is demonstrably and materially injurious to the Company, monetarily,

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reputationally, or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that the Executive's credibility and reputation no longer conforms to the standard of officers of the Company, (iv) the Executive's refusal or failure to substantially comply with the Company's human resources rules, policies, directions and/or restrictions relating to harassment and/or discrimination, or to substantially comply with the Company's compliance or risk management rules, policies, directions and/or restrictions (including, without limitation, the Company's Code of Business Conduct); (v) the Executive's loss of any license or registration that is necessary for the Executive to perform the Executive's duties, or commission of any act that could result in the legal disqualification of the Executive from being employed by the Company or a subsidiary; (vi) the Executive's failure to cooperate with the Company or a subsidiary in any internal investigation or administrative, regulatory or judicial proceeding; or (vii) the Executive's conviction of, or plea of *nolo contendere* to, a felony or other crime involving moral turpitude. In addition, the Executive's employment shall be deemed to have terminated for Cause if, after the Executive's employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

(g) Non-Renewal. If the Company gives written notice to the Executive of its intention not to continue this Agreement in effect, in accordance with Section 2, and the Executive remains employed until the December 31 termination of the Agreement (and a Change of Control has not occurred that would extend the Agreement), the Executive may deliver the Executive's written resignation to the Company effective December 31, within thirty (30) days prior to such December 31, and the Company will provide the Executive with a lump sum payment equal to six (6) months of the Executive's Base Salary within thirty (30) days following the December 31 effective date of the Executive's resignation.

(h) Timing of Payments. Subject to Sections 5(i) and 5(j) and except as provided otherwise in this Agreement, all payments described in Section 5 above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) days) following the Executive's termination of employment. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned (subject to Section 5(i)).

(i) Six (6)-Month Delay. If, at the time the Executive becomes entitled to a termination payment under this Section 5, the Executive is a "specified employee" (as defined under Code Section 409A), then, notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply.

(i) No such termination payment considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to the Executive until the date that is six (6) months after the Executive's termination or, if earlier, the date of the Executive's death (the "Six -Month Delay Rule"). Any such termination payment that would otherwise

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have been paid to the Executive during this six-month period (the "Six -Month Delay") shall instead be aggregated and paid to the Executive no later than ten (10) days following the date that is six (6) months after the Executive's termination (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any termination payment to which the Executive is entitled to be paid under this Section 5 after the date that is six (6) months after the Executive's termination shall be paid to the Executive in accordance with the applicable terms of Section 5.

(ii) During the Six-Month Delay, the Company will pay to the Executive the applicable payments set forth in this Section 5, to the extent any of the following exceptions to the Six-Month Delay Rule apply:

(A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

(B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

(C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under this Section 5 on account of the separation from service and any applicable Company benefit plan.

(j) **Release.** The Company shall deliver to the Executive a form of general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following the Executive's termination of employment. Notwithstanding anything in this Agreement to the contrary, no payments pursuant to Section 5(c) or Section 5(d) shall be made prior to the date that both (i) the Executive has delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that the Executive had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following the Executive's termination of employment. If the Executive does not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) the Executive's rights shall be limited to those made available to the Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay

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or provide to the Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of the Executive's employment.

(h) **Removal from any Boards and Positions.** Upon the Executive's termination of employment for any reason under this Agreement, the Executive shall be deemed to resign (i) if a member, from the Board or board of directors of any affiliate or any other board to which the Executive has been appointed or nominated by or on behalf of the Company, (ii) from any position with the Company or any affiliate, including, but not limited to, as an officer of the Company or any of its affiliates, and (iii) as a fiduciary of any employee benefit plan of the Company.

6. **Recapture of Certain Incentive Compensation.** If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, during the Term, as a result of misconduct, with any financial reporting requirement under the securities laws, the Executive shall reimburse the Company, promptly upon notice and demand, for (a) any bonus or other incentive-based or equity-based compensation received from the Company during the twelve (12) -month period following the first public issuance or filing with the Securities and Exchange Commission, whichever occurs first, of the financial document embodying such financial reporting requirement; and (b) any profits realized from the sale of securities of the Company during that twelve (12) -month period.

7. **Assignment; Successors.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company may not assign this Agreement without the Executive's written consent, except that the Company's obligations under this Agreement shall be the binding legal obligations of any successor to the Company by sale, and in the event of any transaction that results in the transfer of substantially all of the assets or business of the Company, the Company will use its best efforts to cause the transferee to assume the obligations of the Company under this Agreement. The Executive may not assign this Agreement during the Executive's life. Upon the Executive's death, this Agreement will inure to the benefit of the Executive's heirs, legatees and legal representatives of the Executive's estate.

8. **Interpretation.** The laws of the State of Delaware shall govern the validity, interpretation, construction and performance of this Agreement, without regard to the conflict of laws principles thereof. The Company and the Executive agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively by arbitration, or in the courts (as provided by Section 22) in the State of North Carolina, Mecklenburg County, including the federal courts located therein or responsible therefor (should federal jurisdiction exist), and the Company and the Executive hereby submit and consent to said jurisdiction and venue.

9. **Withholding.** The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law. The Company may, at its option (a) require the Executive to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with the Executive to satisfy such withholding obligations.

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10. **Amendment or Termination.** This Agreement may be amended at any time by written agreement between the Company and the Executive.

11. **Notices.** Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (i) overnight carrier, (ii) telecopy, (iii) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (iv) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

The Company may change the person and/or address to which the Executive must give notice under this Section 11 by giving the Executive written notice of such change, in accordance with the procedures described above. Notices to or with respect to the Executive will be directed to the Executive, or to the Executive's executors, personal representatives or distributees, if the Executive is deceased, or the assignees of the Executive, at the Executive's home address on the records of the Company.

12. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

13. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings, written or oral, relating to the subject matter hereof; provided, however, that: (i) the Executive's Change of Control Agreement dated April 22, 2009 shall remain in full force and effect, and payments and benefits provided thereunder shall replace those provided in this Agreement to the extent that such payments or benefits otherwise clearly would be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

14. **Consultation With Counsel.** The Executive acknowledges that the Executive has had a full and complete opportunity to consult with counsel of the Executive's own choosing concerning the terms, enforceability and implications of this Agreement, and the Company has made no representations or warranties to the Executive concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

15. **No Waiver.** No failure or delay by the Company or the Executive in enforcing or exercising any right or remedy hereunder shall operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by the Executive from any of the terms or conditions thereof, shall be effective unless in writing and signed by the

Chairman of the Company's Board. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

16. **Effect on Other Obligations.** Payments and benefits herein provided to be paid to the Executive by the Company shall be made without regard to and in addition to any other payments or benefits required to be paid the Executive at any time hereafter under the terms of any other agreement between the Executive and the Company or under any other policy of the Company relating to compensation, or retirement or other benefits. Except as otherwise expressly provided herein, payments or benefits provided the Executive hereunder shall be reduced by any amount the Executive may earn or receive from employment with another employer or from any another source.

17. **Survival.** All Sections of this Agreement survive beyond the Term except as otherwise specifically stated.

18. **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning thereof.

19. **Counterparts.** The parties may execute this Agreement in one or more counterparts, all of which together shall constitute but one Agreement.

20. **409A Compliance.** To the extent any provision of this Agreement or action by the Company would subject the Executive to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A and the interpretive guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 5 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for the Executive's compensation and benefits.

21. **Payments to Estate.** The executor of the Executive's estate shall be entitled to receive all amounts owing to the Executive at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed to refer, where appropriate, to the Executive's estate or other legal representative.

22. **Dispute Resolution.** In the event of any dispute or claim relating to or arising out of this Agreement, the Executive and Company agree that all such claims or disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association ("AAA") in Charlotte, North Carolina in accordance with the AAA's National Rules

for the Resolution of Employment Disputes, provided, however, that this arbitration provision shall not apply to, and Company shall be free to seek, injunctive or other equitable relief with respect to any actual or threatened breach or violation by the Executive of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, in any court having appropriate jurisdiction. The Executive acknowledges that by accepting this arbitration provision he is waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not

required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 22 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants with respect to the Executive, but may pursue its remedies, including injunctive relief, for such breach in a court of competent jurisdiction in Charlotte, North Carolina, or in the sole discretion of the Company, in a court of competent jurisdiction where the Executive has committed or is threatening to commit a breach of the Executive's covenants, and no arbitrator may make any ruling inconsistent with the findings or rulings of such court.

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective as of the date first written above.

**EXECUTIVE ACCEPTANCE**

**SPX CORPORATION**

/s/ Drew T. Ladau  
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Drew T. Ladau

By: /s/Christopher J. Kearney  
\_\_\_\_\_  
Christopher J. Kearney

Its: Chairman, President and  
Chief Executive Officer

Date: April 22, 2009  
\_\_\_\_\_



April 22, 2009

Mr. Jeremy W. Smeltser  
11422 Foxhaven Drive  
Charlotte, NC 28277

Dear Jeremy:

SPX Corporation (the "Company") recognizes that your contribution to its growth and success will be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction in the face of potentially disruptive circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement (the "Agreement") to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that you separate from service due to a Change of Control as specifically provided in the remainder of this Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to

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be terminated when you have a "Separation from Service" within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code"), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. **Term of Agreement.** This Agreement will become effective on the date first written above (the "Effective Date"), and shall continue in effect through the second (2nd) anniversary of the Effective Date (the "Term"); provided, however, that this Agreement shall remain in effect and the Term shall be extended automatically from year to year thereafter for one (1) additional year unless, not later than six (6) months prior to the second (2nd) anniversary of the Effective Date, or any subsequent anniversary of the Effective Date, the Company gives written notice to you that it has elected not to extend this Agreement. Notwithstanding anything in this Section 1 to the contrary, if a Change of Control occurs during the Term of this Agreement, the Term of this Agreement shall be extended automatically to the second (2nd) anniversary of the Change in Control.
2. **Change of Control of the Company.** No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
  - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty percent (20%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty percent (20%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board of Directors of the Company determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty percent (20%) or more of the common shares of the Company 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 percent (20%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this Section 2(a), the following terms shall have the meanings set forth below:

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- (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) that 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) that 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) that 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

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to Section 2(a)(iii)(B)(2) above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership 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 that 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 execution of this Agreement), individuals who at the beginning of such two (2)-year period constitute the Board of Directors of the Company 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 Section 2(a), above, or Section 2(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) Approval by the shareholders of (or if such approval is not required, 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 Section 2(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 eighty percent (80%) 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 in this Agreement to the contrary, a "Change of Control" shall not include any transaction described in Section 2(a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, 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).

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3. **Definitions.** The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) **Disability.** For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive 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 twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.
- (b) **Retirement.** "Retirement" shall mean your voluntary separation from service (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) **Cause.** "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engage in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of (or pleaded *nolo contendere* to) a felony that impairs your ability substantially to perform your duties with the Company. For purposes of this Section 3(c), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission



was in the best interest of the Company. In addition, your employment shall be deemed to have terminated for Cause if, after your employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company or any successor or affiliate. Any act, or failure to act, on your part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate shall be conclusively presumed

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to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

- (d) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence within two (2) years following a Change of Control of the Company of any one (1) or more of the following:
- (i) A reduction or alteration in your duties and responsibilities, or the status of your position from those in effect on the day prior to the Change of Control;
  - (ii) A reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
  - (iii) The Company's requiring you to be based at a location in excess of one hundred (100) miles from the location where you are currently based;
  - (iv) The failure by the Company to continue in effect the Company's Individual Account Retirement Plan, Retirement Savings and Stock Ownership Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan for Top Management, applicable executive bonus plan, 2002 Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company's employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
  - (v) The failure of the Company to reinstate your employment in full (in the same capacity that you were employed, or in a mutually agreeable capacity) in the event that your employment was suspended due to a Disability and, within three (3) years of the Disability, you request to be reinstated and are ready, willing, and able to adequately perform your employment duties;
  - (vi) The separation from service, replacement, or reassignment of twenty-five percent (25%) or more of the elected officers of the Company existing as of the day prior to a Change of Control, excluding any officer who separates from service due to death, Disability, or Retirement, or who is terminated by

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the Company for Cause, or who terminates other than for Good Reason (all as herein defined);

- (vii) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and
- (viii) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3(f), below, and for purposes of this Agreement, no such purported termination shall be effective.
- (ix) At any time during the thirty (30)-day period beginning one (1) year following a Change of Control, you shall be entitled to separate from service for any reason, and such separation from service shall be deemed to be for Good Reason for all purposes of this Agreement.

Your right to separate from service pursuant to this Section 3(d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder, except that you must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition.

- (e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.
- (f) Date of Termination. "Date of Termination" shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of

final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.

- (g) **Earned Bonus Amount.** For any year prior to the year during which a Change of Control occurs, your “Earned Bonus Amount” means your actual bonus for that year. For the year during which a Change of Control occurs, your “Earned Bonus Amount” means your total potential bonus for the year as determined under the 2005 Executive Bonus Plan or applicable successor bonus plan (the “Bonus Plan”), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year. For any year following the year during which a Change of Control occurs, your “Earned Bonus Amount” means the greater of (i) your actual bonus for the year prior to the year during which the Change of Control occurs and (ii) your total potential bonus for the year as determined under the Bonus Plan, according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. **Compensation Upon Separation from Service Following a Change of Control.**

- (a) **Accrued Benefits.** In the event that you separate from service for any reason during the Term of this Agreement following a Change of Control of the Company, you shall receive your Accrued Benefits through the Date of Termination to the extent unpaid. For purposes of this Agreement, your “Accrued Benefits” shall include the following:
- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
  - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs, prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the year in which the Date of Termination occurs, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;

- (iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;
  - (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination;
  - (v) Your accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management; and
  - (vi) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination.
  - (vii) Subject to Section 4(e), the payments provided for in Section 4(a)(i), (ii), (iii), and (iv) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your Date of Termination. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.
- (b) **Severance Benefits.** In the event that you separate from service during the Term of this Agreement following a Change of Control, unless your separation from service is (i) because of your death, Disability, or Retirement; (ii) a termination by the Company for Cause; or (iii) a termination by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your “Severance Benefits” shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by two (2);
  - (ii) An amount equal to two (2) times the greatest of (A) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the year in which the Date of Termination occurs (the “Year of Termination”) or (B) your target bonus under the Bonus Plan for the Year of Termination or (C) your Earned Bonus Amount for the Year of Termination, calculated as if

- (iii) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you the same group health care coverage you had prior to your Date of Termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages. For purposes of the retiree medical coverage, you will receive the same number of additional years of credited service for computing your benefit as normally computed under the terms of the retiree medical plan. Health care benefits otherwise receivable by you pursuant to this Section 4(b)(iii) shall be reduced to the extent comparable benefits are actually received by you from a subsequent employer during the two (2) -year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company. To the extent the provision of health care benefits receivable by you pursuant to this Section 4(b)(iii) extends beyond the COBRA continuation period, such benefits will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);
- (iv) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the two (2) -year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);
- (v) Under the Company's Individual Account Retirement Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive two (2) additional full years of service credit for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, two (2) years will be added to your actual age, and the definition of "Final Average Pay" (base and bonus) shall be the greater of (A) your highest three (3) -year average or (B) the sum of your actual base salary in effect at your Date of Termination plus the greatest of the bonus amounts described in parts (A), (B) and (C) of Section 4(b)(ii), above, with the additional benefits, to the extent not payable under the Individual Account Retirement Plan, to be

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paid as an additional benefit under the Supplemental Retirement Plan for Top Management;

- (vi) Under the Company's Supplemental Retirement Savings Plan (the "SRSP"), you will receive a cash lump sum payment of the full balance (vested and unvested) of your Pre-2005 Account (as defined in the SRSP);
- (vii) Each stock option that you have been granted by the Company and that is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (viii) Any contractual restrictions placed on shares of restricted stock or other equity-based compensation awards that you have been awarded pursuant to the Company's 2002 Stock Compensation Plan shall lapse as of your Date of Termination;
- (ix) (A) Notwithstanding any provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company to you or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4(b)(ix)) (the "Total Payments"), would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then either:
  - (I) the Severance Benefits payable to you under this Section 4(b) shall be reduced to the minimum extent necessary so that no amount of the Total Payments is subject to the excise tax imposed by Code Section 4999, or
  - (II) the Total Payment will be made to you in full,

whichever of the foregoing amounts, taking into account Excise Tax, results in your receipt, on an after-tax basis, of the greatest amount of Total Payments, notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax. In the event that then the Severance Benefits payable to you under this Section 4(b) shall be reduced, the Company will reduce your Severance Benefits, to the extent required, in the

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following order (but, in each case, only the portion thereof, if any, which has been determined by the Company's independent accountants to be an "Excess Parachute Payment" within the meaning of Code Section 280G): (i) the payment described in Section 4(b)(i) of this Agreement, (ii) the payment described in Section 4(b)(ii); and (iii) the payment described in Section 4(b)(v). The fact that your right to Severance Benefits may be reduced by reason of the limitations contained in this Section 4(b)(ix) will not of itself limit or otherwise affect any of your other rights other than pursuant to this Agreement.

- (x) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions

of this Section 4(b)(x) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).

- (xi) You will be entitled to receive outplacement services, at the expense of the Company, from a provider reasonably selected by you. Such outplacement services must be incurred by you no later than the end of the calendar year that includes the second anniversary of your separation from service. If applicable, reimbursement of such expenses shall be made to you no later than the end of the calendar year that includes the third anniversary of your separation from service.
- (xii) To the extent that you prevail in any contest or dispute with respect to any interpretation, enforcement or defense of your rights under this Agreement by litigation or otherwise, the Company shall pay to you or reimburse you for all legal fees and expenses incurred by you as a result of such contest or dispute (including all such fees and expenses, if any, incurred in contesting or disputing any separation from service or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided hereunder), provided that

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such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(xii) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); and

- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in Sections 4(b)(i), (ii), (v) (if a lump sum has been elected previously in accordance with the terms of the applicable plan), (vi) and (xii) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your separation from service. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. As all of the payments referenced in the first sentence of this Section 4(b)(xiii) are included for purposes of determining the Gross-Up Payment, the thirty (30)-day period identified above shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments.
- (c) Notwithstanding any provision in this Agreement to the contrary, if a Change of Control occurs and you separate from service other than for Cause within six (6) months prior to the date on which the Change of Control occurs and you assert in writing to the Board within thirty (30) days following the Change of Control that such separation from service (i) was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement your separation from service shall be deemed to have occurred following the Change of Control and any payments owed to you hereunder as a result of such Change of Control shall be paid to you within sixty (60) days following the Change of Control, unless the Board determines in good faith that your separation from service (i) was not at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) did not otherwise arise in connection with or anticipation of the Change of Control, and (iii) would have occurred if the Change of Control were not anticipated.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any

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payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii), and as provided in Section 13.

- (e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a “specified employee” (as defined under Code Section 409A), then, notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply.
  - (i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your separation from service or, if earlier, the date of your death (the “Six -Month Delay Rule”). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the “Six -Month Delay”) shall instead be aggregated and paid to you no later than ten (10) days following the date that is six (6) months after your separation from service (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your separation from service shall be paid to you in accordance with the applicable terms of Section 4.
  - (ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:
    - (A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

- (B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

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- (C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section 4(e)(ii) will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company benefit plan.

- (f) The Company shall deliver to you a form general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following your separation from service. Notwithstanding any provision in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following your separation from service. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of your separation from service.

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.

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- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.
7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require you to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with you to satisfy such withholding obligations.
8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.
9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Delaware. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively in the courts in the State of North Carolina, Mecklenburg County, including the Federal Courts located therein or responsible therefor (should Federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.
10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its

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subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without Cause.

11. No Vested Interest. Neither you nor your estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.
13. Coordination with Employment Agreement. Payments and benefits under this Agreement shall be in lieu of or reduced by any severance payments or benefits provided to the Executive under an Employment Agreement or any other severance pay plan, policy or arrangement of the Company.
14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
16. Dispute Resolution. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association ("AAA") then in effect, in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. You acknowledge that by accepting this arbitration provision you are waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the

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extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants applicable to you, but may pursue its remedies in a court of competent jurisdiction.

17. Code Section 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.
18. Payments to Estate. The executor of your estate shall be entitled to receive all amounts owing to you at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on your behalf. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of your death or a judicial determination of your incompetence, reference in this Agreement to "you" will be deemed to refer, where appropriate, to your estate or other legal representative.

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If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

**EXECUTIVE ACCEPTANCE**

/s/ Jeremy W. Smeltser  
\_\_\_\_\_  
Jeremy W. Smeltser

**SPX CORPORATION**

By: /s/Christopher J. Kearney  
\_\_\_\_\_  
Christopher J. Kearney

Its: Chairman, President and Chief  
Executive Officer

Date: April 22, 2009

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November 20, 2008

J. Michael Whitted  
13515 Ballantyne Corporate Place  
Charlotte, NC 28277

Dear Mike:

SPX Corporation (the "Company") recognizes that your contribution to its growth and success will be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction, in the face of potentially disturbing circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement, originally agreed to October 8, 2004 (the "Commencement Date"), and as amended and restated herein (the "Agreement") to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that your employment is terminated due to a Change of Control as specifically provided in the remainder of the Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to be terminated when you have a "Separation from Service" within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code"), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. Term of Agreement. This Agreement will become effective on the date hereof, and shall continue in effect through the third anniversary of the Commencement Date (the "Date of Expiration"). However, on that initial Date of Expiration, and on each extended Date of Expiration thereafter, the term of this Agreement will be extended automatically for one additional year unless, not later than six (6) months prior to such Date of Expiration, the Company gives written notice to you that it has elected not to extend this Agreement. However, if a Change of Control occurs during the term of this Agreement, this Agreement will continue in effect for thirty-six (36) months beyond the end of the month in which the Change of Control occurred.
2. Change of Control of the Company. No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
  - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan which acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty percent (20%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty percent (20%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board of Directors of the Company determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty percent (20%) or more of the common shares of the Company 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 percent (20%) or more of the common shares of the Company 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

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extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership 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 execution of this Agreement), individuals who at the beginning of such two-year period constitute the Board of Directors of the Company 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) Approval by the shareholders of (or if such approval is not required, 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 eighty percent (80%) 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.

Any other provision of this Agreement to the contrary notwithstanding, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, 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).

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3. **Definitions.** The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) **Disability.** "Disability" shall mean that, as a result of your incapacity due to physical or mental injury or illness, you shall have been absent from the full-time performance of your duties with the Company for at least six (6) consecutive months and, within thirty (30) calendar days after written notice of suspension is given, you shall not have returned to the full-time performance of your duties.
- (b) **Retirement.** "Retirement" shall mean your voluntary termination of your employment (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) **Cause.** "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engage in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of a felony which impairs your ability substantially to perform your duties with the Company. For purposes of this paragraph (c), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company.



(d) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purpose of this Agreement, “Good Reason” shall mean, without your express written consent, the occurrence within three (3) years following a Change of Control of the Company of any one or more of the following:

(i) The assignment to you of duties inconsistent with your duties, responsibilities, and the status of your position as of the day prior to the Change of Control of the Company, or a reduction or alteration in the nature or status of your responsibilities from those in effect on the day prior to the Change of Control;

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(ii) A reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;

(iii) The Company’s requiring you to be based at a location in excess of two hundred and fifty (250) miles from the location where you are currently based;

(iv) The failure by the Company to continue in effect the Company’s Pension Plan, Retirement Savings Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan, Executive Bonus Plan, Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company’s employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;

(v) The failure of the Company to reinstate your employment in full (in the same capacity that you were employed, or in a mutually agreeable capacity) in the event that your employment was suspended due to a Disability and, within three years, you request to be reinstated and are ready, willing, and able to adequately perform your employment duties;

(vi) The termination, replacement, or reassignment of twenty-five percent (25%) or more of the elected officers of the Company existing as of the day prior to a Change of Control, unless the officer is terminated due to death, Disability, or Retirement, or by the Company for Cause, or by the officer other than for Good Reason (all as herein defined);

(vii) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and

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(viii) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (f), below, and for purposes of this Agreement, no such purported termination shall be effective.

(ix) At any time during the one (1) year period beginning thirty (30) days following a Change of Control, you shall be entitled to terminate your employment for any reason, and such termination shall be deemed to be for Good Reason for all purposes of this Agreement.

Your right to terminate your employment pursuant to this paragraph (d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder.

(e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a “Notice of Termination” shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.

(f) Date of Termination. “Date of Termination” shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.

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(g) Earned Bonus Amount. For any year prior to the year during which a Change of Control occurs, your “Earned Bonus Amount” means your actual bonus for that year. For the year during which a Change of Control occurs, your “Earned Bonus Amount” means your total potential

bonus for the year as determined under the 2005 Executive Bonus Plan or applicable successor bonus plan (the "Bonus Plan"), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. Compensation Upon Termination Following a Change of Control

- (a) Accrued Benefits. In the event that your employment is terminated for any reason during the term of this Agreement, following a Change of Control of the Company (as defined in Section 2 herein), you shall receive your Accrued Benefits through the Date of Termination. For purposes of this Agreement, your "Accrued Benefits" shall include the following:
- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
  - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs, prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the year in which the Date of Termination occurs, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;
  - (iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;
  - (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination;
  - (v) Any and all other cash earned through the Date of Termination and deferred at your election or pursuant to any deferred compensation plan then in effect;

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- (vi) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination; and
  - (vii) Subject to Section 4(e), the payments provided for in paragraphs (i), (ii), (iii), (iv) and (v) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your termination of employment. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.
- (b) Severance Benefits. In the event that your employment is terminated during the term of this Agreement following a Change of Control of the Company (as described in Section 2 herein), unless your termination is (i) because of your death, Disability, or Retirement; (ii) by the Company for Cause; or (iii) by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your "Severance Benefits" shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by three (3);
  - (ii) An amount equal to three (3) times the greatest of (I) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the year in which the Date of Termination occurs (the "Year of Termination") or (II) your target bonus under the Bonus Plan (or any successor plan) for the Year of Termination or (III) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;
  - (iii) For a three (3) year period after your Date of Termination, the Company will arrange to provide to you the same health care coverage you had prior to your termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages. For purposes of the Retirement Plan health care coverage, you will receive the same number

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of additional years of credited service, for computing your benefit, as normally computed under the terms of the Plan. Health care benefits otherwise receivable by you pursuant to this subparagraph (iii) shall be reduced to the extent comparable benefits are actually received by you from a subsequent employer during the three (3) year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company to the extent the provision of health care benefits receivable by you pursuant to this subparagraph (iii) extends beyond the COBRA continuation period, such benefits will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);

- (iv) For a three (3) year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the three (3) year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);

- (v) Under the Company's Supplemental Retirement Savings Plan (the "SRSP"), you will receive a cash lump sum payment of the full balance (vested and unvested) of your Pre-2005 Account (as defined in the SRSP);
- (vi) Each stock option which you have been granted by the Company and which is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (vii) Any contractual restrictions placed on shares of restricted stock or other equity based compensation awards which you have been awarded pursuant to the Company's Stock Compensation Plan shall lapse as of your Date of Termination;
- (viii) If any portion of the Severance Payments (in the aggregate, "Total Payments") will be subject to the golden parachute "Excise Tax" imposed by Section 4999 of the Code, the Company shall pay to you an additional

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amount (the "Gross-Up Payment") such that the net amount retained by you after deduction of any Excise Tax (including any related penalties and interest) on the Total Payments (but not any federal, state, or local income tax on the Total Payments), and any federal, state, and local income tax and Excise Tax (including any related penalties and interest) on the Gross-Up Payment, shall be equal to the Total Payments. The determination of whether any Excise Tax will be imposed and of the amount of the Gross-Up Payment will be made by tax counsel selected by the Company's independent auditors and acceptable to you. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (A) any other payments or benefit received or to be received by you in connection with a Change of Control of the Company or your termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement with the Company) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of such tax counsel such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4)(B) of the Code, and (B) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is made and state and local income taxes at the highest marginal rates of taxation in the state and locality of your residence (at the time at which the Gross-Up Payment is made) as effective for the calendar year in which the Gross-Up Payment is made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

The payments provided for in this subparagraph (viii) shall be made not later than thirty (30) calendar days following your Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by such tax counsel, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2) (B) of the Code) as soon as the amount thereof can be determined but in no event later than sixty (60)

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calendar days after your Date of Termination. In the event that the amount of the estimated payment exceeds the amount subsequently determined to have been due, such excess shall be repaid as soon as practicable after demand by the Company. Notwithstanding the foregoing, the sixty (60) day period for deferment of the Gross-Up Payment shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under this subparagraph or otherwise under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments pursuant to this subparagraph;

- (ix) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent required under Delaware law. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this paragraph (x) shall be reimbursed in accordance with the requirements of Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).
- (x) You will be entitled to receive outplacement services, at the expense of the Company, from a provider reasonably selected by you. Such outplacement services must be incurred by you no later than the end of the calendar year that includes the second anniversary of the termination of your employment. If applicable, reimbursement of such expenses shall be made to you no later than the end of the calendar year that includes the third anniversary of the termination of your employment.
- (xi) The Company also shall pay to you all legal fees and expenses incurred by you as a result of such termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provided hereunder), provided that such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this paragraph (xi) shall be reimbursed in accordance with the requirements of Section 409A

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and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); and

- (xii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (i), (ii), (v) and (xi) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your termination of employment. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. As all of the payments referenced in the first sentence of this subparagraph (xii) are included for purposes of determining the Gross-Up Payment, the thirty (30) day period identified above shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments.
- (c) Any provision in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if your employment with the Company is terminated within six (6) months prior to the date on which the Change of Control occurs, and if you reasonably demonstrate that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred or would be less likely to have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement the termination of your employment shall be deemed to have occurred following the Change of Control.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii).
- (e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a “specified employee” (as defined under Section 409A), then, notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply.

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- (i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your termination or, if earlier, the date of your death (the “Six Month Delay Rule”). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the “Six Month Delay”) shall instead be aggregated and paid to you no later than ten (10) days following the date that is six (6) months after your termination (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your termination shall be paid to you in accordance with the applicable terms of Section 4.
- (ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:
  - (A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),
  - (B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and
  - (C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this paragraph will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company benefit plan.

- (f) The Company shall deliver to you a release in favor of the Company that is acceptable to the Company (the “Release”) as soon as administratively feasible

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following your termination of employment. Notwithstanding anything in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following your termination of employment. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding

Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of the termination of your employment.

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.
- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely

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those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required.
8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.
9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Michigan.
10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without cause.
11. No Vested Interest. Neither you nor your beneficiaries shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.
13. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

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14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
15. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.
16. 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

**EXECUTIVE ACCEPTANCE**

/s/ J. Michael Whitted  
\_\_\_\_\_  
J. Michael Whitted

**SPX CORPORATION**

By: /s/Christopher J. Kearney  
\_\_\_\_\_  
Christopher J. Kearney

Its: Chairman, President and Chief  
Executive Officer

Date: November 20, 2008  
\_\_\_\_\_

Amendment to Change of Control Agreement

This shall constitute an amendment (the "Amendment") to the Change of Control agreement dated November 20, 2008 (the "Agreement") between J. Michael Whitted (the "Executive") and SPX Corporation pursuant to Section 9 of the Agreement, and shall be effective July 22, 2009.

WHEREAS, the parties wish to amend the Agreement to reflect the Executive's participation in the Supplemental Retirement Plan for Top Management;

NOW, THEREFORE, the parties agree as follows:

1. Section 3(d)(iv) of the Agreement shall be superseded and replaced in its entirety by the following provision:
  - "(iv) The failure by the Company to continue in effect the Company's Pension Plan, Retirement Savings Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan for Top Management, Executive Bonus Plan, Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company's employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;"
2. Section 4(a)(v) of the Agreement shall be superseded and replaced in its entirety by the following provision:
  - "(v) Any and all other cash earned through the Date of Termination and deferred at your election or pursuant to any deferred compensation plan then in effect, including your accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management;"

3. Section 4(b)(v) of the Agreement shall be superseded and replaced in its entirety by the following provision:
  - "(v) Under the Company's Supplemental Retirement Savings Plan (the 'SRSP'), you will receive a cash lump sum payment of the full balance (vested and unvested) of your Pre-2005 Account (as defined in the SRSP). In addition, under the Company's Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive two (2) additional full years of service credit for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, two (2) years will be added to your actual age, and the definition of 'Final Average Pay' (base and bonus) shall be the greater of (A) your highest three (3)-year average or (B) the sum of your actual base salary in effect at your Date of Termination plus the greatest of the bonus amounts described in parts (I), (II) and (III) of subparagraph (ii), above, with the additional benefits, to the extent not payable under the Pension Plan, to be paid as an additional benefit under the Supplemental Retirement Plan for Top Management;"

**IN WITNESS WHEREOF**, the parties have executed this Amendment effective as of the date first above written.

**EXECUTIVE ACCEPTANCE**

/s/ J. Michael Whitted

**SPX CORPORATION**

**BY:** /s/ Kevin L. Lilly  
Kevin L. Lilly

**Its:** Senior Vice President, Secretary  
and General Counsel

**Date:** July 22, 2009



April 22, 2009

Mr. Drew T. Ladau  
10930 Green Heron Court  
Charlotte, NC 28278

Dear Drew:

SPX Corporation (the "Company") recognizes that your contribution to its growth and success will be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction in the face of potentially disruptive circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement (the "Agreement") to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that you separate from service due to a Change of Control as specifically provided in the remainder of this Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to be terminated when you have a "Separation from Service" within the meaning of Section 409A of

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the Internal Revenue Code of 1986 (the "Code"), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. **Term of Agreement.** This Agreement will become effective on the date first written above (the "Effective Date"), and shall continue in effect through the second (2nd) anniversary of the Effective Date (the "Term"); provided, however, that this Agreement shall remain in effect and the Term shall be extended automatically from year to year thereafter for one (1) additional year unless, not later than six (6) months prior to the second (2nd) anniversary of the Effective Date, or any subsequent anniversary of the Effective Date, the Company gives written notice to you that it has elected not to extend this Agreement. Notwithstanding anything in this Section 1 to the contrary, if a Change of Control occurs during the Term of this Agreement, the Term of this Agreement shall be extended automatically to the second (2nd) anniversary of the Change in Control.
2. **Change of Control of the Company.** No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
  - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty percent (20%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty percent (20%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board of Directors of the Company determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty percent (20%) or more of the common shares of the Company 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 percent (20%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this Section 2(a), the following terms shall have the meanings set forth below:

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- (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) that 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) that 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) that 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

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to Section 2(a)(iii)(B)(2) above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership 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 that 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 execution of this Agreement), individuals who at the beginning of such two (2)-year period constitute the Board of Directors of the Company 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 Section 2(a), above, or Section 2(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) Approval by the shareholders of (or if such approval is not required, 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 Section 2(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 eighty percent (80%) 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 in this Agreement to the contrary, a "Change of Control" shall not include any transaction described in Section 2(a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, 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).

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3. **Definitions.** The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) **Disability.** For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, the Executive 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 twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.
- (b) **Retirement.** "Retirement" shall mean your voluntary separation from service (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) **Cause.** "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engage in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of (or pleaded *nolo contendere* to) a felony that impairs your ability substantially to perform your duties with the Company. For purposes of this Section 3(c), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission

was in the best interest of the Company. In addition, your employment shall be deemed to have terminated for Cause if, after your employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company or any successor or affiliate. Any act, or failure to act, on your part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate shall be conclusively presumed

to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

- (d) **Good Reason.** You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence within two (2) years following a Change of Control of the Company of any one (1) or more of the following:
- (i) A reduction or alteration in your duties and responsibilities, or the status of your position from those in effect on the day prior to the Change of Control;
  - (ii) A reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
  - (iii) The Company's requiring you to be based at a location in excess of one hundred (100) miles from the location where you are currently based;
  - (iv) The failure by the Company to continue in effect the Company's Individual Account Retirement Plan, Retirement Savings and Stock Ownership Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan for Top Management, applicable executive bonus plan, 2002 Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company's employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
  - (v) The failure of the Company to reinstate your employment in full (in the same capacity that you were employed, or in a mutually agreeable capacity) in the event that your employment was suspended due to a Disability and, within three (3) years of the Disability, you request to be reinstated and are ready, willing, and able to adequately perform your employment duties;
  - (vi) The separation from service, replacement, or reassignment of twenty-five percent (25%) or more of the elected officers of the Company existing as of the day prior to a Change of Control, excluding any officer who separates from service due to death, Disability, or Retirement, or who is terminated by

the Company for Cause, or who terminates other than for Good Reason (all as herein defined);

- (vii) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and
- (viii) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3(f), below, and for purposes of this Agreement, no such purported termination shall be effective.
- (ix) At any time during the thirty (30)-day period beginning one (1) year following a Change of Control, you shall be entitled to separate from service for any reason, and such separation from service shall be deemed to be for Good Reason for all purposes of this Agreement.

Your right to separate from service pursuant to this Section 3(d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder, except that you must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) days of the initial existence of the condition, and the Company will have a period of at least thirty (30) days following the notice during which it may remedy the condition.

- (e) **Notice of Termination.** Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.
- (f) **Date of Termination.** "Date of Termination" shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of

final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.

- (g) **Earned Bonus Amount.** For any year prior to the year during which a Change of Control occurs, your “Earned Bonus Amount” means your actual bonus for that year. For the year during which a Change of Control occurs, your “Earned Bonus Amount” means your total potential bonus for the year as determined under the 2005 Executive Bonus Plan or applicable successor bonus plan (the “Bonus Plan”), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year. For any year following the year during which a Change of Control occurs, your “Earned Bonus Amount” means the greater of (i) your actual bonus for the year prior to the year during which the Change of Control occurs and (ii) your total potential bonus for the year as determined under the Bonus Plan, according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. **Compensation Upon Separation from Service Following a Change of Control.**

- (a) **Accrued Benefits.** In the event that you separate from service for any reason during the Term of this Agreement following a Change of Control of the Company, you shall receive your Accrued Benefits through the Date of Termination to the extent unpaid. For purposes of this Agreement, your “Accrued Benefits” shall include the following:
- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
  - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs, prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the year in which the Date of Termination occurs, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;

- (iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;
  - (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination;
  - (v) Your accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management; and
  - (vi) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination.
  - (vii) Subject to Section 4(e), the payments provided for in Section 4(a)(i), (ii), (iii), and (iv) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your Date of Termination. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.
- (b) **Severance Benefits.** In the event that you separate from service during the Term of this Agreement following a Change of Control, unless your separation from service is (i) because of your death, Disability, or Retirement; (ii) a termination by the Company for Cause; or (iii) a termination by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your “Severance Benefits” shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by two (2);
  - (ii) An amount equal to two (2) times the greatest of (A) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the year in which the Date of Termination occurs (the “Year of Termination”) or (B) your target bonus under the Bonus Plan for the Year of Termination or (C) your Earned Bonus Amount for the Year of Termination, calculated as if

- (iii) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you the same group health care coverage you had prior to your Date of Termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages. For purposes of the retiree medical coverage, you will receive the same number of additional years of credited service for computing your benefit as normally computed under the terms of the retiree medical plan. Health care benefits otherwise receivable by you pursuant to this Section 4(b)(iii) shall be reduced to the extent comparable benefits are actually received by you from a subsequent employer during the two (2) -year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company. To the extent the provision of health care benefits receivable by you pursuant to this Section 4(b)(iii) extends beyond the COBRA continuation period, such benefits will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);
- (iv) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the two (2) -year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);
- (v) Under the Company's Individual Account Retirement Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive two (2) additional full years of service credit for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, two (2) years will be added to your actual age, and the definition of "Final Average Pay" (base and bonus) shall be the greater of (A) your highest three (3) -year average or (B) the sum of your actual base salary in effect at your Date of Termination plus the greatest of the bonus amounts described in parts (A), (B) and (C) of Section 4(b)(ii), above, with the additional benefits, to the extent not payable under the Individual Account Retirement Plan, to be

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paid as an additional benefit under the Supplemental Retirement Plan for Top Management;

- (vi) Under the Company's Supplemental Retirement Savings Plan (the "SRSP"), you will receive a cash lump sum payment of the full balance (vested and unvested) of your Pre-2005 Account (as defined in the SRSP);
- (vii) Each stock option that you have been granted by the Company and that is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (viii) Any contractual restrictions placed on shares of restricted stock or other equity-based compensation awards that you have been awarded pursuant to the Company's 2002 Stock Compensation Plan shall lapse as of your Date of Termination;
- (ix) (A) Notwithstanding any provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company to you or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4(b)(ix)) (the "Total Payments"), would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then either:
  - (I) the Severance Benefits payable to you under this Section 4(b) shall be reduced to the minimum extent necessary so that no amount of the Total Payments is subject to the excise tax imposed by Code Section 4999, or
  - (II) the Total Payment will be made to you in full,

whichever of the foregoing amounts, taking into account Excise Tax, results in your receipt, on an after-tax basis, of the greatest amount of Total Payments, notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax. In the event that then the Severance Benefits payable to you under this Section 4(b) shall be reduced, the Company will reduce your Severance Benefits, to the extent required, in the

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following order (but, in each case, only the portion thereof, if any, which has been determined by the Company's independent accountants to be an "Excess Parachute Payment" within the meaning of Code Section 280G): (i) the payment described in Section 4(b)(i) of this Agreement, (ii) the payment described in Section 4(b)(ii); and (iii) the payment described in Section 4(b)(v). The fact that your right to Severance Benefits may be reduced by reason of the limitations contained in this Section 4(b)(ix) will not of itself limit or otherwise affect any of your other rights other than pursuant to this Agreement.

- (x) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions

of this Section 4(b)(x) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).

- (xi) You will be entitled to receive outplacement services, at the expense of the Company, from a provider reasonably selected by you. Such outplacement services must be incurred by you no later than the end of the calendar year that includes the second anniversary of your separation from service. If applicable, reimbursement of such expenses shall be made to you no later than the end of the calendar year that includes the third anniversary of your separation from service.
- (xii) To the extent that you prevail in any contest or dispute with respect to any interpretation, enforcement or defense of your rights under this Agreement by litigation or otherwise, the Company shall pay to you or reimburse you for all legal fees and expenses incurred by you as a result of such contest or dispute (including all such fees and expenses, if any, incurred in contesting or disputing any separation from service or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided hereunder), provided that

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such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(xii) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); and

- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in Sections 4(b)(i), (ii), (v) (if a lump sum has been elected previously in accordance with the terms of the applicable plan), (vi) and (xii) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) days) following your separation from service. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events within the two and one-half (2½) months following the end of the calendar year in which the bonus is earned. As all of the payments referenced in the first sentence of this Section 4(b)(xiii) are included for purposes of determining the Gross-Up Payment, the thirty (30)-day period identified above shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments.
- (c) Notwithstanding any provision in this Agreement to the contrary, if a Change of Control occurs and you separate from service other than for Cause within six (6) months prior to the date on which the Change of Control occurs and you assert in writing to the Board within thirty (30) days following the Change of Control that such separation from service (i) was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement your separation from service shall be deemed to have occurred following the Change of Control and any payments owed to you hereunder as a result of such Change of Control shall be paid to you within sixty (60) days following the Change of Control, unless the Board determines in good faith that your separation from service (i) was not at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) did not otherwise arise in connection with or anticipation of the Change of Control, and (iii) would have occurred if the Change of Control were not anticipated.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any

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payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii), and as provided in Section 13.

- (e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a “specified employee” (as defined under Code Section 409A), then, notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply.
  - (i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your separation from service or, if earlier, the date of your death (the “Six -Month Delay Rule”). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the “Six -Month Delay”) shall instead be aggregated and paid to you no later than ten (10) days following the date that is six (6) months after your separation from service (together with interest at the interest credit rate provided in the SPX Corporation Individual Account Retirement Plan). Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your separation from service shall be paid to you in accordance with the applicable terms of Section 4.
  - (ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:
    - (A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

- (B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

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- (C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section 4(e)(ii) will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company benefit plan.

- (f) The Company shall deliver to you a form general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following your separation from service. Notwithstanding any provision in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) day following your separation from service. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of your separation from service.

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.

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- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.
7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require you to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with you to satisfy such withholding obligations.
8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.
9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Delaware. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively in the courts in the State of North Carolina, Mecklenburg County, including the Federal Courts located therein or responsible therefor (should Federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.
10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its

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subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without Cause.

11. No Vested Interest. Neither you nor your estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.
13. Coordination with Employment Agreement. Payments and benefits under this Agreement shall be in lieu of or reduced by any severance payments or benefits provided to the Executive under an Employment Agreement or any other severance pay plan, policy or arrangement of the Company.
14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
16. Dispute Resolution. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association ("AAA") then in effect, in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. You acknowledge that by accepting this arbitration provision you are waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the

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extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such determination. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants applicable to you, but may pursue its remedies in a court of competent jurisdiction.

17. Code Section 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.
18. Payments to Estate. The executor of your estate shall be entitled to receive all amounts owing to you at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on your behalf. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of your death or a judicial determination of your incompetence, reference in this Agreement to "you" will be deemed to refer, where appropriate, to your estate or other legal representative.

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If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

**EXECUTIVE ACCEPTANCE**

/s/ Drew T. Ladau  
Drew T. Ladau

**SPX CORPORATION**

By: /s/Christopher J. Kearney  
Christopher J. Kearney

Its: Chairman, President and Chief  
Executive Officer

Date: April 22, 2009

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**Certification**

I, Christopher J. Kearney, certify that:

1. I have reviewed this report on Form 10-Q of SPX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2009

/s/ CHRISTOPHER J. KEARNEY

President and Chief Executive Officer

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## Certification

I, Patrick J. O'Leary, certify that:

1. I have reviewed this report on Form 10-Q of SPX Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2009

/s/ PATRICK J. O'LEARY

Executive Vice President,  
Treasurer, and Chief Financial Officer

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The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission  
100 F. Street N.E.  
Washington, DC 20549

Re: SPX Corporation

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that:

- (i) this Quarterly Report on Form 10-Q, for the period ended June 27, 2009, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (ii) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of SPX Corporation.

Dated as of this 29th day of July, 2009.

/s/ CHRISTOPHER J. KEARNEY

Christopher J. Kearney  
President and Chief Executive Officer

/s/ PATRICK J. O'LEARY

Patrick J. O'Leary  
Executive Vice President,  
Treasurer and Chief Financial Officer

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