

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

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008, or

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, NC 28277
(Address of Principal Executive Offices) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, Par Value \$10.00	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 requirement for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 28, 2008 was \$6,910,385,877. The determination of affiliate status for purposes of the foregoing calculation is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of each of the registrant's classes of common stock as of February 23, 2009 was 49,612,024.

Documents incorporated by reference: Portions of the Registrant's Proxy Statement for its Annual Meeting to be held on April 22, 2009 are incorporated by reference into Part III of this Annual Report on Form 10-K.

PART I

ITEM 1. Business

(All dollar and share amounts are in millions, except per share data)

Forward-Looking Information

Some of the statements in this document and any documents incorporated by reference constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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 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" ("MD&A"). 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. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors, and forward-looking statements should not be relied upon as a prediction of actual results. In addition, management's estimates of future operating results are based on our current complement of businesses, which is subject to change. All the forward-looking statements are qualified in their entirety by reference to the factors discussed in this document under the heading "Risk Factors" and in 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 undertake no obligation to update or publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this document.

Business

We were incorporated in Muskegon, Michigan in 1912 as the Piston Ring Company and adopted our current name in 1988. Since 1968, we have been incorporated under the laws of Delaware, and we have been listed on the New York Stock Exchange since 1972.

We are a global multi-industry manufacturing company with operations in over 40 countries and sales in over 150 countries around the world. The majority of our revenues, approximately 56% in 2008, are driven by global infrastructure development. Our infrastructure-related products and services include wet and dry cooling systems, thermal service and repair work, heat exchangers and power transformers that we sell into the global power market. In addition, we provide pumps, metering systems and valves for the global oil and gas, chemical and petrochemical exploration, refinement and distribution markets. Our infrastructure-related products also include packaged cooling towers, boilers, heating and ventilation equipment and filters. We continue to focus on developing and acquiring products and services to serve global infrastructure development, as we believe that future investments in these end markets in both emerging and developed economies around the world provide significant opportunities for growth.

Our other two key global end markets are tools and diagnostics and food and beverage. During 2008, approximately 30% of our revenues were generated from serving these two end markets. Our primary offerings to the tools and diagnostics end market include, among other things, electronic diagnostic systems, specialty service tools, service equipment and technical information services with a primary focus on the global transportation market. Our strategy includes partnering with manufacturers of automobiles, agricultural and construction equipment and recreational vehicles, among others, to provide solutions for maintaining and servicing these vehicles after sale, with a continued focus on global expansion. For 2008, we estimate that we generated over 45% of our tools and diagnostic revenue outside North America. With the expanding global population and demand for vehicles, we believe there are significant international opportunities in this market, particularly in China and Russia.

Our acquisition of APV at the end of 2007 significantly increased our presence in the global food and beverage market. The products we provide to the food and beverage market include a variety of process equipment used to control flow and temperature during manufacturing, including various pumps, heat exchangers, valves and mixers. Growth for the food and beverage market is expected to continue throughout the globe, with the highest growth targeted for Asia Pacific and Latin America. We believe that our acquisition of APV leaves us well positioned to take advantage of these growth opportunities.

Our operating strategy is focused on an integrated leadership process that aligns performance measurement, decision support, compensation and communication. This process includes:

- a demanding set of corporate values to drive achievement of results with integrity;
- expanding our technological leadership and service offerings with a market focus on providing innovative, critical solutions to our customers;
- growing through internal development and strategic, financially compelling acquisitions;
- increased globalization with a focus on emerging and developing economies and markets;
- right-sizing our businesses to market and economic conditions to protect against economic downturns and take advantage of strong economic cycles;
- focusing on continuous improvement to drive results and create shareholder value; and
- strategically analyzing our businesses to determine their long-term fit.

Unless otherwise indicated, amounts provided throughout this Annual Report on Form 10-K relate to continuing operations only.

Segments

Over the last few years, we have implemented a number of operating initiatives, including a focus on emerging and developing markets, new product development, continuous lean improvement, efficient supply chain management, information technology infrastructure improvement, and organizational and talent development, with the intent, among other things, of capturing synergies that exist within our businesses and, ultimately, on driving revenue, profit margin and cash flow growth. We believe that our businesses are well positioned for long-term growth in these financial metrics based on our current continuous improvement initiatives, the potential within the current markets they serve and the potential for expansion into additional markets.

We aggregate our operating segments into four reportable segments in accordance with the criteria defined in Statement of Financial Accounting Standards ("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, pensions and postretirement expense, 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. For more information on the results of our segments, including revenues by geographic area, see Note 5 to our consolidated financial statements.

Flow Technology

Our Flow Technology segment had revenues of \$1,998.7, \$1,070.0 and \$815.4 in 2008, 2007 and 2006, respectively. APV, a global manufacturer of process equipment and engineering solutions primarily for the food and beverage market, had revenues of approximately \$876.0 and \$753.0 in 2007 and 2006, respectively, which were not included in our results of operations for 2007 and 2006, as we acquired APV on December 31, 2007. The Flow Technology segment designs, manufactures and markets products and solutions that are used to blend, meter and transport fluids, as well as air and gas filtration and dehydration products. Our focus is on innovative, highly engineered new product introductions and expansion from products to systems and services in order to create total customer solutions. Our primary products include high-integrity pumps, valves, heat exchangers, fluid mixers, agitators, metering systems, filters and dehydration equipment. Our primary global end markets are food and beverage and pharmaceutical processing, power generation, general industrial, chemical processing, oil and gas processing, air dehydration and mining. We sell to these end markets under the brand names of Waukesha Cherry-Burrell, Lightmin, Copes-Vulcan, M&J Valves, Bran & Luebbe, APV, APV Gaulin, APV Rannie, Pneumatic Products, Delair, Dollinger Filtration, Jemaco, Kemp, Vokes, Deltech and Hankinson. Competitors in these fragmented markets include Alfa Laval AB, GEA Group AG, Fisher Controls International LLC, Hayward Filtration, Chemineer, Inc., EKATO Group, LEWA, Inc., Fristam Pumpen F. Stamp KG (GmbH & Co.) and Südmo North America, Inc. The segment continues to focus on initiatives such as the continued integration of APV, a global enterprise resource planning ("ERP") system implementation and lean manufacturing improvements. Channels to market include stocking distributors, manufacturers' representatives and direct sales.

Test and Measurement

Our Test and Measurement segment had revenues of \$1,100.3, \$1,079.8 and \$1,049.7 in 2008, 2007 and 2006, respectively. This 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 diagnostic service tools, fare-collection systems and portable cable and pipe locators. Our diagnostic service tools product line includes diagnostic systems and service equipment, as well as specialty tools. We sell diagnostic service tools to the franchised vehicle dealers of original equipment manufacturers ("OEM"s), aftermarket franchised and independent repair facilities, under the OTC, Actron, AutoXray, Tecnotest and Robinair brand names. These products compete with brands such as Snap-on and Bosch. We intend to grow this business by developing new service capabilities and strengthening alliances in diagnostic platforms, as well as through acquisitions. We are a primary global provider of diagnostic service tools for motor vehicle manufacturers' dealership networks such as those belonging to General Motors, Ford, Chrysler, BMW, Volkswagen, Renault, Nissan, Harley Davidson and John Deere. Sales of specialty service tools essential to dealerships tend to vary with changes in vehicle systems design and the number of dealerships and are not directly correlated with the volume of vehicles produced by the motor vehicle manufacturers. The segment sells automated fare-collection systems to municipal bus and rail transit systems, as well as ride ticket vending systems, primarily within the North American market. Our portable cable and pipe locator line is composed of electronic testing, monitoring and inspection equipment for locating and identifying metallic sheathed fiber optic cable, horizontal boring guidance systems and inspection cameras. The segment sells this product line to a wide customer base, including utility and construction companies, municipalities and telecommunication companies. 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. The primary distribution channels for the Test and Measurement segment are direct to OEMs and OEM dealers, aftermarket tool and equipment providers and retailers.

Thermal Equipment and Services

Our Thermal Equipment and Services segment had revenues of \$1,690.1, \$1,560.5 and \$1,327.7 in 2008, 2007 and 2006, respectively. This 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. We sell our cooling products and services under the brand names of Marley, Balcke-Duerr, Ceramic and Hamon Dry Cooling, with the major competitors to these product and service lines being Baltimore Aircoil Company, Evapco, Inc., GEA Group AG, Alstom SA, Siemens AG and Babcock & Wilcox Company. Our hydronic products include a complete line of gas and oil fired cast iron boilers for space heating in residential and commercial applications, as well as ancillary equipment. The segment's primary hydronic products competitors are Burnham Holdings, Inc. and Buderus. Our heating and ventilation product line includes i) baseboard, wall unit and portable heaters, ii) commercial cabinet and infrared heaters, iii) thermostats and controls, iv) air curtains and v) circulating fans. The segment sells heating and ventilation products under the Berko, Qmark, Farenheat, Aztec, Patton and Leading Edge brand names, with the principal competitors being TPI Corporation, Ouellet, King Electric, Systemair MFG. LLC, Cadet Manufacturing Company and Dimplex North America Ltd for heating products and TPI Corporation, Broan-NuTone LLC and Airmaster Fan Company for ventilation products. 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. The primary distribution channels for the Thermal Equipment and Services segment are direct to customers, independent manufacturing representatives, third-party distributors and retailers.

Industrial Products and Services

Our Industrial Products and Services segment had revenues of \$1,066.6, \$865.1 and \$741.6 in 2008, 2007 and 2006, respectively. Of the segment's 2008 revenue, approximately 47% was from the sale of power transformers into the US transmission and distribution market. We are a leading provider of medium sized transformers (MVA between 10 and 60 mega-watts) in the United States. Our transformers are sold under the Waukesha Electric brand name. This brand is recognized for quality and reliability by our customers. Typical customers for this product line are public and privately held utilities. Our key competitors in this market include ABB Ltd, (Kuhlman Electric Corporation) and GE-Prolec.

Additionally, this segment includes operating units that design and manufacture 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, communications and signal monitoring systems, and precision controlled industrial ovens and chambers. The primary distribution channels for the Industrial Products and Services segment are direct to customers, independent manufacturing representatives and third-party distributors.

Acquisitions

We regularly review and negotiate potential acquisitions in the ordinary course of business, some of which are or may be material. We will continue to pursue acquisitions and we may consider acquisitions of businesses with more than \$1,000.0 in annual revenues.

In September 2008, in the Test and Measurement segment, we 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 twelve months prior to its acquisition.

Divestitures

As part of our operating strategy, we regularly review and negotiate potential divestitures in the ordinary course of business, 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. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we report businesses or asset groups as discontinued operations when the operations and cash flows of the business or asset group have been or are expected to be eliminated, when we do not expect to have any continuing involvement with the business or asset group after the disposal transaction, and when we have met these additional six criteria:

- management has approved a plan to sell the business or asset group;
- the business or asset group is available for immediate sale;
- an active program to sell the business or asset group has been initiated;
- the sale of the business or asset group is probable within one year;
- the marketed sales value of the business or asset group is reasonable in relation to its current fair value; and
- it is unlikely that the plan to divest the business or asset group will be significantly altered or withdrawn.

The following businesses, which have been sold, met the above requirements and therefore have been reported as discontinued operations for all periods presented:

<u>Business</u>	<u>Quarter Discontinued</u>	<u>Actual Closing Date of Sale</u>
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
Balcke-Duerr Austria GmbH ("BD Austria")	Q4 2007	Q4 2007
Nema AirFin GmbH ("Nema")	Q4 2007	Q4 2007
Contech ("Contech")	Q3 2006	Q2 2007
Dock Products ("Dock")	Q2 2006	Q4 2006
Dielectric Tower ("Tower")	Q4 2005	Q1 2006
Security and protection business ("Vance")	Q3 2005	Q1 2006

During the third and fourth quarters of 2008, we committed to plans to divest a business within our Flow Technology segment and a business within our Industrial Products and Services segment, respectively. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our consolidated financial statements. As a result of these planned divestitures, we recorded a net charge of \$29.0 during 2008 to "Gain (loss) on disposition of discontinued operations, net of tax" in order to reduce the carrying value of the related net assets to be sold to their estimated net realizable value (i.e., projected sales price, net of estimated transaction costs, the expected payment to a minority shareholder and a charge of \$7.0 related to tax matters). In January 2009, we sold the business within the Flow Technology segment for cash and a promissory note totaling \$23.5. We are actively pursuing the sale of the business

within the Industrial Products and Services segment and anticipate that the sale will be completed during the next twelve months.

Joint Venture

We have a joint venture, EGS Electrical Group, LLC and Subsidiaries ("EGS"), with Emerson Electric Co., in which we hold a 44.5% interest. Emerson Electric Co. controls and operates the joint venture. EGS operates primarily in the United States, Canada and France and is engaged in the manufacture of electrical fittings, hazardous location lighting and power conditioning products. We account for our investment under the equity method of accounting, on a three-month lag basis. We typically receive our share of this joint venture's earnings in cash dividends paid quarterly.

See Note 9 to our consolidated financial statements for more information on EGS.

International Operations

We are a multinational corporation with operations in over 40 countries. Our export sales from the United States were \$553.5 in 2008, \$332.5 in 2007 and \$328.6 in 2006.

See Note 5 to our consolidated financial statements for more information on our international operations.

Research and Development

We are actively engaged in research and development programs designed to improve existing products and manufacturing methods and to develop new products to better serve our current and future customers. These efforts encompass all of our products with divisional engineering teams coordinating their resources. We place particular emphasis on the development of new products that are compatible with, and build upon, our manufacturing and marketing capabilities.

We spent \$67.2 on research activities relating to the development and improvement of our products in 2008, \$60.4 in 2007 and \$51.9 in 2006. In addition, we expensed purchased in-process research and development of \$0.9 during 2007 related to the APV acquisition.

Patents/Trademarks

We own over 700 domestic patents and 200 foreign patents, including approximately 50 patents that were issued in 2008, covering a variety of our products and manufacturing methods. We also own a number of registered trademarks. Although in the aggregate our patents and trademarks are of considerable importance in the operation of our business, we do not consider any single patent or trademark to be of such importance that its absence would adversely affect our ability to conduct business as presently constituted to a significant extent. We are both a licensor and licensee of patents. For more information, please refer to "Risk Factors."

Outsourcing and Raw Materials

We manufacture many of the components used in our products; however, our strategy includes outsourcing some components and sub-assemblies to other companies where strategically and economically feasible. In instances where we depend on third-party suppliers for outsourced products or components, we are subject to the risk of customer dissatisfaction with the quality or performance of the products we sell due to supplier failure. In addition, business difficulties experienced by a third-party supplier can lead to the interruption of our ability to obtain the outsourced product and ultimately to our inability to supply products to our customers. We believe that we generally will be able to continue to obtain adequate supplies of major items or appropriate substitutes at reasonable costs.

We are subject to potential increases in the prices of many of our key raw materials, including petroleum-based products, steel and copper. In recent years we have generally been able to offset increases in raw material costs across our segments mainly through effective price increases.

Because of our diverse products and services, as well as the wide geographic dispersion of our production facilities, we use numerous sources for the raw materials needed in our operations. We are not significantly dependent on any one or a limited number of suppliers, and we have been able to obtain suitable quantities of necessary raw materials at competitive prices.

Competition

Although our businesses are in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since our competitors do not offer all of the same product lines or serve all of the same markets as we do. 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 innovation. These methods vary with the type of product sold. We believe that we can compete effectively on the basis of each of these factors as they apply to the various products offered. See "Segments" above for a discussion of our competitors.

Environmental Matters

See "MD&A — Critical Accounting Policies and Use of Estimates — Contingent Liabilities," "Risk Factors" and Note 14 to our consolidated financial statements for information regarding environmental matters.

Employment

At December 31, 2008, we had approximately 17,800 employees associated with businesses that have been classified in our consolidated financial statements as continuing operations. Additionally, we had approximately 700 employees associated with two businesses that we have sold, or intend to sell, in 2009 and have classified in our consolidated financial statements as discontinued operations. Eleven domestic collective bargaining agreements cover approximately 1,300 employees, one of which relates to a business classified in our consolidated financial statements as a discontinued operation. We also have various collective labor arrangements covering certain non-U.S. employee groups. While we generally have experienced satisfactory labor relations, we are subject to potential union campaigns, work stoppages, union negotiations and other potential labor disputes.

Executive Officers

See Part III, Item 10 of this report for information about our executive officers.

Other Matters

No customer or group of customers that, to our knowledge, are under common control accounted for more than 10% of our consolidated revenues for any period presented.

Our businesses maintain sufficient levels of working capital to support customer requirements, particularly inventory. We believe that our businesses' sales and payment terms are generally similar to those of our competitors.

Many of our businesses closely follow changes in the industries and end-markets that they serve. In addition, certain businesses have seasonal fluctuations. Revenues for our Test and Measurement segment primarily follow customer-specified program launch timing for diagnostic systems and service equipment. Demand for products in our Thermal Equipment and Services segment is correlated to contract timing on large construction contracts and is also driven by seasonal weather patterns, both of which may cause significant fluctuations from period to period. Historically, our businesses generally tend to be stronger in the second half of the year.

Our website address is www.spx.com. Information on our website is not incorporated by reference herein. We file reports with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports. Copies of these reports are available free of charge on our website as soon as reasonably practicable after we file the reports with the SEC. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is www.sec.gov. Additionally, you may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

ITEM 1A. Risk Factors

(All amounts are in millions, except per share data)

You should consider the risks described below and elsewhere in our documents filed with the SEC before investing in any of our securities. We may amend, supplement or add to the risk factors described below from time to time in future reports filed with the SEC.

Worldwide economic conditions could negatively impact our businesses.

The general worldwide deterioration of economic conditions and tightening of credit markets beginning in 2008 are contributing to slowdowns in many industries, including industries in which we or our customers operate. This deterioration and tightening affects businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. These conditions could negatively impact our businesses by adversely affecting, among other things, our:

- revenues;
- profits;
- margins;
- cash flows;
- suppliers' and distributors' ability to perform;
- derivative counterparties' ability to perform their obligations;
- levels of customers' orders;
- order cancellation activity;
- customers' ability to access credit; and
- customers' ability to pay amounts due to us.

We cannot predict the duration or severity of these conditions, but, if they worsen or continue for an extended time, the negative impact on our businesses could increase. See MD&A for further discussion of how these conditions have affected our businesses to date and how they may affect it in the future.

Difficulties presented by international economic, political, legal, accounting and business factors could negatively affect our interests and business effort.

We are an increasingly global company, with a significant portion of our sales taking place outside the United States. In 2008, approximately 48% of our revenues were generated outside the United States, and we expect that over 50% of our revenues will be generated outside the United States in 2009. We have placed a particular emphasis on expanding our presence in emerging and developing markets.

As part of our strategy, we manage businesses with manufacturing facilities worldwide, many of which are located outside the United States.

Our reliance on non-U.S. revenues and non-U.S. manufacturing bases exposes us to a number of risks, including:

- possible significant competition from local or long-time participants in non-U.S. markets who may have significantly greater market knowledge and substantially greater resources than we do;
- local customers may have a preference for locally-produced products. For example, we are facing increased competition from local suppliers in China;
- regulatory or political systems or barriers may make it difficult or impossible to enter new markets. In addition, these barriers may impact our existing businesses, including making it more difficult for them to grow;
- domestic and foreign customs and tariffs may make it difficult or impossible for us to move our products or profits across borders in a cost-effective manner;

- adverse tax consequences, including imposition or increase of income and other taxes on remittances and earnings by subsidiaries may impact our net income;
- transportation and shipping expenses add cost to our products, and may impact our profit margins or lead to lost business;
- credit risk or financial condition of local customers and distributors;
- nationalization of private enterprises;
- government embargos or foreign trade restrictions such as anti-dumping duties. Also, the imposition of trade sanctions by the United States or the European Union against a class of products imported by us from, sold by us to, or the loss of "normal trade relations" status with, countries in which we conduct business could significantly increase our cost of products imported into the United States or Europe or reduce our sales and harm our business;
- environmental and other laws and regulations;
- our ability to obtain supplies from foreign vendors and ship products internationally may be impaired during times of crisis or otherwise;
- difficulties in protecting intellectual property;
- local, regional or worldwide hostilities;
- distance, language and cultural differences may make it more difficult to manage the business and employees, and to effectively market our products and services;
- potential imposition of restrictions on investments; and
- local political, economic and social conditions, including the possibility of hyperinflationary conditions and political instability.

As an increasing percentage of our products is manufactured in China, South Africa and other developing countries, health conditions and other factors affecting social and economic activity in these countries or affecting the movement of people and products into and from these countries to our major markets, including North America and Europe, could have a significant negative effect on our operations. Because of the importance of our international sales and sourcing of manufacturing, the occurrence of any risk described above could have a material adverse effect on our financial position, results of operations or cash flows.

Our sales are translated into U.S. dollars for reporting purposes. The strengthening or weakening of the U.S. dollar could result in unfavorable translation effects as the results of transactions in foreign countries are translated into U.S. dollars. In addition, sales and purchases in currencies other than the U.S. dollar expose us to fluctuations in foreign currencies relative to the U.S. dollar. Increased strength of the U.S. dollar will increase the effective price of our products sold in U.S. dollars into other countries, which may have a material adverse effect on sales or require us to lower our prices, and also decrease our reported revenues or margins in respect of sales conducted in foreign currencies to the extent we are unable or determine not to increase local currency prices. Likewise, decreased strength of the U.S. dollar could have a material adverse effect on the cost of materials and products purchased overseas.

Our indebtedness may affect our business and may restrict our operating flexibility.

At December 31, 2008, we had \$1,344.7 in total indebtedness. On that same date, we had \$411.8 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under our domestic revolving loan facility of \$65.0 and to \$123.2 reserved for outstanding letters of credit. In addition, we had \$257.6 of available issuance capacity under our foreign trade facility after giving effect to \$692.4 reserved for outstanding letters of credit. At December 31, 2008, our cash and equivalents balance was \$475.9. See MD&A and Note 12 to our consolidated financial statements for further discussion. We may incur additional indebtedness in the future, including indebtedness incurred to finance, or which is assumed in connection with, acquisitions. We may in the future renegotiate or refinance our senior credit facilities, senior notes or other debt facilities, or enter into additional agreements that have different or more stringent terms. The level of our indebtedness could:

- limit cash flow available for general corporate purposes, such as acquisitions and capital expenditures, due to the ongoing cash flow requirements for debt service;

- limit our ability to obtain, or obtain on favorable terms, additional debt financing in the future for working capital, capital expenditures or acquisitions;
- limit our flexibility in reacting to competitive and other changes in the industry and economic conditions;
- expose us to a risk that a substantial decrease in net operating cash flows due to economic developments or adverse developments in our business could make it difficult to meet debt service requirements; and
- expose us to risks inherent in interest rate fluctuations to the extent existing borrowings are, and any new borrowings may be, at variable rates of interest, which could result in higher interest expense and interest payments in the event of increases in interest rates.

Our ability to make scheduled payments of principal or pay interest on, or to refinance, our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. In addition, we cannot assure that future borrowings or equity financing will be available for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, whether in the ordinary course of business or upon an acceleration of such indebtedness, we may pursue one or more alternative strategies, such as restructuring or refinancing our indebtedness, selling assets, reducing or delaying capital expenditures, revising implementation of or delaying strategic plans or seeking additional equity capital. Any of these actions could have a material adverse effect on our business, financial condition, results of operations and stock price. In addition, we cannot assure that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements, or that these actions would be permitted under the terms of our various debt agreements.

Numerous banks in many countries are syndicate members in our credit facility. Failure of one or more of our larger lenders, or several of our smaller lenders, could reduce availability of our credit, which could harm our liquidity.

We are subject to laws, regulations and potential liability relating to claims, complaints and proceedings, including those relating to environmental and other matters.

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

We face environmental exposures including, for example, those relating to discharges from and materials handled as part of our operations, the remediation of soil and groundwater contaminated by petroleum products or hazardous substances or wastes, and the health and safety of our employees. We may be liable for the costs of investigation, removal or remediation of hazardous substances or petroleum products on, under, or in our current or formerly owned or leased property, or from a third-party disposal facility that we may have used, without regard to whether we knew of, or caused, the presence of the contaminants. The presence of, or failure to properly remediate, these substances may have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on the ability to sell or rent affected property or to borrow funds using affected property as collateral. New or existing environmental matters or changes in environmental laws or policies could lead to material costs for environmental compliance or cleanup. There can be no assurance that these liabilities and costs will not have a material adverse effect on our financial position, results of operations or cash flows. See Note 14 to our consolidated financial statements for further discussion.

We face numerous claims, complaints and proceedings. Class actions, derivative lawsuits and contracts, intellectual property, competitive, personal injury, product liability, workers' compensation and other claims have been filed against us and certain of our subsidiaries and some of these remain pending. From time to time, we face actions by governmental authorities, both in and outside the United States. 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. Our insurance may be insufficient or unavailable to protect us against potential loss exposures. We have increased our self-insurance limits over the past several years, which has increased our uninsured exposure.

We devote significant time and expense to defense against the various claims, complaints and proceedings brought against us, and we cannot assure that the expenses or distractions from operating our businesses arising from these defenses will not increase materially.

We cannot assure that our accruals and right to indemnity and insurance will be sufficient, that recoveries from insurance or indemnification claims will be available or that any of our current or future claims or other matters will not have a material

adverse effect on our financial position, results of operations or cash flows. See "MD&A — Critical Accounting Policies and Use of Estimates — Contingent Liabilities."

The price of raw materials may adversely affect our results.

We are exposed to a variety of market risks, including inflation in the prices of raw materials. In recent years, we have faced significant volatility in the prices of many of our key raw materials, including petroleum-based products, steel and copper. Increases in the prices of raw materials may have a material adverse effect on our financial position, results of operations or cash flows, as we may not be able to pass cost increases on to our customers, or our sales may be reduced.

A portion of our revenues is generated through long-term fixed-price contracts, which could expose us to various risks including the risks of cost overruns, inflation and credit and other counterparty risks.

A portion of our revenues and earnings is generated through long-term fixed-price contracts. We recognize revenues from certain of these contracts using the percentage-of-completion method of accounting whereby revenues and expenses, and thereby profit, in a given period are determined based on our estimates as to the project status and the costs remaining to complete a particular project. Estimates of total revenues and cost at completion are subject to many variables, including the length of time to complete a contract. To the extent that we underestimate the remaining cost to complete a project, we may overstate the revenues and profit in a particular period. Further, certain of these contracts provide for penalties for failure to timely perform our obligations under the contract, or require that we, at our expense, correct and remedy to the satisfaction of the other party certain defects. Because some of our long-term contracts are at a fixed price, we face the risk that cost overruns or inflation may exceed, erode or eliminate our expected profit margin, or cause us to take a loss on our projects. Additionally, even though we perform credit checks and conduct other due diligence on those with whom we do business, customers of our long-term contracts may suffer financial difficulties that make them unable to pay for a project when completed or they may decide, either as a matter of corporate decision-making or in response to changes in local laws and regulations, not to pay us. We cannot assure that expenses or losses for uncollectible billings relating to our long-term fixed-price contracts will not have a material adverse effect on our revenues and earnings.

Our failure to successfully integrate acquisitions could have a negative effect on our operations; our acquisitions could cause financial difficulties.

As part of our business strategy, we evaluate potential acquisitions in the ordinary course, some of which could be and have been material. Our acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- adverse effects on our reported operating results due to charges to earnings, including impairment charges associated with goodwill and other intangibles;
- diversion of management attention from running our businesses;
- integration of technology, operations, personnel and financial and other systems;
- increased expenses;
- increased foreign operations, often with unique issues relating to corporate culture, compliance with legal and regulatory requirements and other challenges;
- assumption of known and unknown liabilities and exposure to litigation;
- increased levels of debt or dilution to existing shareholders; and
- potential disputes with the sellers of acquired businesses, technology, services or products.

In addition, internal controls over financial reporting of acquired companies may not be up to required standards. Issues may exist that could rise to the level of significant deficiencies or, in some cases, material weaknesses, particularly with respect to foreign companies or non-public U.S. companies acquired.

Our integration activities may place substantial demands on our management, operational resources and financial and internal control systems. Customer dissatisfaction or performance problems with an acquired business, technology, service or product could also have a material adverse effect on our reputation and business. In addition, any acquired business, technology, service or product could under-perform relative to our expectations.

We may not achieve the expected cost savings and other benefits of our acquisitions.

We strive for and expect to achieve cost savings in connection with our acquisitions, including: (i) manufacturing process and supply chain rationalization, including plant closings in some cases; (ii) streamlining redundant administrative overhead and support activities; and (iii) restructuring and repositioning sales and marketing organizations to eliminate redundancies. Cost savings expectations are inherently estimates that are difficult to predict and are necessarily speculative in nature, and we cannot assure that we will achieve expected, or any, cost savings. In addition, we cannot assure that unforeseen factors will not offset the estimated cost savings or other benefits from our acquisitions. As a result, our actual cost savings, if any, and other anticipated benefits could be delayed and could differ significantly from our estimates and the other information contained in this report.

Our failure to successfully complete acquisitions could negatively affect us.

We may not be able to consummate desired acquisitions, which could materially impact our growth rate, results of operations, future cash flows and stock price. Our ability to achieve our goals depends upon, among other things, our ability to identify and successfully acquire companies, businesses and product lines, to effectively integrate them and to achieve cost effectiveness. We may also be unable to raise any additional funds necessary to consummate these acquisitions. In addition, decreases in our stock price may adversely affect our ability to consummate acquisitions. Competition for acquisitions in our business areas may be significant and result in higher prices for businesses, including businesses that we may target, which may also affect our acquisition rate or benefits achieved from our acquisitions.

We operate in highly competitive industries. Our failure to compete effectively could harm our business.

We operate in a highly competitive environment, competing on the basis of product offerings, technical capabilities, quality, service and pricing. We have a number of competitors, some of which are large, with substantial technological and financial resources, brand recognition and established relationships with global service providers. Some of our competitors have low cost structures, support from governments in their home countries, or both. In addition, new competitors may enter the industry. We cannot assure that we will be able to compete successfully against existing or future competitors. Competitors may be able to offer lower prices, additional products or services or a more attractive mix of products or services, or services or other incentives that we cannot or will not match. These competitors may be in a stronger position to respond quickly to new or emerging technologies and may be able to undertake more extensive marketing campaigns, and make more attractive offers to potential customers, employees and strategic partners than we can.

Our strategy to outsource various elements of the products we sell subjects us to the business risks of our suppliers, which could have a material adverse impact on our operations.

In areas where we depend on third-party suppliers for outsourced products or components, we are subject to the risk of customer dissatisfaction with the quality or performance of the products we sell due to supplier failure. In addition, business difficulties experienced by a third-party supplier can lead to the interruption of our ability to obtain the outsourced product and ultimately our inability to supply products to our customers. Third-party supplier business interruptions can include, but are not limited to, work stoppages and union negotiations and other labor disputes. Current economic conditions could impact the ability of suppliers to access credit and, thus, possibly impair their ability to provide us quality product in a timely manner, or at all.

Changes in key estimates and assumptions, such as discount rates, assumed long-term return on assets, assumed long-term trends of future costs, accounting and legislative changes as well as our actual investment returns on our pension plan assets and other actuarial factors could affect our results of operations and cash flows.

We have defined benefit pension and postretirement plans, including both qualified and non-qualified plans that cover a portion of our salaried and hourly paid employees and retirees including certain employees and retirees in foreign countries. As of December 31, 2008, these plans were underfunded by \$450.8. The determination of funding requirements and pension expense or income associated with these plans involves significant judgement, particularly with respect to discount rates, long-term returns on assets, long-term trends of future costs and other actuarial assumptions. If our assumptions change significantly due to changes in economic, legislative and/or demographic experience or circumstances, our pension and other benefit plans' expense, funded status and our cash contributions to such plans could be negatively impacted. In addition, the difference between our actual investment returns and our long-term return on assets assumptions would result in a change to

our pension plans' expense, funded status and our required contributions to the plans. See "MD&A—Critical Accounting Policies and Use of Estimates" for the impact that changes in certain assumptions used in the calculation of our costs and obligations associated with these plans could have on our results of operations and financial position.

Dispositions or our failure to successfully complete dispositions could negatively affect us.

We continually review each of our businesses in order to determine their long-term strategic fit. As part of this strategy, we dispose of certain of our businesses in the ordinary course, some of which dispositions could be and have been material. Our dispositions involve a number of risks and present financial, managerial and operational challenges, including diversion of management attention from running our core businesses, increased expense associated with the dispositions, potential disputes with the acquirers of the disposed businesses and a potential dilutive effect on our earnings per share. If dispositions are not completed in a timely manner there may be a negative effect on our cash flows and/or our ability to execute our strategy. See "Business" and Note 4 to our consolidated financial statements for the status of our divestitures.

Increases in the number of shares of our outstanding common stock could adversely affect our common stock price or dilute our earnings per share.

Sales of a substantial number of shares of common stock into the public market, or the perception that these sales could occur, could have a material adverse effect on our stock price. As of December 31, 2008, approximately 1.3 shares of our common stock were issuable upon exercise of outstanding stock options by employees and non-employee directors and we had the ability to issue up to an additional 5.8 shares as restricted stock, restricted stock units, or stock options under our 2002 Stock Compensation Plan. Additionally, we may issue a significant number of additional shares, in connection with acquisitions or otherwise. We also have a shelf registration statement for 8.3 shares of common stock that may be issued in connection with acquisitions. Additional shares issued will have a dilutive effect on our earnings per share.

We may not be able to finance future needs or adapt our business plan to react to changes in economic or business conditions because of restrictions placed on us by our senior credit facilities and any existing or future instruments governing our other indebtedness.

Our senior credit facilities, the indentures governing our senior notes and agreements governing our other indebtedness contain, or may contain, a number of restrictions and covenants that limit our ability to make distributions or other payments to our investors and creditors unless certain financial tests or other criteria are satisfied. We also must comply with certain specified financial ratios and tests. Our subsidiaries may also be subject to restrictions on their ability to make distributions to us. In addition, our senior credit facilities, indentures governing our senior notes and any other agreements contain or may contain additional affirmative and negative covenants. Existing restrictions are described more fully under MD&A. Each of these restrictions could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities, such as acquisitions.

If we do not comply with the covenants and restrictions contained in our senior credit facilities, indentures governing our senior notes and agreements governing our other indebtedness, we could be in default under those agreements, and the debt, together with accrued interest, could then be declared immediately due and payable. If we default under our senior credit facilities, the lenders could cause all our outstanding debt obligations under our senior credit facilities to become due and payable or require us to apply all of our cash to repay the indebtedness we owe. If our debt is accelerated, we may not be able to repay or refinance our debt. Even if we are able to obtain new financing, we may not be able to repay our debt or borrow sufficient funds to refinance it. In addition, any default under our senior credit facilities, indentures governing our senior notes or agreements governing our other indebtedness could lead to an acceleration of debt under other debt instruments that contain cross-acceleration or cross-default provisions. If the indebtedness under our senior credit facilities is accelerated, we may not have sufficient assets to repay amounts due under our senior credit facilities, senior notes or other debt securities then outstanding. Our ability to comply with these provisions of our senior credit facilities, indentures governing our senior notes and agreements governing our other indebtedness will be affected by changes in the economic or business conditions or other events beyond our control. Complying with our covenants may also cause us to take actions that are not favorable to us and may make it more difficult for us to successfully execute our business strategy and compete, including against companies that are not subject to such restrictions.

The loss of key personnel and any inability to attract and retain qualified employees could have a material adverse effect on our operations.

We are dependent on the continued services of our leadership team. The loss of these personnel without adequate replacement could have a material adverse effect on our operations. Additionally, we need qualified managers and skilled employees with technical and manufacturing industry experience in order to operate our business successfully. From time to time, there may be a shortage of skilled labor, which may make it more difficult and expensive for us to attract and retain qualified employees. If we were unable to attract and retain sufficient numbers of qualified individuals or our costs to do so were to increase significantly, our operations could be materially adversely affected.

Many of the industries in which we operate are cyclical, and our results will be and have been affected as a result.

Many of the business areas in which we operate are subject to specific industry and general economic cycles. Certain businesses are subject to industry cycles, including, but not limited to:

- the oil and gas, chemical and petrochemical markets, which influence our Flow Technology segment;
- the electric power and infrastructure markets, which influence our Thermal Equipment and Services and Industrial Products and Services segments;
- the U.S. auto manufacturers and franchise dealers are facing significant competitive and other challenges, and we face pressure on revenues and margins in our Test and Measurement segment as a result; and
- demand for cooling systems and towers within our Thermal Equipment and Services segment is correlated to contract timing on large construction contracts, which could cause significant fluctuations in revenues and profits from period to period.

Cyclical changes could also affect sales of products in our other businesses. The downturns in the business cycles of our different operations may occur at the same time, which could exacerbate any material adverse effects to our business. See "MD&A — Segment Results of Operations." In addition, certain of our businesses have seasonal fluctuations. Historically, our businesses generally tend to be stronger in the second half of the year.

Cost reduction actions may affect our business.

Cost reduction actions often result in charges against earnings. We expect to take charges against earnings in 2009 in connection with implementing additional cost reduction actions at certain of our businesses. These charges can vary significantly from period to period and, as a result, we may experience fluctuations in our reported net income and earnings per share due to the timing of restructuring actions, which in turn can have a material adverse effect on our financial position, results of operations or cash flows.

If the fair value of any of our reporting units is insufficient to recover the carrying value of the goodwill and other intangibles of the respective reporting unit, a material non-cash charge to earnings could result.

At December 31, 2008, we had goodwill and other intangible assets, net of \$2,426.5. We account for goodwill and indefinite-lived intangibles in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 states that goodwill and indefinite-lived intangible assets are not amortized, but are instead reviewed for impairment annually (or more frequently if impairment indicators arise). We conduct annual impairment testing to determine if we will be able to recover all or a portion of the carrying value of goodwill and indefinite-lived intangibles. In addition, we review goodwill and indefinite-lived intangible assets for impairment more frequently if impairment indicators arise. If the fair value is insufficient to recover the carrying value of our goodwill and indefinite-lived intangibles, we may be required to record a material non-cash charge to earnings.

Consistent with the requirements of SFAS No. 142, the fair values of our reporting units generally are based on discounted cash flow projections that are believed to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about carrying values of the reported net assets of our reporting units. Other considerations are also incorporated, including comparable industry price multiples. Many of our businesses closely follow changes in the industries and end-markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principal methods of competition such as volume, price, service, product performance and technical innovations and estimates associated with cost improvement initiatives, capacity utilization, and assumptions for inflation and foreign currency changes. We monitor impairment indicators across all of our businesses. 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.

We are subject to work stoppages, union negotiations, labor disputes and other matters associated with our labor force, which may adversely impact our operations and cause us to incur incremental costs.

At December 31, 2008, we had approximately 17,800 employees associated with businesses that have been classified in our consolidated financial statements as continuing operations. Additionally, we had approximately 700 employees associated with two businesses that we have sold, or intend to sell, in 2009 and have classified in our consolidated financial statements as discontinued operations. Eleven domestic collective bargaining agreements cover approximately 1,300 employees, one of which relates to a business classified in our consolidated financial statements as a discontinued operation. We also have various collective labor arrangements covering certain non-U.S. employee groups. We are subject to potential union campaigns, work stoppages, union negotiations and other potential labor disputes. Further, we may be subject to work stoppages, which are beyond our control, at our suppliers or customers.

Our technology is important to our success, and failure to develop new products may result in a significant competitive disadvantage.

We believe that the development and protection of our intellectual property rights is critical to the success of our business. In order to maintain our market positions and margins, we need to continually develop and introduce high quality, technologically advanced and cost effective products on a timely basis. The failure to do so could result in a significant competitive disadvantage.

Additionally, despite our efforts to protect our proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use our products or technology. The steps we have taken may not prevent unauthorized use of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States. Expenses in connection with defending our rights may be material.

If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We are increasingly dependent on information technology networks and systems, including the Internet, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for electronic communications among our locations around the world and between our personnel and suppliers and customers. Security breaches of this infrastructure can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If we are unable to prevent such breaches, our operations could be disrupted or we may suffer financial damage or loss because of lost or misappropriated information.

Our current and planned products may contain defects or errors that are detected only after delivery to customers. If that occurs, our reputation may be harmed and we may face additional costs.

We cannot assure that our product development, manufacturing and integration testing will be adequate to detect all defects, errors, failures and quality issues that could impact customer satisfaction or result in claims against us with regard to our products. As a result, we may have to replace certain components and/or provide remediation in response to the discovery of defects in products that are shipped. The occurrence of any defects, errors, failures or quality issues could result in cancellation of orders, product returns, diversion of our resources, legal actions by our customers or our customers' end users and other losses to us or to our customers or end users, and could also result in the loss of or delay in market acceptance of our products and loss of sales, which would harm our business and adversely affect our revenues and profitability.

Provisions in our corporate documents and Delaware law may delay or prevent a change in control of our company, and accordingly, we may not consummate a transaction that our shareholders consider favorable.

Provisions of our Certificate of Incorporation and By-laws may inhibit changes in control of our company not approved by our Board. These provisions include, for example: a staggered board of directors; a prohibition on shareholder action by written consent; a requirement that special shareholder meetings be called only by our Chairman, President or our Board; advance notice requirements for shareholder proposals and nominations; limitations on shareholders' ability to amend, alter or repeal the By-laws; enhanced voting requirements for certain business combinations involving substantial shareholders; the authority of our Board to issue, without shareholder approval, preferred stock with terms determined in its discretion; and limitations on shareholders ability to remove directors. In addition, we are afforded the protections of Section 203 of the Delaware General Corporation Law, which could have similar effects. In general, Section 203 prohibits us from engaging in a "business combination" with an "interested shareholder" (each as defined in Section 203) for at least three years after the time the person became an interested shareholder unless certain conditions are met. These protective provisions could result in our not consummating a transaction that our shareholders consider favorable or discourage entities from attempting to acquire us, potentially at a significant premium to our then-existing stock price.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

The following is a summary of our principal properties, as of December 31, 2008, classified by segment:

	<u>Location</u>	<u>No. of Facilities</u>	<u>Approximate Square Footage</u>	
			<u>Owned</u>	<u>Leased</u>
			<u>(in millions)</u>	
Flow Technology	11 states and 22 foreign countries	61	2.7	1.6
Test and Measurement	6 states and 6 foreign countries	29	0.6	1.0
Thermal Equipment and Services	10 states and 7 foreign countries	31	4.2	3.3
Industrial Products and Services	14 states and 5 foreign countries	26	1.5	0.6
Total		147	9.0	6.5

In addition to manufacturing plants, we lease our corporate office in Charlotte, NC, our Asia-Pacific center in Shanghai, China, and various sales, service and other locations throughout the world. We consider these properties, as well as the related machinery and equipment, to be well maintained and suitable and adequate for their intended purposes.

ITEM 3. Legal Proceedings

(All amounts are in millions)

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 that these proceedings or claims will not have a material adverse effect on our financial position, results of operations, or cash flows.

See "MD&A — Critical Accounting Policies and Estimates — Contingent Liabilities," "Risk Factors" and Note 14 to our consolidated financial statements for further discussion of legal proceedings.

ITEM 4. Submission Of Matters To A Vote Of Security Holders

Not applicable.

ITEM 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange under the symbol "SPW."

Set forth below are the high and low sales prices for our common stock as reported on the New York Stock Exchange composite transaction reporting system for each quarterly period during the years 2008 and 2007, together with dividend information.

	<u>High</u>	<u>Low</u>	<u>Dividends per Share</u>
2008			
4 th Quarter	\$ 77.00	\$ 26.32	\$ 0.25
3 rd Quarter	133.52	81.97	0.25
2 nd Quarter	139.72	104.55	0.25
1 st Quarter	114.04	92.03	0.25
2007			
4 th Quarter	\$109.88	\$90.72	\$ 0.25
3 rd Quarter	94.70	79.81	0.25
2 nd Quarter	89.39	69.11	0.25
1 st Quarter	71.86	60.98	0.25

The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board of Directors, and the target dividend level may be adjusted during the year at the discretion of the Board of Directors. The factors the Board of Directors consider in determining the actual amount of each quarterly dividend includes our financial performance and on-going capital needs, our ability to declare and pay dividends under the terms of our credit facilities and any other debt instruments, and other factors deemed relevant.

Issuer Purchases of Equity Securities

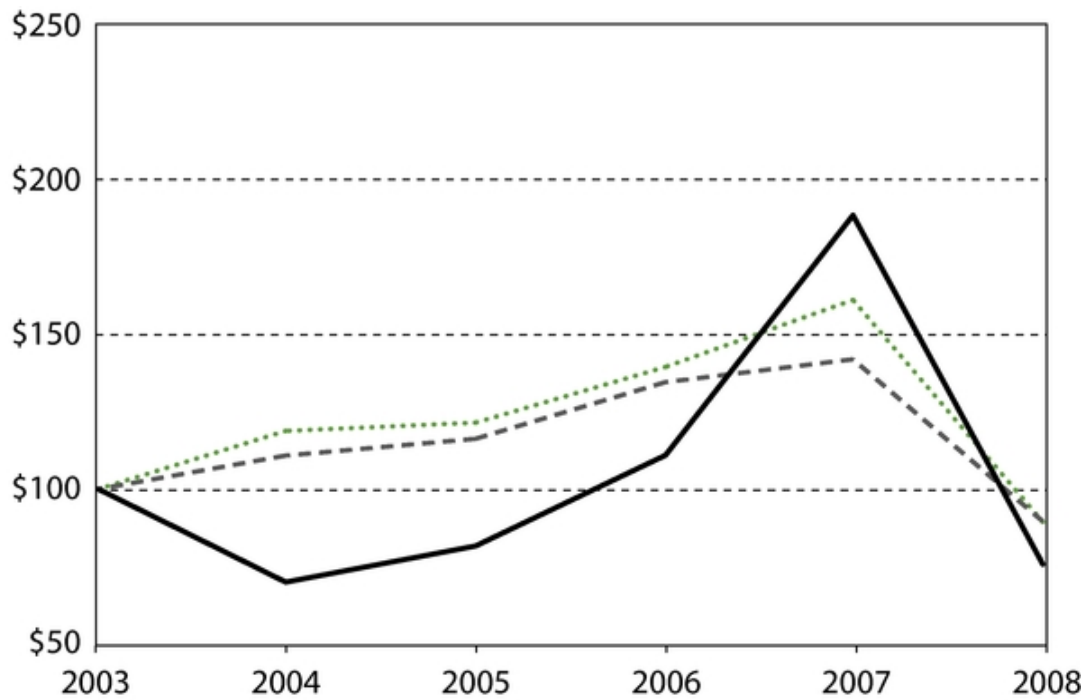
The following table summarizes the repurchases of common stock during the three months ended December 31, 2008:

<u>Period</u>	<u>Total number of shares purchased⁽¹⁾</u>	<u>Average price per share</u>	<u>Total number of shares purchased as part of a publicly announced plan or program</u>	<u>Maximum number of shares that may yet be purchased under the plan or program</u>
9/28/08 – 11/1/08	—	\$ —	—	—
11/2/08 – 11/29/08	1,600,000	34.34	1,600,000	1,400,000
11/30/08 – 12/31/08	1,775,000	33.95	1,775,000	2,625,000
Total	<u>3,375,000</u>		<u>3,375,000</u>	2,625,000

Repurchases of common stock totaled \$115.2 million during the three months ended December 31, 2008. The approximate number of shareholders of record of our common stock as of February 23, 2009 was 4,184.

Company Performance

This graph shows a five year comparison of cumulative total returns for SPX, the S&P Composite Index and the S&P Capital Goods Index. The graph assumes an initial investment of \$100 on December 31, 2003 and the reinvestment of dividends.



	2003	2004	2005	2006	2007	2008
— SPX Corporation	\$100.00	\$68.83	\$81.56	\$110.99	\$188.83	\$75.61
- - - S&P 500	100.00	110.88	116.33	134.70	142.10	89.53
..... S&P Capital Goods	100.00	118.89	121.56	139.62	161.36	89.34

ITEM 6. Selected Financial Data

	As of and for the year ended December 31,				
	2008	2007	2006	2005	2004
	(In millions, except per share amounts)				
Summary of Operations					
Revenues ⁽¹⁾⁽²⁾	\$ 5,855.7	\$ 4,575.4	\$ 3,934.4	\$ 3,505.3	\$ 3,317.9
Operating income ⁽²⁾⁽³⁾	473.4	413.7	299.3	245.4	22.4
Other expense, net ⁽⁴⁾	(7.8)	(2.7)	(25.9)	(16.9)	(6.9)
Interest expense, net ⁽⁵⁾⁽⁶⁾	(105.1)	(71.1)	(50.2)	(163.9)	(153.2)
Equity earnings in joint ventures	45.6	39.9	40.8	23.5	25.9
Income (loss) from continuing operations before income taxes	406.1	379.8	264.0	88.1	(111.8)
(Provision) benefit for income taxes ⁽⁷⁾	(152.9)	(85.5)	(50.7)	(64.7)	38.8
Income (loss) from continuing operations	253.2	294.3	213.3	23.4	(73.0)
Income (loss) from discontinued operations, net of tax ⁽⁶⁾	(5.3)	(0.1)	(42.6)	1,066.6	55.9
Net income (loss)	<u>\$ 247.9</u>	<u>\$ 294.2</u>	<u>\$ 170.7</u>	<u>\$ 1,090.0</u>	<u>\$ (17.1)</u>
Basic earnings (loss) per share of common stock:					
Income (loss) from continuing operations	\$ 4.77	\$ 5.37	\$ 3.66	\$ 0.33	\$ (0.98)
Income (loss) from discontinued operations	(0.10)	(0.01)	(0.73)	15.00	0.75
Net income (loss) per share	<u>\$ 4.67</u>	<u>\$ 5.36</u>	<u>\$ 2.93</u>	<u>\$ 15.33</u>	<u>\$ (0.23)</u>
Diluted earnings (loss) per share of common stock:					
Income (loss) from continuing operations	\$ 4.68	\$ 5.23	\$ 3.53	\$ 0.32	\$ (0.98)
Income (loss) from discontinued operations	(0.09)	(0.01)	(0.70)	14.78	0.75
Net income (loss) per share	<u>\$ 4.59</u>	<u>\$ 5.22</u>	<u>\$ 2.83</u>	<u>\$ 15.10</u>	<u>\$ (0.23)</u>
Dividends declared per share	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Other financial data:					
Total assets	\$ 6,121.6	\$ 6,237.4	\$ 5,437.1	\$ 5,306.4	\$ 7,588.5
Total debt	1,344.7	1,567.8	962.5	780.7	2,526.1
Other long-term obligations	913.6	813.3	831.5	986.4	1,206.3
Shareholders' equity	2,010.8	2,006.0	2,109.4	2,111.2	2,127.8
Capital expenditures	116.4	82.6	49.2	37.8	29.4
Depreciation and amortization	104.5	73.5	67.7	61.7	65.4

(1) On December 31, 2007, we completed the acquisition of APV within our Flow Technology segment. Revenues for APV in 2007, 2006, 2005 and 2004, which are not included above, totaled approximately \$876.0, \$753.0, \$653.0 and \$712.0, respectively.

During 2005, revenues for our Test and Measurement segment were reduced for program incentives and rebates earned by certain customers throughout the year. Prior to 2005, these incentives and rebates were classified as cost of products sold and selling, general and administrative expense. Had these amounts been classified as a reduction to revenues prior to 2005, revenues for 2004 would have been lower by \$14.6.

(2) During 2007, an internal audit of an operation in Japan uncovered employee misconduct and improper accounting entries. Correction of these matters resulted in a charge of \$7.4 during the third quarter of 2007, with a reduction of \$2.3 to revenues, \$4.5 recorded to cost of products sold and \$0.6 recorded to selling, general and administrative expense. See Note 1 to our consolidated financial statements for further information.

During 2007, we recorded charges related to the settlement of a legacy product liability matter within our Industrial Products and Services segment of \$8.5. We also recorded a benefit of \$5.0 during 2007 within our Thermal Equipment and Services segment as a result of cost improvements associated with a state-approved environmental remediation plan at a site in California.

(3) In 2008, 2007, 2006 and 2005, we incurred net special charges of \$17.2, \$5.2, \$3.8 and \$7.4, respectively, associated with restructuring initiatives to consolidate manufacturing and other facilities, as well as asset impairments. In 2005, these charges were net of a credit of \$7.9 relating to a gain on the sale of land in Milpitas, CA, resulting in the finalization of a previously initiated restructuring action. See Note 6 to our consolidated financial statements for further details.

In 2008, we recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9) for our Weil McLain subsidiary.

In 2007, we recorded charges of \$5.0 within corporate expense related to legacy legal matters.

In 2007, we recorded an impairment charge of \$4.0 associated with other intangible assets held by a business within our Thermal Equipment and Services segment. See Note 8 to our consolidated financial statements for further discussion.

In 2004, we recorded charges of \$175.3 related to the impairment of goodwill and other intangible assets for our Hydraulic Technologies, Radiodetection and TPS businesses. In addition, we incurred net special charges of \$36.4 related to other asset impairments and cash costs associated with work force reductions, initiatives to divest or consolidate manufacturing facilities, asset divestitures and the exit of certain operations. Approximately \$8.8 of these net special charges related to non-disposal asset impairments at our Hydraulic Technologies business that were recorded in accordance with the provisions of SFAS No. 144.

- (4) In 2008, we recorded a charge of \$9.5 relating to the settlement of a lawsuit arising out of a 1997 business disposition. In 2006, we recorded a charge of \$20.0 relating to the settlement of a lawsuit with VSI Holdings, Inc. ("VSI").
- (5) Interest expense, net included losses on early extinguishment of debt of \$3.3 in 2007, \$113.6 in 2005 and \$2.6 in 2004 related to the write-off of unamortized deferred financing fees, premiums/fees paid to redeem senior notes and other costs associated with the extinguishment of the term loans and revolving credit loan.
- (6) Income from discontinued operations included an allocation of interest expense of \$10.2 in 2004 associated with the provision under our credit agreement then in effect that required that the first \$150.0 of proceeds from business dispositions be applied to outstanding balances under the credit agreement, including the term loans. No other corporate costs have been allocated to discontinued operations.
- (7) During 2008, we recorded an income tax benefit of \$25.6 associated with the audit settlement of our Federal income tax returns for 2003 through 2005. In addition, the tax benefit associated with the \$123.0 of impairment charges was only \$3.6.

During 2007, in connection with the resolution of certain matters related to our Federal income tax returns for the years 1995 through 2002, we recorded an income tax benefit of \$16.8. In addition, during 2007, we recorded an income tax benefit of \$11.5 associated with a reduction in the statutory tax rates in Germany and the United Kingdom. Lastly, during 2007, we recorded an income tax benefit of \$3.5 associated with the settlement of certain income tax matters in the United Kingdom, a \$4.9 benefit for the reduction of taxes accrued in prior years, and a \$3.7 refund in China related to an earnings reinvestment plan.

During 2006, we recorded an income tax benefit of \$34.7 principally associated with the settlement of certain matters relating to our 1998 to 2002 Federal income tax returns.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

(All dollar and share amounts are in millions)

The following should be read in conjunction with our consolidated financial statements and the related notes.

Executive Overview

Overall, 2008 was a very successful operating year for SPX as we experienced the best operating earnings performance in our 97-year history and increased revenues and operating profit for the fourth consecutive year. Specifically, revenues for 2008 were higher than 2007 by 28.0%. In addition, operating income was higher in 2008 by 14.4% compared to 2007, even after recording impairment charges at our Weil McLain subsidiary of \$123.0 relating to goodwill and other intangible assets. Lastly, cash flows from continuing operations totaled \$404.7 in 2008. The increase in revenues and operating income was due primarily to: organic revenue growth of 6.2%; our continued expansion into international markets; our lean, supply chain and new product development initiatives; and contract and product pricing efforts. There were a number of other significant items that impacted 2008 operating results, including:

Acquisitions — In September 2008, we completed the acquisition of Autoboss Tech, Inc. within our Test and Measurement segment for a purchase price of \$9.7.

Dispositions and Discontinued Operations:

- in July 2008, we sold our Air Filtration business unit for cash consideration of \$38.5. We recorded a net loss on the sale of \$0.8 to "Gain (loss) on disposition of discontinued operations, net of tax;"

- in December 2008, we sold our LDS business unit for cash consideration of \$82.5. We recorded a net gain on the sale of \$17.1 to "Gain (loss) on disposition of discontinued operations, net of tax;"
- in December 2008, we sold our Scales business unit for cash consideration of \$16.8. We recorded a net loss on sale of \$4.7 to "Gain (loss) on disposition of discontinued operations, net of tax;" and
- during the third and fourth quarters of 2008, we committed to plans to divest a business within our Flow Technology segment and a business within our Industrial Products and Services segment, respectively. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our consolidated financial statements. As a result of these planned divestitures, we recorded a net charge of \$29.0 during 2008 to "Gain (loss) on disposition of discontinued operations, net of tax" in order to reduce the carrying value of the related net assets to be sold to their estimated net realizable value (i.e., projected sales price, net of estimated transaction costs, the expected payment to a minority shareholder and a charge of \$7.0 related to tax matters). In January 2009, we sold the business within the Flow Technology segment for cash and a promissory note totaling \$23.5. We are actively pursuing the sale of the business within the Industrial Products and Services segment and anticipate that the sale will be completed during the next twelve months.

Common Stock Repurchases — We repurchased 3.4 shares of our common stock for total cash consideration of \$115.2.

Income Taxes — We reached a settlement with the Internal Revenue Service ("IRS") regarding certain matters related to our Federal income tax returns for the years 2003 through 2005. In connection with the resolution of these matters, we recorded a tax benefit of \$25.6 to continuing operations and \$5.0 to discontinued operations.

Other:

- we recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9) at our Weil McLain subsidiary;
- we made pension and other payments to our former Chief Executive Officer of \$39.8. In connection with the pension payments, we recorded a charge of \$7.1 to selling, general and administrative expense; and
- we recorded a charge of \$9.5 to other expense, net relating to the settlement of a lawsuit arising out of a 1997 business disposition.

Despite our success in 2008, we recognize that there have been substantial recent changes in the global economic environment, including disruptions in financial markets and banking systems. The instability in the credit markets is significantly impacting the behavior of our industrial customers. In particular, we have experienced a recent reduction in orders for power transformers and project deferrals from a few of our large solar customers. In addition, we continue to see softness in the automotive markets served by our tools and diagnostic equipment business. As a result of these changes in economic conditions, we are expecting 2009 organic revenue to be flat to down 5% and we are proceeding cautiously, with a continued focus on potential impacts on our customers and our business. However, we believe that our flexible capital and cost structures leave us well positioned to manage through these challenging economic times. We also have identified a number of restructuring opportunities that we plan to implement during 2009 and continue with our core operating initiatives and our strategy around three global end markets. Overall, we remain confident in our long-term strategy and growth opportunities.

Results of Continuing Operations

Seasonality and Competition — Many of our businesses follow changes in the industries and end markets that 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 contract 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 generally 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 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 we offer. See "Business — Segments" for a discussion of our competitors.

Non-GAAP Measures — Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and 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 years ended December 31, 2008, 2007 and 2006, including the reconciliation of organic revenue growth to net revenue growth, as defined herein:

	2008	2007	2006	2008 vs. 2007%	2007 vs. 2006%
Revenues	\$ 5,855.7	\$ 4,575.4	\$ 3,934.4	28.0	16.3
Gross profit	1,771.7	1,327.1	1,100.1	33.5	20.6
% of revenues	30.3%	29.0%	28.0%		
Selling, general and administrative expense	1,132.4	886.4	783.5	27.8	13.1
% of revenues	19.3%	19.4%	19.9%		
Intangible amortization	25.7	17.8	13.5	44.4	31.9
Impairment of goodwill and other intangible assets	123.0	4.0	—	*	—
Special charges, net	17.2	5.2	3.8	230.8	36.8
Other expense, net	(7.8)	(2.7)	(25.9)	188.9	(89.6)
Interest expense, net	(105.1)	(67.8)	(50.2)	55.0	35.1
Loss on early extinguishment of debt	—	(3.3)	—	*	—
Equity earnings in joint ventures	45.6	39.9	40.8	14.3	(2.2)
Income from continuing operations before income taxes	406.1	379.8	264.0	6.9	43.9
Income tax provision	(152.9)	(85.5)	(50.7)	78.8	68.6
Income from continuing operations	253.2	294.3	213.3	(14.0)	38.0
Components of consolidated revenue growth:					
Organic growth				6.2	9.5
Foreign currency				1.5	2.7
Acquisitions, net				20.3	4.1
Net revenue growth				28.0	16.3

* Not meaningful for comparison purposes.

Revenues — For 2008, the increase in revenues was driven primarily by the fourth quarter 2007 acquisition of APV by our Flow Technology segment and the acquisitions of a division of Johnson Controls ("JCD") and Matra — Werke GmbH ("Matra") by our Test and Measurement segment during the third and fourth quarters of 2007, respectively. Additionally, we experienced strong demand for 1) power transformers, crystal growing machines for the solar power market, and television and radio broadcast antenna systems within our Industrial Products and Services segment, 2) products sold in the power, oil and gas, and food and beverage markets serviced by businesses within our Flow Technology segment, and 3) cooling systems and products and thermal services and equipment within our Thermal Equipment and Services segment. Revenues for 2008 also benefited from the favorable impact of foreign currencies (i.e., relative weakening during the first half of 2008 of the U.S. dollar against many foreign currencies, primarily the Euro), partially offset by declines in organic revenue in our Test and Measurement segment due to lower aftermarket, domestic OEM, and dealer equipment revenues associated with the difficult conditions within the domestic automotive market.

For 2007, the increase in revenues was driven primarily by organic revenue growth. We experienced strong demand in the power, chemical, mining, oil and gas, food and beverage and dehydration markets serviced by businesses in our Flow

Technology segment, as well as for cooling systems and products and thermal services within our Thermal Equipment and Services segment. Growth in our Industrial Products and Services segment was led by strong demand for power transformers. Revenues for 2007 also benefited from the fourth quarter 2006 acquisition of Aktiebolaget Custos ("Custos") within our Flow Technology segment, the 2007 acquisitions of JCD and Matra within our Test and Measurement segment, and the favorable impact of foreign currencies (i.e., weakening of the U.S. dollar against most other currencies).

Gross Profit — The increase in gross profit in 2008 was due primarily to the revenue performance described above. The following items favorably impacted gross profit as a percentage of revenues in 2008 when compared to 2007:

- improved pricing, favorable product mix and productivity associated with the power transformer business within our Industrial Products and Services segment;
- improved execution and favorable project mix at the cooling systems and products business within our Thermal Equipment and Services segment;
- improved pricing and lean manufacturing initiatives within the Flow Technology segment; and
- leverage on the organic revenue growth noted above.

These increases in gross profit were offset partially by an incremental charge of \$7.5 at APV, representing the excess fair value (over historical cost) of inventory acquired in the APV transaction that was subsequently sold in 2008.

The increase in gross profit in 2007, when compared to 2006, was due primarily to the revenue performance described above. The following items favorably impacted gross profit as a percentage of revenues in 2007 when compared to 2006:

- improved pricing, favorable product mix and productivity associated with the power transformer business within our Industrial Products and Services segment;
- improved pricing and lean manufacturing initiatives within the Flow Technology segment;
- improved execution and favorable project mix at the cooling systems and products business within our Thermal Equipment and Services segment; and
- leverage on the organic revenue growth noted above.

The following items partially offset the 2007 increases in gross profit described above:

- a significant decline in OEM program launches due to difficult conditions within the domestic automotive market led to reduced revenues and margins in our Test and Measurement segment;
- an internal audit of an operation in Japan uncovered employee misconduct and improper accounting entries. Correction of these matters resulted in a total charge of \$7.4 during the third quarter of 2007, with a reduction of \$2.3 of revenues, \$4.5 recorded to cost of products sold and \$0.6 recorded to selling, general and administrative expense. See Note 1 to our consolidated financial statements for further information; and
- charges of \$8.5 within our Industrial Products and Services segment related to the settlement of a legacy product liability matter.

Selling, General and Administrative ("SG&A") Expense — For 2008, the increase in SG&A expense of \$246.0 was due primarily to incremental costs associated with the acquisitions of APV, JCD and Matra, additional costs in support of organic revenue growth, the impact of foreign currency exchange rates, and increased corporate expense. The change in foreign currency exchange rates in comparison to the U.S. dollar resulted in an increase in SG&A during 2008 of approximately \$11.0. The increase in corporate expense resulted primarily from the following:

- additional salaries and incentive compensation relating to headcount increases in support of certain key operating initiatives;
- higher professional fees associated with various income tax related projects; and
- costs associated with the settlement of a legacy legal matter.

For 2007, the increase in SG&A expense of \$102.9 was due primarily to incremental costs associated with the acquisitions of Custos, JCD and Matra, as well as increases in headcount and associated costs to support the organic revenue growth within our segments. Additionally, 2007 SG&A expense was higher due to the following:

- higher salaries and incentive compensation relating to the impact of headcount increases in support of certain key operating initiatives; and
- higher stock-based compensation expense of \$2.8 primarily as a result of an increase in the fair value of our 2007 restricted stock and restricted stock unit awards due to an increase in the market value of our common stock.

In addition, SG&A for 2007 included charges of \$5.0 relating to legacy legal matters and a benefit of \$5.0 within our Thermal Equipment and Services segment as a result of cost improvements associated with a state approved environmental remediation plan at a site in California.

Intangible Amortization — The increase in intangible amortization in 2008, as compared to 2007, was due primarily to the impact of amortization of intangibles associated with the acquisition of APV. The increase in intangible amortization in 2007, as compared to 2006, was due primarily to the impact of amortization of intangibles associated with the acquisitions of Custos, JCD and Matra.

Impairment of Goodwill and Other Intangible Assets — In connection with our 2008 impairment testing of indefinite-lived intangibles under SFAS No. 142, we determined that the fair value of our Weil McLain subsidiary was less than the carrying value of its net assets. As a result, we estimated the implied fair value of goodwill and recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9). See Note 8 to our consolidated financial statements for further discussion.

In connection with our 2007 impairment testing of indefinite-lived intangibles under SFAS No. 142 and long-lived assets under SFAS No.144, we determined that certain intangible assets held by a business within our Thermal Equipment and Services segment were impaired. Accordingly, we recorded an impairment charge of \$4.0 in the fourth quarter of 2007 related to such testing. See Note 8 to our consolidated financial statements for further discussion.

Special Charges, Net — Special charges related primarily to restructuring initiatives to consolidate manufacturing, sales and administrative facilities, reduce workforce and rationalize certain product lines. See Note 6 to our consolidated financial statements for the details of actions taken in 2008, 2007 and 2006. The components of special charges, net, follow:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Employee termination costs	\$ 5.5	\$2.8	\$ 1.3
Facility consolidation costs	2.5	0.3	1.1
Other cash costs	4.9	1.3	0.3
Non-cash asset write-downs	4.3	0.8	1.3
Gain on sale of assets	—	—	(0.2)
Total special charges, net	<u>\$17.2</u>	<u>\$5.2</u>	<u>\$ 3.8</u>

Other Expense, Net — For 2008, other expense, net, was composed primarily of a charge of \$9.5 relating to the settlement of a lawsuit arising out of a 1997 business disposition and minority interest charges of \$6.5, partially offset by foreign currency transaction gains of \$5.7.

For 2007, other expense, net, was composed primarily of foreign currency transaction losses of \$2.7 and minority interest charges of \$0.5, partially offset by \$1.1 of life insurance death benefits that were received during 2007.

For 2006, other expense, net, was composed primarily of \$20.0 in costs to settle the litigation with VSI (see Note 14 to our consolidated financial statements) and \$7.0 of foreign currency transaction losses.

Interest Expense, Net — Interest expense, net, includes both interest expense and interest income. The increase in interest expense, net, during 2008 and 2007 was the result of higher average debt balances. The average debt balances in 2008 were higher than 2007 primarily as a result of the issuance of the \$500.0 of 7.625% senior unsecured notes in December 2007 (see Note 12 to our consolidated financial statements), the proceeds of which were used primarily to fund the APV acquisition. The higher average debt balances in 2007 (in comparison to 2006) were the result of additional borrowings on our trade receivables financing arrangement and our domestic revolving loan facility to facilitate the repurchase of our common stock, as well as the issuance of the \$500.0 of 7.625% senior notes mentioned above.

Loss on Early Extinguishment of Debt — During 2007, we incurred \$3.3 of costs in connection with the termination of our then-existing senior credit facilities (see Note 12 to our consolidated financial statements), including \$2.3 for the write-off of deferred financing costs, \$0.2 for an early termination fee and \$0.8 for costs associated with the early termination of our then-existing interest rate protection agreements (see Note 13 to our consolidated financial statements).

Equity Earnings in Joint Ventures — Our equity earnings in joint ventures are attributable primarily to our investment in EGS, as earnings from this investment totaled \$43.7, \$39.3 and \$40.2 in 2008, 2007 and 2006, respectively.

Income Taxes — For 2008, we recorded an income tax provision of \$152.9 on \$406.1 of pre-tax income, resulting in an effective tax rate of 37.7%. The effective tax rate for 2008 was impacted negatively by impairment charges of \$123.0 (see above), which generated an income tax benefit of only \$3.6. The increase in the 2008 effective tax rate was offset partially by a tax benefit of \$25.6 that was recorded in connection with the finalization of the audits of our 2003 through 2005 Federal income tax returns.

For 2007, we recorded an income tax provision of \$85.5 on \$379.8 of pre-tax income, resulting in an effective rate of 22.5%. The 2007 effective tax rate was favorably impacted by several items. The primary sources of benefit were: a \$16.8 benefit related to the settlement of the 1995 to 2002 Federal income tax returns; an \$11.5 benefit related to the reduction in the statutory tax rates in Germany and the United Kingdom; a \$3.5 benefit associated with settlement of certain income tax return matters in the United Kingdom; \$4.9 benefit for the reduction of taxes accrued in prior years; and a \$3.7 reinvestment credit in China.

For 2006, we recorded an income tax provision of \$50.7 on \$264.0 of pre-tax income, resulting in an effective tax rate of 19.2%. The effective tax rate for 2006 was impacted favorably by income tax benefits of \$34.7 and \$8.3 associated principally with the settlement of certain matters relating to our 1998 to 2002 Federal income tax returns and various state income tax returns, respectively.

Results of Discontinued Operations

For 2008, 2007 and 2006, income (loss) from discontinued operations and the related income taxes are shown below:

	Year ended December 31,		
	2008	2007	2006
Income (loss) from discontinued operations	\$ 5.0	\$(27.4)	\$(85.4)
Income tax (provision) benefit	(10.3)	27.3	42.8
Loss from discontinued operations, net	<u>\$ (5.3)</u>	<u>\$ (0.1)</u>	<u>\$(42.6)</u>

For 2008, 2007 and 2006, results of operations from our businesses reported as discontinued operations were as follows:

	Year ended December 31,		
	2008	2007	2006
Revenues	\$288.3	\$542.7	\$788.6
Pre-tax income	9.1	9.2	23.9

We report discontinued operations in accordance with the guidance of SFAS No. 144. 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, 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.

<u>Business</u>	<u>Quarter Discontinued</u>	<u>Actual Closing Date of Sale</u>
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
Balcke-Duerr Austria GmbH ("BD Austria")	Q4 2007	Q4 2007
Nema AirFin GmbH ("Nema")	Q4 2007	Q4 2007
Contech ("Contech")	Q3 2006	Q2 2007
Dock Products ("Dock")	Q2 2006	Q4 2006
Dielectric Tower ("Tower")	Q4 2005	Q1 2006
Security and protection business ("Vance")	Q3 2005	Q1 2006

Scales — Sold for cash consideration of \$16.8, resulting in a loss, net of taxes, of \$4.7.

LDS — Sold for cash consideration of \$82.5, resulting in a gain, net of taxes, of \$17.1.

Air Filtration — Sold for cash consideration of \$38.5, resulting in a loss, net of taxes, of \$0.8 during 2008. 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.

BD Austria — Sold for cash consideration of \$11.6, exclusive of cash balances assumed by the buyer of \$30.0, resulting in a net gain of \$17.2.

Nema — Sold for \$6.8 in cash, net of cash balances assumed by the buyer of \$0.4, for a net loss of \$2.3.

Contech — Sold to Marathon Automotive Group, LLC for net cash proceeds of \$134.3. During 2007, we recorded a net loss on the sale of \$13.6, including \$7.0 of expenses that were contingent upon the consummation of the sale, which included \$1.1 due to the modification of the vesting period of restricted stock units that had been issued to Contech employees (see Note 15 to our consolidated financial statements for further information), and a \$6.6 charge, recorded during the first quarter of 2007, to

reduce the carrying value of the net assets sold to the net proceeds received from the sale. In addition, in 2007, we settled a capital lease obligation for \$5.3 relating to equipment that was transferred to the buyer of Contech. During 2006, we recorded a charge of \$102.7 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.

Dock — Sold for \$43.5 in cash, resulting in a net gain on the sale of \$29.0. This gain related primarily to a tax benefit of \$33.2, partially offset by expenses that were contingent primarily upon the consummation of the sale, which included \$0.3 due to the modification of the vesting period of restricted stock units that had been issued to Dock employees (see Note 15 to our consolidated financial statements for further information).

Tower — Sold for \$6.9 in cash, resulting in a net gain of \$0.9.

Vance — Sold for \$70.6 in cash, resulting in a net loss of \$3.1, primarily due to expenses that were contingent upon the consummation of the sale, which included \$1.6 due to the modification of the vesting period of restricted stock units that had been issued to Vance employees (see Note 15 to our consolidated financial statements for further information).

During the third and fourth quarters of 2008, we committed to plans to divest a business within our Flow Technology segment and a business within our Industrial Products and Services segment, respectively. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our consolidated financial statements. As a result of these planned divestitures, we recorded a net charge of \$29.0 during 2008 to "Gain (loss) on disposition of discontinued operations, net of tax" in order to reduce the carrying value of the related net assets to be sold to their estimated net realizable value (i.e., projected sales price, net of estimated transaction costs, the expected payment to a minority shareholder and a charge of \$7.0 related to tax matters). In January 2009, we sold the business within the Flow Technology segment for cash and a promissory note totaling \$23.5. We are actively pursuing the sale of the business within the Industrial Products and Services segment and anticipate that the sale will be completed during the next twelve months.

On August 26, 2008, we reached an agreement with the Internal Revenue Service ("IRS") regarding audits of our 2003 through 2005 Federal income tax returns. Upon the resolution of the examinations, we reduced our liability for uncertain tax positions and recognized an income tax benefit of \$5.0 to "Gain (loss) on disposition of discontinued operations, net of tax" associated with a business previously disposed of and reported as a discontinued operation.

During the third quarter of 2007, we recognized an income tax benefit of \$13.5 to "Gain (loss) on disposition of discontinued operations, net of tax" relating to the reversal of certain deferred tax liabilities associated with businesses previously disposed of and reported as discontinued operations, primarily during 2005. See Note 1 to our consolidated financial statements for further details.

In addition to the gains/(losses) recorded in 2008 relating to the businesses discussed above, we recognized a net gain in 2008 of \$0.6 resulting from adjustments to gains/(losses) on sales of businesses that were previously discontinued. Along with the gains/(losses) recorded in 2007 relating to the BD Austria, Nema, Contech and Air Filtration businesses discussed above, we recognized a net loss in 2007 of \$7.3 resulting from adjustments to the gains/(losses) on sales of businesses that were previously discontinued. Lastly, along with the gains/(losses) recorded in 2006 relating to the Dock, Tower, Vance and Contech businesses discussed above, we recognized a net gain in 2006 of \$20.1 resulting from adjustments to the gains/(losses) on sales of businesses that were previously discontinued, with such adjustments related primarily to a reduction in income tax liabilities.

The final purchase 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 with the buyers, an arbitration process. Final agreement of the working capital figures with the buyers for some 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 purchase price and resulting gains/(losses) on these and other previous divestitures may be materially adjusted in subsequent periods. Refer to Note 11 for the tax implications associated with our dispositions.

Segment Results of Operations

The following information should be read in conjunction with our consolidated financial statements and related notes. The segment results exclude the operating results of discontinued operations for all periods presented. See Note 5 to our 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 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 — Non-GAAP Measures."

Flow Technology

	2008	2007	2006	2008 vs. 2007%	2007 vs. 2006%
Revenues	\$1,998.7	\$1,070.0	\$815.4	86.8	31.2
Segment income	243.4	175.4	127.5	38.8	37.6
% of revenues	12.2%	16.4%	15.6%		
Components of segment revenue growth:					
Organic growth				8.0	14.7
Foreign currency				(0.1)	2.5
Acquisitions, net				78.9	14.0
Net segment revenue growth				86.8	31.2

Revenues — For 2008, the increase in revenues was due primarily to the fourth quarter 2007 acquisition of APV, which contributed \$838.5 of revenues during 2008. Additionally, revenues were impacted favorably by organic revenue growth resulting from strong demand within the power, oil and gas, mining and food and beverage markets.

For 2007, the increase in revenues was due primarily to organic revenue growth resulting from strong demand within the power, chemical, mining, oil and gas, food and beverage and dehydration markets. Additionally, revenues were favorably impacted by the fourth quarter 2006 acquisition of Custos, which contributed revenues of \$119.0 during 2007, as well as the impact of foreign currency exchange rates.

Segment Income — For 2008, segment income was favorably impacted by organic revenue growth, as well as improved pricing and lean manufacturing initiatives. Segment margins were negatively impacted by lower operating margins at APV, which reduced segment margins by approximately 520 basis points during 2008. In particular, segment income for 2008 was reduced by 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 2008. We expect significant but gradual improvement in APV's operating margins as a result of the synergies from our integration efforts and operational improvements instituted by our management team.

For 2007, segment income and margin were favorably impacted by organic revenue growth, as well as lean manufacturing and supply chain initiatives and lower operating expenses resulting from previous restructuring initiatives.

Test and Measurement

	2008	2007	2006	2008 vs. 2007%	2007 vs. 2006%
Revenues	\$1,100.3	\$1,079.8	\$1,049.7	1.9	2.9
Segment income	108.8	118.3	148.8	(8.0)	(20.5)
% of revenues	9.9%	11.0%	14.2%		
Components of segment revenue growth:					
Organic decline				(7.2)	(4.4)
Foreign currency				1.4	2.7
Acquisitions, net				7.7	4.6
Net segment revenue growth				1.9	2.9

Revenues — For 2008, the increase in revenues was due to the impact of the acquisitions of JCD in the third quarter of 2007 and Matra in the fourth quarter of 2007, which contributed \$56.2 of incremental revenues to 2008, as well as the impact of foreign currency exchange rates. These increases were offset partially by a decline in organic revenue resulting from lower aftermarket, domestic OEM, and dealer equipment revenues associated with the difficult conditions within the domestic automotive market.

For 2007, the increase in revenues was due primarily to the impact of foreign currency exchange rates and the acquisitions of JCD in the third quarter of 2007 and Matra in the fourth quarter of 2007, which contributed \$37.5 of combined revenues to the segment. These increases were partially offset by a decline in organic revenue resulting from lower domestic OEM and dealer equipment revenues associated with the difficult conditions within the domestic automotive market.

Segment Income — For 2008, segment income and margin decreased primarily as a result of the organic revenue decline noted above associated with the difficult conditions within the domestic automotive market, lower absorption of fixed manufacturing costs resulting from the aforementioned decline in revenues, and investments in Asia-Pacific. Segment income

and margins for 2008 were impacted favorably by the acquisitions of JCD and Matra and the foreign currency fluctuations noted above.

For 2007, segment income and margin decreased primarily as the result of lower revenues associated with difficult conditions within the domestic automotive market, lower absorption of fixed manufacturing costs resulting from the aforementioned decline in revenues, additional costs associated with investments in Asia-Pacific and increased research and development costs in support of new products. In addition, during 2007, we recorded a charge of \$7.4 at an operation in Japan relating to improper accounting entries, which included \$2.4 of inventory write-downs, \$2.0 of accounts receivable write-offs and \$3.0 of other adjustments (see Note 1 to the consolidated financial statements for further information). These declines in segment income and margin were offset partially by improved profitability within the segment's portable cable and pipe locator product lines associated with new product introductions and operating profits associated with the acquisitions of JCD and Matra.

Thermal Equipment and Services

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008</u> vs. <u>2007%</u>	<u>2007</u> vs. <u>2006%</u>
Revenues	\$1,690.1	\$1,560.5	\$1,327.7	8.3	17.5
Segment income	204.4	162.7	111.4	25.6	46.1
% of revenues	12.1%	10.4%	8.4%		
Components of segment revenue growth:					
Organic growth				4.8	13.5
Foreign currency				3.5	4.0
Acquisitions, net				—	—
Net segment revenue growth				<u>8.3</u>	<u>17.5</u>

Revenues — For 2008 and 2007, the increase in revenues was due primarily to organic revenue growth associated with continued global demand for the segment's cooling systems and products and thermal services and equipment, as well as to the impact of foreign currencies.

Segment Income — For 2008, segment income and margin increased as a result of favorable project mix and improved operating performance across the segment's product lines. In addition, the foreign currency fluctuations noted above also favorably impacted segment income in 2008.

For 2007, segment income and margin increased as a result of the organic revenue growth noted above and improved execution within the cooling products and services business. In addition, segment income for 2007 included a benefit of \$5.0 as a result of cost improvements associated with a state-approved environmental remediation plan at a site in California.

Industrial Products and Services

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008</u> vs. <u>2007%</u>	<u>2007</u> vs. <u>2006%</u>
Revenues	\$1,066.6	\$865.1	\$741.6	23.3	16.7
Segment income	245.0	149.8	92.4	63.6	62.1
% of revenues	23.0%	17.3%	12.5%		
Components of segment revenue growth:					
Organic growth				23.2	16.2
Foreign currency				0.1	0.5
Acquisitions, net				—	—
Net segment revenue growth				<u>23.3</u>	<u>16.7</u>

Revenues — For 2008, the increase in revenues was due primarily to organic revenue growth driven by strong demand for power transformers, crystal growing machines for the solar power market, and television and radio broadcast antenna systems.

For 2007, the increase in revenues was due to organic revenue growth driven primarily by strong demand for power transformers.

Segment Income — For 2008, the increase in segment income and margin was due to the organic revenue growth described above and manufacturing efficiencies achieved from lean and supply chain initiatives.

For 2007, the increase in segment income and margin was due to the organic revenue growth described above. This increase was offset partially by charges of \$8.5 related to the settlement of a legacy product liability matter.

Corporate Expense and Other Expense

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008</u> vs. <u>2007%</u>	<u>2007</u> vs. <u>2006%</u>
Total consolidated revenues	\$5,855.7	\$4,575.4	\$3,934.4	28.0	16.3
Corporate expense	107.7	100.3	96.1	7.4	4.4
% of revenues	1.8%	2.2%	2.4%		
Stock-based compensation expense	41.5	39.5	36.7	5.1	7.6
Pension and postretirement expense	38.8	43.5	44.2	(10.8)	(1.6)

Corporate Expense — Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters, our Horsham, PA information technology data center ("IT Center"), and our Asia-Pacific center in Shanghai, China. As described in Note 6 to our consolidated financial statements, during 2008 we initiated a plan for the shut-down of our IT Center in Horsham, PA. We expect to complete this shut-down during the first half of 2010. For 2008 and 2007, the increase in corporate expense was due primarily to higher salaries and incentive compensation relating to the impact of headcount increases in support of certain key operating initiatives, including the expansion of our Asia-Pacific center. In addition, corporate expense for 2008 was impacted by increased professional fees relating to various income tax related projects and costs relating to the settlement of a legacy legal matter. Lastly, 2007 corporate expense included charges of \$5.0 relating to legacy legal matters.

Stock-based Compensation Expense — The increase in stock-based compensation for 2008 compared to 2007 was due primarily to an increase in the fair value of our 2008 restricted stock and restricted stock unit awards, partially offset by the reversal of previously recorded stock compensation associated with restricted stock awards that were forfeited during 2008. The weighted-average fair value of our 2008 stock-based compensation awards, which is directly correlated to changes in our share price (see Note 15 to the consolidated financial statements for a discussion of our valuation technique), increased approximately 16% compared to the weighted-average fair value of our 2007 awards.

The 2007 increase in stock-based compensation expense was due primarily to an increase in the fair value of our 2007 restricted stock and restricted stock unit awards. The weighted-average fair value of our 2007 restricted stock and restricted stock unit awards was approximately 35% higher than the weighted-average fair value of the comparable 2006 awards.

Pension and Postretirement Expense — Pension and postretirement expense represents our consolidated expense, which we do not allocate for segment reporting purposes. The decrease in pension and postretirement expense for 2008 versus 2007 was due primarily to a reduction in the amortization of unrecognized losses. In addition, during 2008 we changed the amortization period for unrecognized losses under one of our qualified U.S. pension plans. Actuarial gains/(losses) for our pension plans generally are amortized over the approximate average service period of active employees expected to receive benefits under the plans. Based on a decrease in the number of active participants covered under one of our qualified U.S. pension plans, effective January 1, 2008, we began amortizing losses under the plan over the average remaining life expectancy of inactive participants receiving benefits under the plan. The effect of this change to the amortization period decreased net periodic pension expense by approximately \$2.4 in 2008. These decreases in pension expense were offset partially by a settlement charge of \$7.1 that we recorded in connection with a lump-sum payment that was made in 2008 to extinguish all remaining pension obligations to our former Chief Executive Officer under certain of our non-qualified pension plans.

Outlook

The following table highlights our backlog as of December 31, 2008 and 2007, and segment expectations for 2009 based on information available at the time of this report.

Segment	Comments
Flow Technology	We are targeting flat to modest organic revenue growth in 2009, following three years of double-digit, or near double-digit, growth. Sales into the oil and gas and power markets are expected to remain strong, while the food and beverage markets are expected to remain steady. However, we are projecting declines in the general industrial, chemical and dehydration markets due to the economic slowdown. The segment had backlog of \$645.6 and \$720.7 as of December 31, 2008 and 2007, respectively.
Test and Measurement	We are projecting a decline in organic revenue due to the difficult U.S. automotive market, along with the broader U.S. recession, which impacts our aftermarket sales. Backlog for the segment is not material as the related businesses are primarily short-cycle in nature.
Thermal Equipment and Services	We are projecting modest revenue growth for the segment in 2009, as the global power generation market remains stable. We had a backlog of \$2,083.6 and \$1,254.2 as of December 31, 2008 and 2007, respectively, across the segment, with the majority in our cooling systems and products and thermal services and equipment businesses. Portions of this backlog are very long-term in nature, with the related revenue 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 decline in organic revenue, as the instability in the credit markets has significantly impacted the capital spending behavior of certain of the segment's customers. Backlog for the segment totaled \$549.6 and \$631.4 as of December 31, 2008 and 2007, respectively.

Liquidity and Financial Condition

Listed below are the cash flows from (used in) operating, investing and financing activities, and discontinued operations, and the net change in cash and equivalents for the years ended December 31, 2008, 2007 and 2006.

	2008	2007	2006
Continuing operations:			
Cash flows from operating activities	\$ 404.7	\$ 411.1	\$ 53.1
Cash flows used in investing activities	(144.1)	(646.5)	(199.2)
Cash flows used in financing activities	(311.7)	(61.5)	(74.8)
Cash flows from discontinued operations	130.4	161.0	113.1
Increase in cash and equivalents due to changes in foreign currency exchange rates	42.5	12.8	4.8
Net change in cash and equivalents	<u>\$ 121.8</u>	<u>\$(123.1)</u>	<u>\$(103.0)</u>

2008 Compared to 2007:

Operating Activities — The primary factors contributing to the decrease in cash flows from operating activities during 2008 as compared to 2007 were as follows:

- pension and other payments of \$39.8 that were made in August 2008 to our former Chief Executive Officer;
- payments associated with the integration of the APV business; and
- increases in working capital associated with organic growth.

The above decreases were offset partially by the impact of the increase in operating earnings during 2008.

Investing Activities — The decrease in cash flows used in investing activities during 2008 as compared to 2007 was due primarily to a decline in business acquisitions and investments (\$15.0 in 2008 compared to \$567.2 in 2007), relating primarily to the acquisitions of APV, JCD and Matra during 2007. This decrease was partially offset by an increase in capital expenditures relating primarily to the implementation of new ERP software systems in connection with our ERP rationalization initiative and investment in our infrastructure (\$116.4 in 2008 compared to \$82.6 in 2007).

Financing Activities — The primary factors contributing to the increase in cash used in financing activities during 2008 as compared to 2007 were as follows:

- borrowings under the 7.625% senior notes of \$500.0 in 2007;
- net repayments on the revolving credit facilities during 2008 of \$125.0 compared to net borrowings in 2007 of \$45.7;
- net repayments on the trade receivable financing arrangement during 2008 of \$70.0 compared to net borrowings in 2007 of \$69.0; and
- a decrease in proceeds from the exercise of stock options and other (\$81.5 in 2008 compared to \$133.0 in 2007).

The above increases were offset partially by a decrease in repurchases of our common stock (\$115.2 in 2008 versus \$715.9 in 2007).

Discontinued Operations — The decrease in cash flows from discontinued operations during 2008 as compared to 2007 was due primarily to an income tax refund of \$45.4 received in 2007 associated with capital losses generated from the sale of discontinued operations. Cash flows from discontinued operations included cash proceeds from business dispositions of \$137.8 and \$129.2 in 2008 and 2007, respectively.

2007 Compared to 2006:

Operating Activities — The primary factors contributing to the increase in cash flows from operating activities during 2007 as compared to 2006 were as follows:

- accreted interest (since issuance) of \$84.3 paid in connection with the 2006 LYONs redemption. Unlike the zero coupon LYONs, our current long-term debt arrangements have interest paid quarterly or semi-annually;
- income tax payments of \$90.9 during 2006 resulting from the tax recapture associated with the 2006 LYONs redemption and payments to the IRS of \$66.6 relating to adjustments resulting from audits of our 1995 to 2002 Federal tax returns. See Note 11 to our consolidated financial statements for additional details;
- higher operating earnings in 2007;
- payment of \$20.0 during 2006 related to the settlement of the VSI lawsuit; and
- an improvement in working capital during 2007 due primarily to increases in customer deposits, particularly for our power transformer business.

Investing Activities — The primary factors contributing to the increase in cash flows used in investing activities during 2007 as compared to 2006 were as follows:

- an increase in business acquisitions and investments (\$567.2 in 2007 compared to \$169.4 in 2006), relating primarily to the acquisitions of APV, JCD and Matra;
- a decrease in proceeds from asset sales (\$3.3 in 2007 versus \$19.4 in 2006); and
- an increase in capital expenditures relating primarily to the implementation of new ERP software systems in connection with our ERP rationalization initiative (\$82.6 in 2007 compared to \$49.2 in 2006).

Financing Activities — The primary factors contributing to the decrease in cash used in financing activities during 2007 as compared to 2006 were as follows:

- borrowings of \$500.0 resulting from the issuance of our 7.625% senior notes; and
- an increase in borrowings of \$69.0 under our trade receivables financing arrangement during 2007 compared to 2006.

The above decreases were partially offset by the following:

- repurchases of our common stock totaling \$715.9 during 2007 compared to \$436.3 in 2006;

- decrease in net borrowings on the senior credit and other debt facilities of \$213.0 in 2007; and
- proceeds from the exercise of stock options and other totaling \$133.0 in 2007 compared to \$184.8 in 2006.

Discontinued Operations — The increase in cash flows from discontinued operations during 2007 as compared to 2006 was due primarily to an income tax refund of \$45.4 associated with capital losses generated from the sale of discontinued operations. Cash flows from discontinued operations included cash proceeds from business dispositions of \$129.2 and \$123.0 in 2007 and 2006, respectively.

Borrowings

The following summarizes our outstanding debt as of, and debt activity for the year ended, December 31, 2008. See Note 12 to our consolidated financial statements for the details regarding our 2008 debt activity.

	December 31, 2007	Borrowings	Repayments	Other ⁽³⁾	December 31, 2008
Term loan	\$ 750.0	\$ —	\$ (75.0)	\$ —	\$ 675.0
Domestic revolving loan facility	115.0	485.5	(535.5)	—	65.0
Global revolving loan facility	—	100.0	(100.0)	—	—
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⁾	70.0	261.0	(331.0)	—	—
Other indebtedness ⁽²⁾	83.3	—	(28.3)	0.2	55.2
Total debt	1,567.8	\$ 846.5	\$(1,069.8)	\$ 0.2	1,344.7
Less: short-term debt	254.3				112.9
Less: current maturities of long-term debt	78.9				76.4
Total long-term debt	\$ 1,234.6				\$ 1,155.4

(1) Under this arrangement, we can borrow, on a continuous basis, up to \$130.0, as available.

(2) Includes aggregate balances under extended accounts payable programs and a purchase card program of \$47.9 and \$57.1 at December 31, 2008 and 2007, respectively.

(3) "Other" includes debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

Credit Facilities

On September 21, 2007, we entered into senior credit facilities with a syndicate of lenders that replaced our then-existing senior credit facilities, which were simultaneously terminated. These senior credit facilities 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 with a final maturity of September 2012;
- a domestic revolving credit facility, available for loans and letters of credit, in an aggregate principal amount of 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.

In connection with the termination of our then-existing senior credit facilities, we incurred \$3.3 of costs, including \$2.3 for the write-off of deferred financing costs, \$0.2 for an early termination fee and \$0.8 for costs associated with the early termination of our then-existing interest rate protection agreements (see Note 13 to our consolidated financial statements).

The weighted-average interest rate of our outstanding borrowings, including the impact of our interest rate protection agreements ("swaps"), under the senior credit facilities was 4.88% at December 31, 2008.

We also may seek additional commitments for incremental term loan facilities or increases in commitments in respect of the domestic revolving credit facility, the global revolving credit facility and/or the foreign credit instrument facility by up to an aggregate principal amount of \$400.0 without the need for consent from the existing lenders.

We are the borrower under the term and revolving loan facilities, and certain of our foreign subsidiaries are (and others may in the future become) borrowers under the global revolving credit facility and the foreign credit instrument facility.

All borrowings and other extensions of credit under our senior credit facilities are subject to the satisfaction of customary conditions, including absence of defaults and accuracy in material respects of representations and warranties.

The letters of credit under the domestic revolving credit facility are stand-by letters of credit requested by any borrower on behalf of itself or any of its subsidiaries. The foreign credit instrument facility is used to issue foreign credit instruments, including bank undertakings to support our foreign operations.

The interest rates applicable to loans under our senior credit facilities are, at our option, equal to either an alternate base rate (the higher of (a) the federal funds effective rate plus 0.5% and (b) the prime rate of Bank of America) or a reserve adjusted LIBOR rate for dollars (Eurodollar) plus, in each case, an applicable margin percentage, which varies based on our Consolidated Leverage Ratio (as defined in the credit agreement generally as the ratio of consolidated total debt (net of cash equivalents in excess of \$50.0) at the date of determination to consolidated adjusted EBITDA for the four fiscal quarters ended on such date). We may elect interest periods of one, two, three or six months for Eurodollar borrowings. The fees charged and the interest rate margins applicable to Eurodollar and base rate loans are (all on a per annum basis) as follows:

<u>Consolidated Leverage Ratio</u>	<u>Domestic Revolving Commitment Fee</u>	<u>Global Revolving Commitment Fee</u>	<u>Letter of Credit Fee</u>	<u>Foreign Credit Commitment Fee</u>	<u>Foreign Credit Instrument Fee</u>	<u>LIBOR Rate Loans</u>	<u>ABR Loans</u>
Greater than or equal to 3.00 to 1.0	0.35%	0.35%	1.75%	0.35%	1.3125%	1.75%	0.75%
Between 2.00 to 1.0 and 3.00 to 1.0	0.30%	0.30%	1.50%	0.30%	1.125%	1.50%	0.50%
Between 1.50 to 1.0 and 2.00 to 1.0	0.25%	0.25%	1.25%	0.25%	0.9375%	1.25%	0.25%
Between 1.00 to 1.0 and 1.50 to 1.0	0.20%	0.20%	1.00%	0.20%	0.75%	1.00%	0.00%
Less than 1.00 to 1.0	0.175%	0.175%	0.875%	0.175%	0.65625%	0.875%	0.00%

The term loan is repayable in quarterly installments of \$18.75 for each quarter ending March 31, 2009 through September 30, 2011, and \$112.5 for the quarters ending December 31, 2011 through June 30, 2012, with the balance due in September 2012.

Our senior credit facilities require mandatory prepayments in amounts equal to the net proceeds from the sale or other disposition of, including from any casualty to, or governmental taking of property in excess of specified values (other than in the ordinary course of business and subject to other exceptions) by us or our subsidiaries. Mandatory prepayments will be applied first to prepay the term loan and then to repay amounts (or cash collateralize letters of credit) outstanding under the global revolving credit facility or the domestic revolving credit facility (without reducing the commitments thereunder). No prepayment is required to the extent the net proceeds are reinvested in permitted acquisitions, permitted investments or assets to be used in our business within 360 days of the receipt of such proceeds.

We may voluntarily prepay loans under our senior credit facilities, in whole or in part, without premium or penalty. Any voluntary prepayment of loans will be subject to reimbursement of the lenders' breakage costs in the case of a prepayment of Eurodollar rate borrowings other than on the last day of the relevant interest period.

Indebtedness under our senior credit facilities is guaranteed by:

- each existing and subsequently acquired or organized domestic material subsidiary with specified exceptions; and
- us with respect to the obligations of our foreign borrower subsidiaries under the global revolving credit facility and the foreign credit instrument facility.

Indebtedness under our senior credit facilities is secured by a first priority pledge and security interest in 100% of the capital stock of our domestic subsidiaries (with certain exceptions) and 65% of the capital stock of our material first tier foreign subsidiaries. If our corporate credit rating is "Ba2" or less by Moody's and "BB" or less by S&P, then we and our domestic subsidiary guarantors are required to grant security interests, mortgages and other liens on substantially all our and their assets.

Our senior credit facilities require that we maintain:

- a Consolidated Interest Coverage Ratio (as defined in the credit agreement generally as the ratio of consolidated adjusted EBITDA for the 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 not 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 repurchase 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).

At December 31, 2008, we were in compliance with all covenant provisions of our senior credit facilities, and the senior credit facilities did not impose any restrictions on our ability to repurchase shares or pay dividends, other than those inherent in the credit agreement. While the impact of continued market volatility cannot be predicted, we do not expect an impact to our ability to comply with the covenant provisions of our senior credit facilities in the near or long-term.

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 (see Note 4 to our consolidated financial statements for further information). 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, but are effectively junior to our senior credit facilities. 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. At December 31, 2008, we were in compliance with all covenant provisions of these senior notes. We have agreed to conduct a registered exchange offer for the notes and will use commercially reasonable efforts to exchange the notes for a new issue of identical debt securities within 150 days from February 28, 2009, if the notes are not freely tradable before this date, and file under certain circumstances a shelf registration statement to cover resales of the notes and to cause the registration statement to be declared effective by the SEC. If we fail to satisfy these obligations, we have agreed to pay additional interest to holders of the notes under certain circumstances.

In June 2003, we issued \$300.0 of non-callable 6.25% senior notes that mature on June 15, 2011. The interest payment dates for these notes are June 15 and December 15 of each year. In December 2002, we issued \$500.0 of callable 7.50% senior notes that mature on January 1, 2013. The interest payment dates for these notes are January 1 and July 1 of each year. Both of these note issuances are unsecured and rank equally with all of our existing and future unsecured senior indebtedness, but are effectively junior to our senior credit facilities.

Other Borrowings and Financing Activities

Some of our businesses participate in extended accounts payable programs through agreements with lending institutions. Under the arrangements, our businesses are provided extended payment terms. As of December 31, 2008 and 2007, the

participating businesses had \$7.3 and \$12.8, respectively, outstanding under these arrangements. Additionally, certain of our businesses purchase goods and services under a purchasing card program allowing for payment beyond normal payment terms. As of December 31, 2008 and 2007, the participating businesses had \$40.6 and \$44.3, 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.

We are party to 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. 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. There were no amounts outstanding under this financing agreement at December 31, 2008; however, we had \$70.0 outstanding at December 31, 2007.

Availability

At December 31, 2008, we had \$411.8 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facility of \$65.0 and to \$123.2 reserved for outstanding letters of credit. In addition, at December 31, 2008, we had \$257.6 of available issuance capacity under our foreign credit instrument facility after giving effect to \$692.4 reserved for outstanding letters of credit. Lastly, at December 31, 2008, we had \$78.8 of available borrowing capacity under our trade receivables financing agreement.

Additionally, 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 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 2008 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 \$475.9 at December 31, 2008, 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.

Financial Instruments

Effective January 1, 2008, we adopted the provisions of SFAS No. 157 that apply to our financial assets and liabilities that are measured at fair value within our financial statements, which provides a framework for measuring fair value under GAAP. 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 derivative assets and liabilities include swaps, currency foreign contracts and commodity price protection agreements that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks. 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 December 31, 2008, 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 risks.

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 include the following as of December 31, 2008:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets — currency forward contracts and embedded derivative contracts	\$ —	\$ 0.6	\$ —
Noncurrent assets — embedded derivative contracts	—	8.9	—
Current liabilities — currency 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. We designate and account for these swaps as cash flow hedges. In connection with the September 21, 2007 refinancing of our senior credit facilities (see Note 12 to our consolidated financial statements for further information), we terminated all our existing swaps and entered into new swaps with a notional amount of \$600.0. These new swaps have maturities through September 2012 and effectively convert \$600.0 of our borrowings 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 new term loan. As of December 31, 2008, the aggregate notional amount of the swaps was \$540.0.

In connection with the termination of our previously held swaps, on September 21, 2007, we made a net cash payment of \$0.4. In addition, we reclassified \$0.8 from accumulated other comprehensive income (loss) to "Loss on early extinguishment of debt."

As of December 31, 2008 and 2007, we recorded an unrealized loss, net of tax, of \$25.8 and \$9.1, respectively, to accumulated other comprehensive income (loss). In addition, as of December 31, 2008 and 2007, we recorded a long-term liability of \$42.0 and \$14.8, 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. 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 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 gain (loss) recorded in "Other income (expense), net" from the change in the fair value of FX forward contracts and embedded derivatives totaled \$4.5 for 2008, \$6.2 for 2007 and (\$1.8) for 2006, respectively.

We had FX forward contracts with an aggregate notional amount of \$129.8 outstanding as of December 31, 2008, with scheduled maturities of \$129.5 and \$0.3 in 2009 and 2010, respectively. The fair values of our FX forward contracts and embedded derivatives were as follows:

	December 31, 2008			December 31, 2007	
	Current Assets	Noncurrent Assets	Current Liabilities	Current Assets	Current Liabilities
Currency forward contracts	\$ 0.5	\$ —	\$ 2.9	\$ —	\$ 0.1
Embedded derivative contracts	0.1	8.9	—	—	0.8

Other Derivative Instruments

From time to time we enter into forward contracts to manage the exposure on forecasted purchases of commodity raw materials. We designate and account for such transactions as cash flow hedges. As of December 31, 2008 and 2007, the unrealized loss, net of tax, recorded in accumulated other comprehensive income (loss) was \$5.8 and \$0.6, respectively. We expect to reclassify the 2008 unrealized loss to cost of products sold over the next 12 months as the hedged transactions impact earnings. The fair values of these contracts were \$7.2 and \$0.7 (recorded as a current liability) as of December 31, 2008

and 2007, respectively. The amount of gain (loss) recognized during the years ended December 31, 2008, 2007 and 2006 related to the ineffectiveness of the hedges was not material.

Other Fair Value Financial Assets and Liabilities

The carrying amount of cash and equivalents and receivables reported in the 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 each year-end for similar debt, was \$1,229.6 at December 31, 2008, compared to our carrying value of \$1,344.7.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and temporary investments, trade accounts receivable, swaps, 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. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

Cash and Other Commitments

Balances, if any, under the revolving credit and foreign credit instrument facilities of our senior credit facilities are payable in full in September 2012, the maturity date of the facilities. The term loan is repayable in quarterly installments of \$18.75 for each quarter ending March 31, 2009 through September 30, 2011, and \$112.5 for the quarters ending December 31, 2011 through June 30, 2012, with the balance due in September 2012.

We use operating leases to finance certain equipment and other purchases. At December 31, 2008, we had \$180.3 of future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year.

In 2003, our Board of Directors approved the implementation of a quarterly dividend program. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board of Directors, and the target dividend level may be adjusted during the year at the discretion of the Board of Directors. The factors that the Board of Directors considers in determining the actual amount of each quarterly dividend include our financial performance and on-going capital needs, our ability to declare and pay dividends under the terms of our credit facilities and any other debt instruments, and other factors deemed relevant. During 2008, we declared and paid dividends of \$53.3 and \$53.5, respectively, while in 2007 we declared and paid dividends of \$55.0 and \$56.5, respectively.

Capital expenditures for 2008 totaled \$116.4, compared to \$82.6 and \$49.2 in 2007 and 2006, respectively. Capital expenditures relate primarily to the implementation of new ERP software systems across our company in connection with our ERP rationalization initiative, as well as upgrades of manufacturing facilities and replacement of equipment. We expect 2009 capital expenditures to approximate \$100.0. While the impact of continued market volatility cannot be predicted, we believe we have sufficient operating flexibility, cash reserves and funding sources to maintain adequate amounts of liquidity and to meet our future operating cash needs and internal growth opportunities.

In 2008, we made contributions and direct benefit payments of \$76.6 to our defined benefit pension and postretirement benefit plans which includes \$8.0 of contributions that relate to businesses that have been classified as discontinued operations, and we expect to make \$42.9 of contributions and direct benefit payments in 2009 which includes \$2.1 of contributions that relate to businesses that have been classified as discontinued operations. Our pension plans have not experienced any significant impact on liquidity or counterparty exposure due to the volatility in the credit markets. However, as a result of losses experienced in the global equity markets, our domestic pension funds experienced a negative return on assets of approximately 16.5% in 2008. See Note 10 to our consolidated financial statements for further disclosure of expected future contributions and benefit payments.

On a net basis, both from continuing and discontinued operations, we paid \$95.7, \$80.5 and \$241.3 in cash taxes for 2008, 2007 and 2006, respectively. In 2008, we made payments of \$113.3 associated with the actual and estimated tax liability for federal, state and foreign tax obligations and received refunds of \$17.6. The amount of income taxes that we pay annually is dependent on various factors, including the timing of certain deductions. Deductions and the amount of income taxes can and do vary from year to year.

As of December 31, 2008, except as discussed in Note 14 to our consolidated financial statements, we did not have any material guarantees, off-balance sheet arrangements or purchase commitments other than the following: (1) \$123.2 of certain standby letters of credit outstanding, all of which reduce the available borrowing capacity on our revolving credit facility; and (2) approximately \$223.7 of surety bonds. In addition, \$68.1 of our standby letters of credit relate to self-insurance matters and originate from workers' compensation, auto, or general liability claims made against us. We account for each of these claims as part of our self-insurance accruals.

Our Certificate of Incorporation provides that we 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 service with us, subject to limited exceptions. While we maintain insurance for this type of liability, the liability could exceed the amount of the insurance coverage.

We continually review each of our businesses in order to determine their long-term strategic fit. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Additionally, we have stated that we may consider a larger acquisition, more than \$1,000.0 in revenues, if certain criteria were met. In addition, you should read "Risk Factors," "Segment Results of Operations" included in this MD&A, and "Business" for an understanding of the risks, uncertainties and trends facing our businesses.

Contractual Obligations:

The following is a summary of our primary contractual obligations:

	Total	Due within 1 year	Due in 1-3 years	Due in 3-5 years	Due after 5 years
Short-term debt obligations	\$ 112.9	\$112.9	\$ —	\$ —	\$ —
Long-term debt obligations	1,231.8	76.4	268.7	386.7	500.0
Pension and postretirement benefit plan contributions and payments ⁽¹⁾	866.1	42.5	137.4	178.3	507.9
Purchase and other contractual obligations ⁽²⁾	856.1	639.9	171.0	38.7	6.5
Future minimum lease payments ⁽³⁾	180.3	41.2	60.8	42.7	35.6
Interest payments ⁽⁴⁾	400.0	86.0	145.5	92.3	76.2
Total contractual cash obligations⁽⁵⁾	\$3,647.2	\$998.9	\$ 783.4	\$ 738.7	\$1,126.2

(1) Estimated minimum required pension funding and pension and postretirement benefit payments are based on actuarial estimates using current assumptions for, among other things, discount rates, expected long-term rates of return on plan assets (where applicable), rate of compensation increases, and health care cost trend rates. The expected pension contributions in 2009 and thereafter reflect the minimum required contributions under the Pension Protection Act of 2006 and the Worker, Retiree, and Employer Recovery Act of 2008. See Note 10 to our consolidated financial statements for additional information on expected future contributions and benefit payments.

(2) Represents contractual commitments to purchase goods and services at specified dates.

(3) Represents rental payments under operating leases with remaining non-cancelable terms in excess of one year.

(4) Includes interest payments at variable rates based on interest rates at December 31, 2008.

(5) Contingent obligations, such as environmental accruals and those relating to uncertain tax positions (i.e., FIN 48 obligations), generally do not have specific payment dates and accordingly have been excluded from the above table. We believe that within the next 12 months it is reasonably possible that we could pay approximately \$20.0 to \$25.0 relating to uncertain tax positions, which includes an estimate for interest and penalties.

In addition, the above table does not include potential payments under our derivative financial instruments.

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 listed below. This section should be read in conjunction with Notes 1 and 2 to our consolidated financial statements, which include a detailed discussion of these and other accounting policies.

Long-Term Contract Accounting

Certain of our businesses, primarily within the Flow Technology, Test and Measurement and Thermal Equipment and Services segments, recognize revenues and profits from long-term contracts under the percentage-of-completion method of accounting. The percentage-of-completion method requires estimates of future revenues and costs over the full term of product delivery. In 2008, 2007 and 2006, we recognized \$1,384.8, \$1,071.5 and \$848.5 of revenues under the percentage-of-completion method, respectively.

Provisions for losses, if any, on uncompleted long-term contracts are made in the period in which such losses are determined. In the case of customer change orders for uncompleted long-term contracts, estimated recoveries are included for work performed in forecasting ultimate profitability on certain contracts. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts have not been billed under the terms of the contracts. These amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract.

Claims related to long-term contracts are recognized as revenue only after management has determined that collection is probable and the amount can be reliably estimated. Claims made by us may involve negotiation and, in certain cases, litigation. In the event we incur litigation costs in connection with claims, such litigation costs are expensed as incurred, although we may seek to recover these costs. Claims against us are recognized when a loss is considered probable and amounts are reasonably determinable.

Impairment of Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but instead are subject to annual impairment testing. We monitor the results of each of our reporting units as a means of identifying trends and/or matters that may impact their financial results and, thus, be an indicator of a potential impairment under SFAS No. 142. The trends and/or matters that we specifically monitor for each of our reporting units are as follows:

- significant variances in financial performance (e.g., revenues, earnings and cash flows) in relation to expectations and historical performance;
- significant changes in end markets or other economic factors;
- significant changes or planned changes in our use of a reporting unit's assets; and
- significant changes in customer relationships and competitive conditions.

The identification and measurement of goodwill impairment involves the estimation of the fair value of reporting units. We consider a number of factors, including the input of an independent appraisal firm, in conducting the impairment testing of our reporting units. We perform our impairment testing by comparing the estimated fair value of the reporting unit to the carrying value of the reported net assets, with such testing occurring during the fourth quarter of each year (or more frequently if impairment indicators arise), based primarily on events and circumstances existing as of the end of the third quarter. Fair value is generally based on the income approach using a calculation of discounted cash flows, based on the most recent financial projections for the reporting units. The revenue growth rates included in the financial projections are management's best estimates based on current and forecasted market conditions, and the profit margin assumptions are projected by each reporting unit based on current cost structure and anticipated net cost reductions.

The calculation of fair value for our reporting units incorporates many assumptions including future growth rates, profit margin and discount factors. Changes in economic and operating conditions impacting these assumptions could result in impairment charges in future periods.

In connection with our fourth quarter of 2008 testing, no impairment of goodwill was identified. However, in response to the substantial changes in the global economic environment during the fourth quarter of 2008, we concluded that it was necessary to perform additional impairment testing as of December 31, 2008. In connection with these tests, we determined that the fair value of our Weil McLain subsidiary was less than the carrying value of its net assets. As a result, we estimated the implied fair value of goodwill and recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9). This charge reflects a \$19.3 implied fair value of goodwill, which considers (i) a \$33.7 difference between the estimated fair value of our Weil McLain subsidiary compared to the carrying value of its net assets, and (ii) an allocation to certain tangible and intangible assets of \$89.3 for estimated increases in these assets solely for purposes of applying the impairment provisions of SFAS No. 142.

In addition, our testing as of December 31, 2008 identified another reporting unit (Service Solutions, our specialty diagnostic service tools business) whose fair value exceeded the carrying value of its net assets by less than 10%. The aggregate goodwill and indefinite-lived intangible asset balance for Service Solutions was \$382.6 at December 31, 2008. We will continue to monitor impairment indicators across our reporting units, including Service Solutions.

As discussed above, since the date of our annual impairment testing, we have updated our forecasts to reflect, among other things, the global economic downturn. Because of these changes in circumstances, we have verified that goodwill is not further impaired as of December 31, 2008. However, further changes in our forecasts or decreases in the value of our common stock could cause book values of certain operations to exceed their fair values which may result in goodwill impairment charges in future periods.

Employee Benefit Plans

We have defined benefit pension plans that cover a portion of our salaried and hourly paid employees, including certain employees in foreign countries. Additionally, we have domestic postretirement plans that provide health and life insurance benefits for certain retirees and their dependents. The costs and obligations associated with these plans are calculated based on actuarial valuations. The critical assumptions used in determining these obligations and related expenses are discount rates, the expected long-term rate of return on plan assets and healthcare cost projections. These critical assumptions are determined based on company data and appropriate market indicators, and are evaluated at least annually by management in consultation with outside actuaries and investment advisors. Other assumptions involving demographic factors such as retirement patterns, mortality, turnover and the rate of compensation increases are evaluated periodically and are updated to reflect our experience and expectations for the future. While management believes that the assumptions used are appropriate, actual results may differ.

To determine the expected long-term rate of return on pension plan assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets. A lower expected rate of return on plan assets would increase pension expense. Our domestic qualified pension plans account for approximately 68% of our total projected benefit obligations at December 31, 2008. A 50 basis point change in the expected long-term rate of return for our domestic qualified pension plans would impact our estimated 2009 pension expense by approximately \$4.4. Our pension plans have not experienced any significant impact on liquidity or counterparty exposure due to the volatility in the credit markets. However, as a result of losses experienced in the global equity markets, our domestic pension funds experienced a negative return on assets of approximately 16.5% in 2008.

The discount rate enables us to state expected future cash flows at a present value on the measurement date. This rate is the yield on high-quality fixed income investments at the measurement date. A lower discount rate increases the present value of benefit obligations and increases pension expense. A 50 basis point change in the discount rate for our domestic plans would impact our estimated 2009 pension expense by approximately \$3.4.

The trend in healthcare costs is difficult to estimate, and it has an important effect on postretirement liabilities. The 2008 healthcare cost trend rate, which is the weighted-average annual projected rate of increase in the per capita cost of covered benefits, was 8.6%. This rate is assumed to decrease to 5% by 2019 and then remain at that level. A one-percentage point increase in the healthcare cost trend rate would increase our estimated 2009 postretirement expense by \$0.6.

See Note 10 to our consolidated financial statements for further information on our pension and postretirement benefit plans.

Income Taxes

We record our income taxes based on the requirements of SFAS No. 109, "Accounting for Income Taxes," which includes an estimate of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns.

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess the realizability of deferred tax assets and the adequacy of deferred tax liabilities, including the results of local, state, federal or foreign statutory tax audits or estimates and judgments used.

Realization of deferred tax assets associated with net operating loss and credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration by tax jurisdiction. We believe that it is more likely than not that certain of these net operating loss and credit carryforwards may expire unused and, accordingly, have established a valuation allowance against them. Although realization is not assured for the remaining deferred tax assets, we believe it is more likely than not that the deferred tax assets will be realized through future taxable earnings or alternative tax strategies. However, deferred tax assets could be reduced in the near term if our estimates of taxable income during the carryforward period are significantly reduced or alternative tax strategies are no longer viable.

The amount of income tax that we pay annually is dependent on various factors, including the timing of certain deductions and ongoing audits by federal, state and foreign tax authorities, which may result in proposed adjustments. We perform reviews of our income tax positions on a quarterly basis and accrue for potential contingencies in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("FIN 48"). Accruals for these contingencies are recorded based on an expectation as to the timing of when the contingency will be resolved. As events change or resolution occurs, these accruals are adjusted, such as in the case of audit settlements with taxing authorities. We believe we have adequately provided for any reasonably foreseeable outcome related to these matters.

Our future results may include favorable or unfavorable adjustments to our estimated tax liabilities due to closure of income tax examinations, new regulatory or judicial pronouncements, changes in tax laws, changes in projected levels of taxable income, future tax planning strategies, or other relevant events. See Note 11 to our consolidated financial statements for additional details regarding our tax contingencies.

Product Warranty

In the normal course of business, we issue product warranties for specific product lines and provide for the estimated future warranty cost in the period in which the sale is recorded. We provide for the estimate of warranty cost based on contract terms and historical warranty loss experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. In addition, due to the seasonal fluctuations at certain of our businesses, the timing of warranty provisions and the usage of warranty accruals can vary period to period. We make adjustments to warranty liabilities as changes in the obligations become reasonably estimable.

Contingent Liabilities

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 unaware currently, 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, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with our 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 a material adverse effect, individually or in the aggregate, on our financial position, results of operations and cash flows. These accruals totaled \$340.9 (including \$260.7 for risk management matters) and \$360.2 (including \$268.8 for risk management matters) at December 31, 2008 and 2007, respectively.

It is our policy to comply fully with applicable environmental requirements. We are currently involved in various investigatory and remedial actions at our facilities and at third-party waste disposal sites. It is our policy to accrue for estimated losses from legal actions or claims when events exist that make the realization of the losses or expenses probable and they can be reasonably estimated. Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. 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. We expense costs incurred to investigate and remediate environmental issues unless they extend the economic useful life of related assets. We record liabilities and report expenses when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. It is our policy to realize a change in estimates once it becomes probable and can be reasonably estimated. In determining our accruals, we do not discount environmental or other legal accruals and do not reduce them by anticipated insurance, litigation and other 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.

We are self-insured for certain of our workers' compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for self-insurance liabilities are determined by management, are based on claims filed and an estimate of claims incurred but not yet reported, and generally 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; however, this insurance may be insufficient or unavailable to protect us against potential loss exposures. The key assumptions considered in estimating the ultimate cost to settle reported claims and the estimated costs associated with incurred but not yet reported claims include, among other things, our historical and industry claims experience, trends in health care and administrative costs, our current and future risk management programs, and historical lag studies with regard to the timing between when a claim is incurred versus when it is reported.

New Accounting Pronouncements

See Note 3 to our consolidated financial statements for a complete discussion of recent accounting pronouncements. The following summarizes only those pronouncements that could have a material impact on our financial condition or results of operations in future periods.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurement," which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 focuses on creating consistency and comparability in fair value measurements. With the exception of certain nonfinancial assets and liabilities, SFAS No. 157 is effective for financial assets and liabilities that are measured at fair value within the financial statements for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2 to defer SFAS No. 157's effective date 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 SFAS No. 157 for financial assets and liabilities measured at fair value within the financial statements on January 1, 2008 (see Note 13 to our consolidated financial statements) with no impact on our consolidated financial statements. We currently are evaluating the impact that the provisions of SFAS No. 157 for nonfinancial assets and liabilities may have on our consolidated financial statements.

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) will be 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 expect SFAS No. 141(R) will have an impact on our consolidated financial statements when effective, but the nature and magnitude of the specific effects will depend upon the terms and size of the acquisitions we consummate after the effective date. After our adoption of SFAS

No. 141(R), the settlement of acquisition-related liabilities for unrecognized tax benefits and the reduction of acquisition-related valuation allowances (see Note 11 to our consolidated financial statements) will affect income tax expense in the period of reversal.

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 should 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 currently are evaluating the impact of adoption that EITF 07-01 may have on our consolidated financial statements, specifically, as it relates to our consortium arrangements. See Note 14 to our consolidated financial statements for additional details of our consortium arrangements.

In April 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 therefore 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. At December 31, 2008, we had 0.5 outstanding restricted stock awards that contain rights to nonforfeitable dividends. The effect of including these awards would increase the basic and dilutive shares for 2008 by 0.6 and 0.3 shares, respectively.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

(All dollar amounts are in millions)

We are exposed to market risk related to changes in interest rates, foreign currency exchange rates and commodity raw material prices, and we selectively use financial instruments to manage these risks. We do not enter into financial instruments for speculative or trading purposes; however, such instruments may become speculative if the future cash flows originally hedged are no longer probable of occurring as anticipated. We have interest rate protection agreements with financial institutions to limit exposure to interest rate volatility. Our currency exposures vary, but are primarily concentrated in the Euro, British Pound, South African Rand and Chinese Yuan. We generally do not hedge translation exposures. Our exposures for commodity raw materials vary, with the highest concentration relating to steel, copper and oil. See Note 13 to our consolidated financial statements for further details.

The following table provides information, as of December 31, 2008, about our primary outstanding debt obligations and presents principal cash flows by expected maturity dates, weighted-average interest rates and fair values.

	Expected Maturity Date						Total	Fair Value
	2009	2010	2011	2012	2013	After		
Long-term debt:								
7.625% senior notes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 500.0	\$ 500.0	\$ 415.0
Average interest rate							7.625%	
7.50% senior notes	—	—	—	—	28.2	—	28.2	25.0
Average interest rate							7.50%	
6.25% senior notes	—	—	21.3	—	—	—	21.3	19.4
Average interest rate							6.25%	
Term loan	75.0	75.0	168.8	356.2	—	—	675.0	650.0
Average interest rate							5.08%	
Domestic revolving loan facility	65.0	—	—	—	—	—	65.0	65.0
Average interest rate							2.20%	

We believe that current cash and equivalents, cash flows from operations, availability under revolving credit facilities and availability under our 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.

We had foreign currency forward contracts with an aggregate notional amount of \$129.8 outstanding as of December 31, 2008, with scheduled maturities of \$129.5 and \$0.3 in 2009 and 2010, respectively. The net fair value of our open contracts was \$2.4, with \$0.5 recorded as a current asset and \$2.9 as a current liability as of December 31, 2008. The fair value of the associated embedded derivatives was \$9.0, with \$0.1 recorded as a current asset and \$8.9 recorded as a noncurrent asset, as of December 31, 2008.

We also had interest rate protection agreements ("swaps") with a notional amount of \$540.0 outstanding at December 31, 2008. These are amortizing swaps; therefore, the outstanding notional value is scheduled to decline commensurate with the maturities of our term loan. As of December 31, 2008, we recorded an unrealized loss, net of tax, of \$25.8 to accumulated other comprehensive income (loss) and a long-term liability of \$42.0 to recognize the fair value of our swaps.

Lastly, we had commodity contracts with an unrealized loss, net of tax, recorded in accumulated other comprehensive income (loss) of \$5.8 at December 31, 2008. We expect to reclassify the 2008 unrealized loss to cost of products sold over the next 12 months as the hedged transactions impact earnings. The fair value of these contracts was \$7.2 (recorded as a current liability) as of December 31, 2008.

ITEM 8. Financial Statements And Supplementary Data

**SPX Corporation and Subsidiaries
Index To Consolidated Financial Statements**

December 31, 2008

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All schedules are omitted because they are not applicable, not required or because the required information is included in our consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of SPX Corporation:

We have audited the accompanying Consolidated Balance Sheets of SPX CORPORATION AND SUBSIDIARIES (the "Company") as of December 31, 2008 and 2007, and the related Consolidated Statements of Operations, Shareholders' Equity and Comprehensive Income, and Cash Flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of EGS Electrical Group, LLC and Subsidiaries ("EGS") for the years ended September 30, 2008, 2007 and 2006, the Company's investment in which is accounted for by use of the equity method (see Note 9 to the consolidated financial statements). The Company's equity in income of EGS for the years ended September 30, 2008, 2007 and 2006 was \$43.7 million, \$39.3 million and \$40.2 million, respectively. The financial statements of EGS were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such company, is based solely on the report of such auditors.

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

In our opinion, based on our audits and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of SPX CORPORATION AND SUBSIDIARIES at December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 10 to the consolidated financial statements, the Company changed its method of accounting for pension and post-retirement benefits as of December 31, 2006. Also, as discussed in Note 11, in 2007 the Company changed its method for measuring and recognizing tax benefits associated with uncertain tax positions.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2009 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 27, 2009

SPX Corporation and Subsidiaries
Consolidated Statements of Operations
(\$ and shares in millions, except per share amounts)

	<u>Year ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues	\$5,855.7	\$4,575.4	\$3,934.4
Costs and expenses:			
Cost of products sold	4,084.0	3,248.3	2,834.3
Selling, general and administrative	1,132.4	886.4	783.5
Intangible amortization	25.7	17.8	13.5
Impairment of goodwill and other intangible assets	123.0	4.0	—
Special charges, net	17.2	5.2	3.8
Operating income	473.4	413.7	299.3
Other expense, net	(7.8)	(2.7)	(25.9)
Interest expense	(116.0)	(76.9)	(62.8)
Interest income	10.9	9.1	12.6
Loss on early extinguishment of debt	—	(3.3)	—
Equity earnings in joint ventures	45.6	39.9	40.8
Income from continuing operations before income taxes	406.1	379.8	264.0
Income tax provision	(152.9)	(85.5)	(50.7)
Income from continuing operations	253.2	294.3	213.3
Income from discontinued operations, net of tax	6.5	3.4	13.2
Loss on disposition of discontinued operations, net of tax	(11.8)	(3.5)	(55.8)
Loss from discontinued operations	(5.3)	(0.1)	(42.6)
Net income	<u>\$ 247.9</u>	<u>\$ 294.2</u>	<u>\$ 170.7</u>
Basic income per share of common stock			
Income from continuing operations	\$ 4.77	\$ 5.37	\$ 3.66
Loss from discontinued operations	(0.10)	(0.01)	(0.73)
Net income per share	<u>\$ 4.67</u>	<u>\$ 5.36</u>	<u>\$ 2.93</u>
Weighted-average number of common shares outstanding — basic	53.046	54.842	58.254
Income from continuing operations for diluted income per share	\$ 253.2	\$ 294.3	\$ 214.4
Net income for diluted income per share	\$ 247.9	\$ 294.2	\$ 171.8
Diluted income per share of common stock			
Income from continuing operations	\$ 4.68	\$ 5.23	\$ 3.53
Loss from discontinued operations	(0.09)	(0.01)	(0.70)
Net income per share	<u>\$ 4.59</u>	<u>\$ 5.22</u>	<u>\$ 2.83</u>
Weighted-average number of common shares outstanding — diluted	<u>54.062</u>	<u>56.307</u>	<u>60.724</u>

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Balance Sheets
(\$ in millions)

	December 31, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and equivalents	\$ 475.9	\$ 354.1
Accounts receivable, net	1,306.9	1,253.5
Inventories, net	667.0	657.5
Other current assets	180.6	111.9
Deferred income taxes	101.5	92.9
Assets of discontinued operations	80.3	287.8
Total current assets	2,812.2	2,757.7
Property, plant and equipment:		
Land	36.3	36.5
Buildings and leasehold improvements	223.7	220.6
Machinery and equipment	678.3	582.3
	938.3	839.4
Accumulated depreciation	(437.7)	(383.3)
Property, plant and equipment, net	500.6	456.1
Goodwill	1,779.7	1,912.8
Intangibles, net	646.8	706.9
Other assets	382.3	403.9
TOTAL ASSETS	\$ 6,121.6	\$ 6,237.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 634.0	\$ 704.1
Accrued expenses	1,156.2	1,029.7
Income taxes payable	24.6	7.5
Short-term debt	112.9	254.3
Current maturities of long-term debt	76.4	78.9
Liabilities of discontinued operations	20.2	98.6
Total current liabilities	2,024.3	2,173.1
Long-term debt	1,155.4	1,234.6
Deferred and other income taxes	124.7	238.9
Other long-term liabilities	788.9	574.4
Total long-term liabilities	2,069.0	2,047.9
Commitments and contingent liabilities (Note 14)		
Minority interest	17.5	10.4
Shareholders' equity:		
Common stock (96,523,058 and 51,128,448 issued and outstanding at December 31, 2008, respectively, and 95,581,690 and 52,791,375 issued and outstanding at December 31, 2007, respectively)	972.3	963.5
Paid-in capital	1,393.9	1,296.0
Retained earnings	2,240.5	2,045.9
Accumulated other comprehensive income (loss)	(179.9)	38.1
Common stock in treasury (45,394,610 and 42,790,315 shares at December 31, 2008 and 2007, respectively)	(2,416.0)	(2,337.5)
Total shareholders' equity	2,010.8	2,006.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,121.6	\$ 6,237.4

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity and Comprehensive Income
(\$ in millions, except per share amounts)

	Common Stock	Paid-In Capital	Retained Earnings	Unearned Compensation	Accum. Other Comprehensive Income (Loss)	Common Stock In Treasury	Total Equity
Balance at December 31, 2005	\$ 907.6	\$ 1,061.2	\$ 1,642.0	\$ (55.3)	\$ (173.8)	\$ (1,270.5)	\$ 2,111.2
Net income	—	—	170.7	—	—	—	170.7
Net unrealized gain on qualifying cash flow hedges, net of tax of \$1.2	—	—	—	—	1.9	—	1.9
Minimum pension liability adjustment, net of tax of \$135.7	—	—	—	—	224.5	—	224.5
Foreign currency translation adjustments, including \$1.6 of translation gains recognized upon sale of discontinued operations	—	—	—	—	70.2	—	70.2
Total comprehensive income							467.3
Dividends declared (\$1.00 per share)	—	—	(58.5)	—	—	—	(58.5)
Exercise of stock options and other incentive plan activity, including related tax benefit of \$11.3	26.4	98.1	—	—	—	79.7	204.2
Cumulative effect adjustment due to the adoption of SFAS 158, net of tax of \$131.2	—	—	—	—	(209.4)	—	(209.4)
Reclassification upon adoption of SFAS 123(R)	—	(52.4)	—	55.3	—	—	2.9
Amortization of restricted stock and restricted stock unit grants (includes \$3.0 recorded to discontinued operations)	—	40.0	—	—	—	—	40.0
Restricted stock and restricted stock unit vesting, net of tax withholdings	3.4	(12.4)	—	—	—	(3.0)	(12.0)
Treasury stock repurchased	—	—	—	—	—	(436.3)	(436.3)
Balance at December 31, 2006	937.4	1,134.5	1,754.2	—	(86.6)	(1,630.1)	2,109.4
Net income			294.2				294.2
Net unrealized loss on qualifying cash flow hedges, net of tax of \$7.4	—	—	—	—	(11.9)	—	(11.9)
Pension liability adjustment, net of tax of \$35.5	—	—	—	—	46.1	—	46.1
Foreign currency translation adjustments, including \$0.1 of translation gains recognized upon sale of discontinued operations	—	—	—	—	90.5	—	90.5
Total comprehensive income							418.9
Dividends declared (\$1.00 per share)	—	—	(55.0)	—	—	—	(55.0)
Cumulative effect adjustment due to the adoption of FIN 48	—	—	52.5	—	—	—	52.5
Exercise of stock options and other incentive plan activity, including related tax benefit of \$32.2	21.3	137.8	—	—	—	15.5	174.6
Amortization of restricted stock and restricted stock unit grants (includes \$4.2 recorded to discontinued operations)	—	42.3	—	—	—	—	42.3
Restricted stock and restricted stock unit vesting, net of tax withholdings	4.8	(18.6)	—	—	—	(7.0)	(20.8)
Treasury stock repurchased	—	—	—	—	—	(715.9)	(715.9)

SPX Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity and Comprehensive Income
(\$ in millions, except per share amounts) (Continued)

	Common Stock	Paid-In Capital	Retained Earnings	Unearned Compensation	Accum. Other Comprehensive Income (Loss)	Common Stock In Treasury	Total Equity
Balance at December 31, 2007	963.5	1,296.0	2,045.9	—	38.1	(2,337.5)	2,006.0
Net income	—	—	247.9	—	—	—	247.9
Net unrealized loss on qualifying cash flow hedges, net of tax of \$13.7	—	—	—	—	(21.9)	—	(21.9)
Minimum pension liability adjustment, net of tax of \$62.2	—	—	—	—	(101.7)	—	(101.7)
Foreign currency translation adjustments, including \$6.3 of translation losses recognized upon sale of discontinued operations	—	—	—	—	(94.4)	—	(94.4)
Total comprehensive income	—	—	—	—	—	—	29.9
Dividends declared (\$1.00 per share)	—	—	(53.3)	—	—	—	(53.3)
Exercise of stock options and other incentive plan activity, including related tax benefit of \$36.0	5.4	81.0	—	—	—	42.3	128.7
Amortization of restricted stock and restricted stock unit grants (includes \$0.7 recorded to discontinued operations)	—	42.2	—	—	—	—	42.2
Restricted stock and restricted stock unit vesting, net of tax withholdings	3.4	(25.3)	—	—	—	(5.6)	(27.5)
Treasury stock repurchased	—	—	—	—	—	(115.2)	(115.2)
Balance at December 31, 2008	<u>\$972.3</u>	<u>\$1,393.9</u>	<u>\$ 2,240.5</u>	<u>\$ —</u>	<u>\$ (179.9)</u>	<u>\$ (2,416.0)</u>	<u>\$2,010.8</u>

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(\$ in millions)

	Year Ended December 31,		
	2008	2007	2006
Cash flows from (used in) operating activities:			
Net income	\$ 247.9	\$ 294.2	\$ 170.7
Loss from discontinued operations, net of tax	(5.3)	(0.1)	(42.6)
Income from continuing operations	253.2	294.3	213.3
Adjustments to reconcile income from continuing operations to net cash from (used in) operating activities			
Special charges, net	17.2	5.2	3.8
Impairment of goodwill and other intangible assets	123.0	4.0	—
Loss on early extinguishment of debt	—	3.3	—
Deferred income taxes	49.4	(9.5)	5.4
Depreciation and amortization of intangibles and other assets	104.5	73.5	67.7
Accretion of LYONs	—	—	1.7
Pension and other employee benefits	58.0	58.0	62.3
Stock-based compensation	41.5	39.5	36.7
Other, net	31.7	5.1	(8.0)
Payment of LYONs tax recapture	—	—	(90.9)
Accreted interest paid on LYONs repurchase (accreted since issuance date)	—	—	(84.3)
Cash spending on restructuring actions	(28.1)	(4.9)	(13.4)
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures			
Accounts receivable and other assets	(251.4)	18.6	(200.5)
Inventories	(48.1)	(33.7)	(37.4)
Accounts payable, accrued expenses and other	53.8	(42.3)	96.7
Net cash from continuing operations	404.7	411.1	53.1
Net cash from discontinued operations	0.3	49.2	18.9
Net cash from operating activities	405.0	460.3	72.0
Cash flows from (used in) investing activities:			
Proceeds from asset sales	1.3	3.3	19.4
Business acquisitions, net of cash acquired	(15.0)	(567.2)	(169.4)
Increase in restricted cash	(14.0)	—	—
Capital expenditures	(116.4)	(82.6)	(49.2)
Net cash used in continuing operations	(144.1)	(646.5)	(199.2)
Net cash from discontinued operations (includes net cash proceeds from dispositions of \$137.8, \$129.2 and \$123.0 in 2008, 2007 and 2006, respectively)	130.5	117.8	94.9
Net cash used in investing activities	(13.6)	(528.7)	(104.3)
Cash flows from (used in) financing activities:			
Borrowings under senior credit facilities	585.5	1,606.3	833.2
Repayments under senior credit facilities	(710.5)	(1,560.6)	(15.0)
Borrowings under senior notes	—	500.0	—
Repurchase of LYONs principal	—	—	(576.0)
Borrowing under trade receivables agreement	261.0	586.0	199.0
Repayments under trade receivables agreement	(331.0)	(517.0)	(199.0)
Net repayments under other financing arrangements	(28.3)	(21.7)	(5.2)
Purchases of common stock	(115.2)	(715.9)	(436.3)
Proceeds from the exercise of employee stock options and other	81.5	133.0	184.8
Dividends paid	(53.5)	(56.5)	(59.9)
Financing fees paid	(1.2)	(15.1)	(0.4)
Net cash used in continuing operations	(311.7)	(61.5)	(74.8)
Net cash used in discontinued operations	(0.4)	(6.0)	(0.7)
Net cash used in financing activities	(312.1)	(67.5)	(75.5)
Increase in cash and equivalents due to changes in foreign exchange rates	42.5	12.8	4.8
Net change in cash and equivalents	121.8	(123.1)	(103.0)
Consolidated cash and equivalents, beginning of period	354.1	477.2	580.2
Consolidated cash and equivalents, end of period	\$ 475.9	\$ 354.1	\$ 477.2
Cash and equivalents of continuing operations	\$ 475.9	\$ 354.1	\$ 476.9
Cash and equivalents of discontinued operations	\$ —	\$ —	\$ 0.3
Supplemental disclosure of cash flow information:			
Interest paid	\$ 113.3	\$ 77.1	\$ 48.8
Income taxes paid, net of refunds of \$17.6, \$59.1 and \$26.3 in 2008, 2007 and 2006, respectively	\$ 95.7	\$ 80.5	\$ 241.3
Non-cash investing and financing activity:			
Debt assumed	\$ 1.2	\$ 4.7	\$ 23.2

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements
December 31, 2008
(All dollar and share amounts in millions, except per share data)

(1) Summary of Significant Accounting Policies

Our significant accounting policies are described below as well as in other Notes that follow.

Basis of Presentation — The consolidated financial statements include SPX Corporation's ("our" or "we") 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. We have reclassified prior year amounts to conform to current-year presentation for our results of discontinued operations. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations only (see Note 4 for more information on discontinued operations). In addition, during 2008, we began classifying payments associated with employee income tax withholding obligations on vested restricted stock unit and restricted stock awards as financing cash flows (previously classified as operating cash flows), as we believe such presentation is more reflective of the substance of the underlying transactions. As a result, for 2007 and 2006, we have reclassified \$20.8 and \$12.0, respectively, of employee income tax withholding obligations on vested restricted stock unit and restricted stock awards to financing cash flows in order to conform to current year presentation. These amounts, along with \$27.5 for 2008, have been included in "Proceeds from the exercise of employee stock options and other, net" in the accompanying consolidated statements of cash flows.

During 2007, we recognized an income tax benefit of \$13.5 to "Gain (loss) on disposition of discontinued operations, net of tax" relating to the reversal of certain deferred tax liabilities associated with businesses previously disposed of and reported as discontinued operations, primarily during 2005. These additional gains should have been recorded in the period in which such businesses were disposed. In addition, an internal audit of a Japanese operation within our Test and Measurement segment uncovered employee misconduct and inappropriate accounting entries. Correction of this matter, substantially all of which related to periods prior to 2007, resulted in a reduction of "Income from continuing operations before taxes" and "Net income" of \$7.4 during 2007. These entries included \$2.4 of inventory write-downs, \$2.0 of accounts receivable write-offs and \$3.0 in other adjustments. We have evaluated the effects of these corrections on prior periods' consolidated financial statements in accordance with the guidance provided by SEC Staff Accounting Bulletin No. 108, codified as SAB Topic 1.N, "Considering the Effects of Prior Year Misstatements in Current Year Financial Statements," and concluded that no prior period is materially misstated. In addition, we have considered the effects of these corrections on our interim and annual results of operations for the quarterly and annual periods ended December 31, 2007 and concluded that the impact on these periods is not material.

Foreign Currency Translation — The financial statements of our foreign subsidiaries are translated into U.S. dollars in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation." Balance sheet accounts are translated at the current rate at the end of each period and income statement accounts are translated at the average rate for each period. Gains and losses on foreign currency translations are reflected as a separate component of shareholders' equity and other comprehensive income (loss). Foreign currency transaction gains and losses are included in other expense, net, with the related net gains/(losses) totaling \$5.7, \$(2.7) and \$(7.0) in 2008, 2007 and 2006, respectively.

Cash and Equivalents — We consider highly liquid money market investments with original maturities of three months or less at the date of purchase to be cash and equivalents.

Revenue Recognition — We recognize revenues from product sales upon shipment to the customer (FOB shipping point) or upon receipt by the customer (FOB destination), in accordance with the agreed upon customer terms. Revenues from service contracts and long-term maintenance arrangements are deferred and recognized on a straight-line basis over the agreement period. Revenues from certain construction/installation contracts are recognized using the percentage-of-completion method of accounting. Sales with FOB destination terms are primarily to automotive and power transformer industry customers. Sales to distributors with return rights are recognized upon shipment to the customer. Expected returns under these arrangements are estimated and accrued for at the time of sale. The accrual considers restocking charges for returns and in some cases the customer must issue a replacement order before the return is authorized. Actual return experience may vary from our estimates. Amounts billed for shipping and handling are included in revenue. Costs incurred for shipping and handling are recorded in cost of products sold.

Sales incentive programs offered to our customers relate primarily to volume rebates and promotional and advertising allowances and are only significant to two of our business units. The liability for these programs, and the resulting reduction to reported revenues, is determined primarily through trend analysis, historical experience and expectations regarding customer participation.

Certain of our businesses, primarily within the Flow Technology, Test and Measurement and Thermal Equipment and Services segments, recognize revenues from long-term contracts under the percentage-of-completion method of accounting.

Notes to Consolidated Financial Statements
December 31, 2008
(All dollar and share amounts in millions, except per share data)

The percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion, in accordance with Statement of Position 81-1, "Accounting for the Performance of Construction — Type and Certain Production — Type Contracts."

Provisions for estimated losses, if any, on uncompleted long-term contracts, are made in the period in which such losses are determined. In the case of customer change orders for uncompleted long-term contracts, estimated recoveries are included for work performed in forecasting ultimate profitability on certain contracts. Due to uncertainties inherent in the estimation process, it is possible that completion costs, including those arising from contract penalty provisions and final contract settlements, may be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

Costs and estimated earnings in excess of billings arise when revenues have been recorded but the amounts have not been billed under the terms of the contracts. These amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract. Claims related to long-term contracts are recognized as revenue only after management has determined that collection is probable and the amount can be reliably estimated. Claims made by us involve negotiation and, in certain cases, litigation. In the event we incur litigation costs in connection with claims, such litigation costs are expensed as incurred although we may seek to recover these costs. Claims against us are recognized when a loss is considered probable and amounts are reasonably determinable.

We recognized \$1,384.8, \$1,071.5 and \$848.5 in revenues under the percentage-of-completion method for the years ended December 31, 2008, 2007 and 2006, respectively. Costs and estimated earnings on uncompleted contracts, from their inception, and related amounts billed as of December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Costs incurred on uncompleted contracts	\$ 2,076.3	\$ 1,299.3
Estimated earnings to date	544.6	391.4
	<u>2,620.9</u>	<u>1,690.7</u>
Less: Billings to date	(2,764.6)	(1,693.8)
Net billings in excess of costs and estimated earnings	<u>\$ (143.7)</u>	<u>\$ (3.1)</u>

These amounts are included in the accompanying consolidated balance sheets at December 31, 2008 and 2007 as shown below. Amounts for billed retainages and receivables to be collected in excess of one year are not significant for the periods presented.

	<u>2008</u>	<u>2007</u>
Costs and estimated earnings in excess of billings ⁽¹⁾	\$ 195.7	\$ 195.6
Billings in excess of costs and estimated earnings on uncompleted contracts ⁽²⁾	(339.4)	(198.7)
Net billings in excess of costs and estimated earnings	<u>\$ (143.7)</u>	<u>\$ (3.1)</u>

(1) Reported as a component of "Accounts receivable, net" in the consolidated balance sheet.

(2) The December 31, 2008 balance includes \$325.2 reported as a component of "Accrued expenses" and \$14.2 as a component of "Other long-term liabilities" in the consolidated balance sheet. All of the December 31, 2007 balance is reported as a component of "Accrued expenses" in the consolidated balance sheet.

Amounts for costs and estimated earnings in excess of billings and billings in excess of costs and estimated earnings on uncompleted contracts for APV were \$54.6 and \$39.4, respectively, at December 31, 2007, which are not included in the table above.

Research and Development Costs — We expense research and development costs as incurred. We charge costs incurred in the research and development of new software included in products to expense until technological feasibility is established. After technological feasibility is established, additional costs are capitalized in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed" until the product is available for general release. These costs are amortized over the economic life of the related products and we include the amortization in cost of products

Notes to Consolidated Financial Statements
December 31, 2008
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sold. We perform periodic reviews of the recoverability of these capitalized software costs. At the time we determine that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, we write off any unrecoverable capitalized amounts. We expensed \$67.2 of research activities relating to the development and improvement of our products in 2008, \$60.4 in 2007 and \$51.9 in 2006. In addition, we expensed purchased in-process research and development of \$0.9 during 2007 related to the APV acquisition.

Property, Plant and Equipment — Property, plant and equipment ("PP&E") is stated at cost, less accumulated depreciation. We use the straight-line method for computing depreciation expense over the useful lives of PP&E, which do not exceed 40 years for buildings and range from 3 to 15 years for machinery and equipment. Depreciation expense was \$67.3, \$53.8 and \$52.3 for the years ended December 31, 2008, 2007 and 2006, respectively. Leasehold improvements are amortized over the life of the related asset or the life of the lease, whichever is shorter. Interest is capitalized on construction or installation projects that are greater than \$5.0 and one year in duration. There was no interest capitalized during 2008, 2007 and 2006.

Income Taxes — We account for our income taxes based on the requirements of SFAS No. 109, "Accounting for Income Taxes," which includes an estimate of the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess the realizability of deferred tax assets and the adequacy of deferred tax liabilities, including the results of local, state, federal or foreign statutory tax audits or estimates and judgments used. As further discussed in Note 11, effective January 1, 2007, we began applying the provisions of the Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("FIN 48") for measuring and recognizing tax benefits associated with uncertain tax positions.

Derivative Financial Instruments — We use interest rate protection agreements ("swaps") to manage our exposures to fluctuating interest rate risk on our variable rate debt, foreign currency forward contracts to manage our exposures to fluctuating currency exchange rates, and forward commodity contracts to manage our exposures to fluctuation in certain raw material costs. Derivatives are recorded on the balance sheet and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives is recorded in other comprehensive income (loss) and subsequently recognized in earnings when the hedged items impact earnings. Changes in the fair value of derivatives not designated as hedges, and the ineffective portion of cash flow hedges, are recorded in current earnings. We do not enter into financial instruments for speculative or trading purposes.

For those transactions that are designated as cash flow hedges, on the date the derivative contract is entered into, we document our hedge relationship, including identification of the hedging instruments and the hedged items, as well as our risk management objectives and strategies for undertaking the hedge transaction. We also assess, both at inception and quarterly thereafter, whether such derivatives are highly effective in offsetting changes in the fair value of the hedged item.

Fair value estimates are based on relevant market information. Changes in fair value are estimated by management quarterly based, in part, on quotes provided by third-party financial institutions.

(2) Use Of Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues (e.g., our percentage-of-completion estimates described above) and expenses during the reporting period. We evaluate these estimates and judgments on an ongoing basis and base our estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may differ from the estimates and assumptions used in the financial statements and related notes.

Listed below are certain significant estimates and assumptions used in the preparation of our consolidated financial statements. Certain other estimates and assumptions are further explained in the related notes.

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Accounts Receivable Allowances — We provide allowances for estimated losses on uncollectible accounts based on our historical experience and the evaluation of the likelihood of success in collecting specific customer receivables. In addition, we maintain allowances for customer returns, discounts and invoice pricing discrepancies, with such allowances primarily based on historical experience. Summarized below is the activity for these allowance accounts.

	<u>Year ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Balance at beginning of year	\$ 55.4	\$ 41.6	\$ 40.5
Acquisitions	5.0	8.8	0.5
Allowances provided	20.6	22.2	18.4
Write-offs, net of recoveries and credits issued	(18.6)	(17.2)	(17.8)
Balance at end of year	<u>\$ 62.4</u>	<u>\$ 55.4</u>	<u>\$ 41.6</u>

Inventory — We estimate losses for excess and/or obsolete inventory and the net realizable value of inventory based on the aging of the inventory and the evaluation of the likelihood of recovering the inventory costs based on anticipated demand and selling price.

Impairment of Long-Lived Assets and Intangibles Subject to Amortization — We continually review whether events and circumstances subsequent to the acquisition of any long-lived assets, or intangible assets subject to amortization, have occurred that indicate the remaining estimated useful lives of those assets may warrant revision or that the remaining balance of those assets may not be recoverable. If events and circumstances indicate that the long-lived assets should be reviewed for possible impairment, we use projections to assess whether future cash flows on an undiscounted basis related to the assets are likely to exceed the related carrying amount to determine if a write-down is appropriate. We will record an impairment charge to the extent that the carrying value of the assets exceed their fair values as determined by valuation techniques appropriate in the circumstances, which could include the use of similar projections on a discounted basis.

In determining the estimated useful lives of definite-lived intangibles, we consider the nature, competitive position, life cycle position, and historical and expected future operating cash flows of each acquired asset, as well as our commitment to support these assets through continued investment and legal infringement protection.

Goodwill and Indefinite-Lived Intangible Assets — We test goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter and continually review whether a triggering event has occurred to determine whether the carrying value exceeds the implied value. The fair value of reporting units is based generally on discounted projected cash flows, but we also consider factors such as comparable industry price multiples. We employ cash flow projections that we believe to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about the carrying values of the reported net assets of our reporting units. Many of our businesses closely follow changes in the industries and end-markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principle methods of competition, such as volume, price, service, product performance and technical innovations, as well as estimates associated with cost improvement initiatives, capacity utilization and assumptions for inflation and foreign currency changes. Actual results may differ from these estimates under different assumptions or conditions. See Note 8 for further information, including discussion of impairment charges recorded in 2008 for our Weil McLain subsidiary.

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Accrued Expenses — We make estimates and judgments in establishing accruals as required under GAAP. Summarized in the table below are accrued expenses at December 31, 2008 and 2007.

	December 31,	
	2008	2007
Employee benefits	\$ 242.3	\$ 234.4
Unearned revenue ⁽¹⁾	526.4	403.8
Warranty	44.0	43.0
Other ⁽²⁾	343.5	348.5
Total	\$1,156.2	\$1,029.7

(1) Unearned revenue includes billings in excess of costs and estimated earnings on uncompleted contracts accounted for under the percentage-of-completion method of revenue recognition, customer deposits and unearned amounts on service contracts.

(2) Other consists of various items, including legal, interest, restructuring and dividends payable, none of which individually require separate disclosure.

Legal — It is our policy to accrue for estimated losses, including the associated legal fees, from legal actions or claims when events exist that make the realization of the losses probable and they can be reasonably estimated. We do not discount legal obligations or reduce them by anticipated insurance recoveries.

Environmental Remediation Costs — We expense costs incurred to investigate and remediate environmental issues unless they extend the economic useful life of related assets. We record liabilities and report expenses when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. 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. We do not discount environmental obligations or reduce them by anticipated insurance recoveries.

Self-Insurance — We are self-insured for certain of our workers' compensation, automobile, product, general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liabilities. Our accruals for self-insurance liabilities are determined by management, are based on claims filed and an estimate of claims incurred but not yet reported, and are generally 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; however, this insurance may be insufficient or unavailable to protect us against potential loss exposures. The key assumptions considered in estimating the ultimate cost to settle reported claims and the estimated costs associated with incurred but not yet reported claims includes among other things, our historical and industry claims experience, trends in health care and administrative costs, our current and future risk management programs, and historical lag studies with regard to the timing between when a claim is incurred and reported.

Warranty — In the normal course of business, we issue product warranties for specific products and provide for the estimated future warranty cost in the period in which the sale is recorded. We provide for the estimate of warranty cost based on contract terms and historical warranty loss experience that is periodically adjusted for recent actual experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. In addition, due to the seasonal fluctuations at certain of our businesses, the timing of warranty provisions and the usage of warranty accruals can vary period to period. We make adjustments to initial obligations for warranties as changes in

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the obligations become reasonably estimable. The following is an analysis of our product warranty accrual for the periods presented:

	Year ended December 31,		
	2008	2007	2006
Balance at beginning of year	\$ 60.0	\$ 53.0	\$ 48.7
Acquisitions	2.9	4.8	0.1
Provisions	20.2	26.9	38.7
Usage	(24.3)	(24.7)	(34.5)
Balance at end of year	58.8	60.0	53.0
Less: Current portion of warranty	44.0	43.0	43.0
Non-current portion of warranty	<u>\$ 14.8</u>	<u>\$ 17.0</u>	<u>\$ 10.0</u>

Income Taxes — We perform reviews of our income tax positions on a continuous basis and accrue for potential contingencies in accordance with FIN 48. Accruals for these contingencies are classified as "Income taxes payable" and "Deferred and other income taxes" in the accompanying consolidated balance sheets based on an expectation as to the timing of when the contingency will be resolved. As events change or resolution occurs, these accruals are adjusted, such as in the case of audit settlements with taxing authorities. These reviews also entail analyzing the realization of deferred tax assets associated with net operating loss and credit carryforwards. When we believe that it is more likely than not that a net operating loss or credit carryforward may expire unused, we establish a valuation allowance against them. For tax positions where it is more-likely-than-not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information.

Employee Benefit Plans — We have defined benefit plans that cover a portion of our salaried and hourly employees, including certain employees in foreign countries. We derive pension expense from an actuarial calculation based on the defined benefit plans' provisions and management's assumptions regarding discount rate, rate of increase in compensation levels and expected long-term rate of return on plan assets. Management determines the expected long-term rate of return on plan assets based upon historical actual asset returns and the expectations of asset returns over the expected period to fund participant benefits based on the current investment mix of our plans. Management determines the discount rate by matching the expected projected benefit obligation cash flows for each of the plans to a yield curve that is representative of long-term, high-quality (rated AA or higher) fixed income debt instruments as of the measurement date. The rate of increase in compensation levels is established based on management's expectations of current and foreseeable future increases in compensation. Management also consults with independent actuaries in determining these assumptions. See Note 10 for more information.

(3) New Accounting Pronouncements

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

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurement," which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 focuses on creating consistency and comparability in fair value measurements. With the exception of certain nonfinancial assets and liabilities, SFAS No. 157 is effective for financial assets and liabilities that are measured at fair value within the financial statements for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2 to defer SFAS No. 157's effective date 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 SFAS No. 157 for financial assets and liabilities measured at fair value within the financial statements on January 1, 2008 (see Note 13) with no impact on our consolidated financial statements. We currently are evaluating the impact that the provisions of SFAS No. 157 for nonfinancial assets and liabilities may have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of FASB Statement No. 115," which permits an entity to measure certain financial assets and financial liabilities at fair value. The objective of SFAS No. 159 is to improve financial reporting by allowing entities to reduce volatility in

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reported earnings, caused by the measurement of related assets and liabilities using different attributes, without having to apply complex hedge accounting rules. Under SFAS No. 159, entities that elect the fair value option will report unrealized gains and losses in earnings as of each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis with a few exceptions, as long as it is applied to the instrument in its entirety. The fair value option election is irrevocable, unless a new election date occurs. SFAS No. 159 is effective as of the beginning of the first fiscal year that begins after November 15, 2007. We adopted SFAS No. 159 on January 1, 2008 and have not elected to apply the fair value option.

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) will be 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 expect SFAS No. 141(R) will have an impact on our consolidated financial statements when effective, but the nature and magnitude of the specific effects will depend upon the terms and size of the acquisitions we consummate after the effective date. After our adoption of SFAS No. 141(R), the settlement of acquisition-related liabilities for unrecognized tax benefits and the reduction of acquisition-related valuation allowances (see Note 11) will affect income tax expense in the period of reversal.

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 its 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 do not expect the adoption of SFAS No. 160 to have a material impact on our consolidated financial statements.

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 should 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 currently are evaluating the impact of adoption that EITF 07-01 may have on our consolidated financial statements, specifically, as it relates to our consortium arrangements. See Note 14 for additional details of our consortium arrangements.

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 a) how and why an entity uses derivative instruments, b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and c) how derivative instruments and related hedged items affect an entity's financial position, financial

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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 do not expect the adoption of SFAS No. 161 to have a material impact on our consolidated financial statements.

In April 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. At December 31, 2008, we had 0.5 outstanding restricted stock awards that contain rights to nonforfeitable dividends. The effect of including these awards would increase the basic and dilutive shares for 2008 by 0.6 and 0.3 shares, respectively.

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 do not expect the adoption of FSP No. FAS 142-3 to have a material impact on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP in the United States. SFAS No. 162 is effective as of November 15, 2008. We adopted SFAS No. 162 on December 31, 2008 with no impact on our consolidated financial statements.

In September 2008, the FASB issued FSP No. FAS 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161." The objective of the FSP is to expand the disclosure requirements for derivative instruments and certain guarantees, which currently do not adequately address the potential adverse effects of changes in credit risk on the financial position, financial performance, and cash flows of the sellers of credit derivatives and certain guarantees. Therefore, this FSP amends FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. In addition, this FSP amends FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," to require disclosure about the current status of the payment/performance risk of a guarantee. FSP No. FAS 133-1 and FIN 45-4 is effective for fiscal years, and interim periods within those fiscal years, ending after November 15, 2008. We adopted FSP No. FAS 133-1 and FIN 45-4 on December 31, 2008 with no impact on our consolidated financial statements.

In October 2008, the FASB issued FSP No. FAS 157-3 to clarify the application of SFAS No. 157 in a market that is not active and to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP No. FAS 157-3 was effective upon issuance; however, the adoption of FSP No. FAS 157-3 did not have an impact on our consolidated financial statements.

In November 2008, the Emerging Issues Task Force reached a consensus on EITF Issue No. 08-6, "Equity Method Investment Accounting Considerations." EITF 08-06 communicates 1) the determination of the initial carrying value of an equity method investment should apply the cost accumulation model described in SFAS No. 141(R); 2) the other-than-temporary impairment model of Opinion 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 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 currently are evaluating the impact of adoption that EITF 08-06 may have on our consolidated financial statements, specifically, as it relates to our investments in joint ventures.

(4) Acquisitions and Discontinued Operations

We use acquisitions as a part of our strategy to gain access to customer relationships, new technology, expand our geographical reach, penetrate new markets and leverage our existing product, market, manufacturing and technical expertise. Acquisitions and divestitures for the years ended December 31, 2008, 2007 and 2006 are described below.

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All business acquisitions have been accounted for in accordance with SFAS No. 141, "Business Combinations" and accordingly, the consolidated statements of operations include the results of each acquired business since the date of acquisition. The assets acquired and liabilities assumed are recorded at estimates of fair values as determined by management based on information available. Management considers a number of factors, including third-party valuations or appraisals, when making these determinations. We finalize the allocation of purchase price to the fair value of the assets acquired and liabilities assumed when we obtain information sufficient to complete the allocation, but in any case, within one year after acquisition. Refer to Note 8 for additional disclosure on the purchase price adjustments of the following acquisitions.

Acquisitions — 2008

During September 2008, in the Test and Measurement segment, we 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 twelve months prior to its acquisition. The pro forma effect of the acquisition was not material to our results of operations.

Acquisitions — 2007

In the Flow Technology segment, we completed the acquisition of APV, a global manufacturer of process equipment and engineering solutions on December 31, 2007, for a purchase price of \$524.2, including cash acquired of \$41.7. APV's primary products include pumps, valves, heat exchangers and homogenizers for the food, dairy, beverage and pharmaceutical industries. APV had revenues of approximately \$876.0 for the twelve months prior to its acquisition.

As of December 31, 2007, the assets acquired and liabilities assumed of APV were recorded at preliminary estimates of fair values as determined by management, based on information then currently available and on then current assumptions as to future operations, and were subject to change upon the completion of acquisition accounting, including the finalization of asset valuations and working capital settlement. During the year ended December 31, 2008, we recorded our revised estimates of fair value for certain assets and liabilities, including the integration accruals noted below, with a corresponding net increase to goodwill of \$66.1.

As planned at the date of acquisition, we implemented a restructuring program to capture the synergies of integrating APV into the Flow Technology segment. Under this program, we recorded accruals totaling \$31.5 million as part of the acquisition in 2008 for work force reductions and facility closings. Approximately 500 positions were identified for elimination.

The following is a summary of the recorded final fair values of the assets acquired and liabilities assumed of APV at the date of the acquisition, as adjusted to reflect the acquisition accounting adjustments recorded during 2008:

Assets acquired:	
Current assets, including cash and equivalents of \$41.7	\$ 364.1
Net property, plant and equipment	76.6
Goodwill	256.5
Intangible assets	205.4
Other assets	116.7
Total assets acquired	<u>\$1,019.3</u>
Liabilities assumed:	
Current liabilities	\$ 410.0
Other long-term liabilities	85.1
Total liabilities	<u>495.1</u>
Net assets acquired	<u>\$ 524.2</u>

The identifiable intangible assets acquired consist of customer relationships of \$69.0 with estimated useful lives of 14 to 16 years, technology of \$45.9 with estimated useful lives of 16 to 18 years, trademarks of \$90.0 with indefinite useful lives and a non-compete agreement of \$0.5 with a useful life of three years.

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We expensed purchased in-process research and development of \$0.9 during 2007.

The following unaudited pro forma information presents our results of operations as if the acquisition of APV had taken place on January 1, 2007 and 2006, respectively. The unaudited pro forma financial information is not intended to represent or be indicative of our consolidated results of operations that would have been reported had the acquisition been completed as of the dates presented, and should not be taken as representative of our future consolidated results of operations. The pro forma results include estimates and assumptions that management believes are reasonable. However, these results do not include any anticipated cost savings or expenses of the planned integration of APV. These pro forma results of operations have been prepared for comparative purposes only and include certain adjustments to actual financial results for the relevant periods, such as imputed financing costs, and estimated additional amortization and depreciation expense as a result of intangibles and fixed assets acquired.

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
Revenues	\$5,451.3	\$ 4,687.3
Income from continuing operations	242.8	185.6
Net income	242.7	143.0
Income from continuing operations:		
Basic	\$ 4.43	\$ 3.19
Diluted	\$ 4.31	\$ 3.07
Net income:		
Basic	\$ 4.42	\$ 2.45
Diluted	\$ 4.31	\$ 2.37

In the Test and Measurement segment, we completed the acquisition of the European diagnostics division of Johnson Controls ("JCD") in August 2007, for a purchase price of \$40.3. The acquired business had revenues of approximately \$93.0 in the twelve months prior to its acquisition. In addition, we completed the acquisition of Matra-Werke GmbH ("Matra") in October 2007, within our Test and Measurement segment, for a purchase price of \$36.6, including cash acquired of \$2.9. The acquired business had revenues of approximately \$26.0 in the twelve months prior to acquisition.

The pro forma effects of the acquisitions of JCD and Matra were not material individually or in the aggregate to our results of operations.

Acquisitions — 2006

In the Flow Technology segment, we completed the acquisition of Aktiebolaget Custos ("Custos") in December 2006, for a purchase price of \$184.0 (related to approximately 97% of the outstanding shares of Custos), which was net of cash acquired of \$4.4 and included debt assumed of \$23.2. Custos had revenues of approximately \$107.0 in the twelve months prior to the date of acquisition. The remaining shares of Custos were acquired in 2007 for \$4.4.

The pro forma effect of the acquisition was not material to our results of operations.

Discontinued Operations

We report discontinued operations in accordance with the guidance of SFAS No. 144. 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, actively begin marketing the business or asset group, and when the sale of the business or asset group is deemed

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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.

<u>Business</u>	<u>Quarter Discontinued</u>	<u>Actual Closing Date of Sale</u>
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
Balcke-Duerr Austria GmbH ("BD Austria")	Q4 2007	Q4 2007
Nema AirFin GmbH ("Nema")	Q4 2007	Q4 2007
Contech ("Contech")	Q3 2006	Q2 2007
Dock Products ("Dock")	Q2 2006	Q4 2006
Dielectric Tower ("Tower")	Q4 2005	Q1 2006
Security and protection business ("Vance")	Q3 2005	Q1 2006

Scales — Sold for cash consideration of \$16.8, resulting in a loss, net of taxes, of \$4.7.

LDS — Sold for cash consideration of \$82.5, resulting in a gain, net of taxes, of \$17.1.

Air Filtration — Sold for cash consideration of \$38.5, resulting in a loss, net of taxes, of \$0.8 during 2008. 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.

BD Austria — Sold for cash consideration of \$11.6, exclusive of cash balances assumed by the buyer of \$30.0, resulting in a net gain of \$17.2.

Nema — Sold for \$6.8 in cash, net of cash balances assumed by the buyer of \$0.4, for a net loss of \$2.3.

Contech — Sold to Marathon Automotive Group, LLC for net cash proceeds of \$134.3. During 2007, we recorded a net loss on the sale of \$13.6, including \$7.0 of expenses that were contingent upon the consummation of the sale, which included \$1.1 due to the modification of the vesting period of restricted stock units that had been issued to Contech employees (see Note 15 for further information), and a \$6.6 charge, recorded during the first quarter of 2007, to reduce the carrying value of the net assets sold to the net proceeds received from the sale. In addition, in 2007, we settled a capital lease obligation for \$5.3 relating to equipment that was transferred to the buyer of Contech. During 2006, we recorded a charge of \$102.7 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.

Dock — Sold for \$43.5 in cash during 2006, resulting in a net gain on the sale of \$29.0. This gain related primarily to a tax benefit of \$33.2, partially offset by expenses that were contingent primarily upon the consummation of the sale, which included \$0.3 due to the modification of the vesting period of restricted stock units that had been issued to Dock employees (see Note 15 for further information).

Tower — Sold for \$6.9 in cash, resulting in a net gain of \$0.9.

Vance — Sold for \$70.6 in cash, resulting in a net loss of \$3.1, primarily due to expenses that were contingent upon the consummation of the sale, which included \$1.6 due to the modification of the vesting period of restricted stock units that had been issued to Vance employees (see Note 15 for further information).

During the third and fourth quarters of 2008, we committed to plans to divest a business within our Flow Technology segment and a business within our Industrial Products and Services segment, respectively. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our consolidated financial statements. As a result of these planned divestitures, we recorded a net charge of \$29.0 during 2008 to "Gain (loss) on disposition of discontinued operations, net of tax" in order to reduce the carrying value of the related net assets to be sold to their estimated net realizable value (i.e., projected sales price, net of estimated transaction costs, the expected payment to a minority shareholder and a charge of \$7.0 related to tax matters). In January 2009, we sold the business within the Flow Technology segment for cash and a promissory note totaling \$23.5. We are actively pursuing the sale of the business

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within the Industrial Products and Services segment and anticipate that the sale will be completed during the next twelve months.

On August 26, 2008, we reached an agreement with the Internal Revenue Service ("IRS") regarding audits of our 2003 through 2005 Federal income tax returns. Upon the resolution of the examinations, we reduced our liability for uncertain tax positions and recognized an income tax benefit of \$5.0 to "Gain (loss) on disposition of discontinued operations, net of tax" associated with a business previously disposed of and reported as a discontinued operation.

During the third quarter of 2007, we recognized an income tax benefit of \$13.5 to "Gain (loss) on disposition of discontinued operations, net of tax" relating to the reversal of certain deferred tax liabilities associated with businesses previously disposed of and reported as discontinued operations, primarily during 2005. See Note 1 for further details.

In addition to the gains/(losses) recorded in 2008 relating to the businesses discussed above, we recognized a net gain in 2008 of \$0.6 resulting from adjustments to gains/(losses) on sales of businesses that were previously discontinued. Along with the gains/(losses) recorded in 2007 relating to the BD Austria, Nema, Contech and Air Filtration businesses discussed above, we recognized a net loss in 2007 of \$7.3 resulting from adjustments to the gains/(losses) on sales of businesses that were previously discontinued, with such adjustments related primarily to a reduction in income tax liabilities. Lastly, along with the gains/(losses) recorded in 2006 relating to the Dock, Tower, Vance and Contech businesses discussed above, we recognized a net gain in 2006 of \$20.1 resulting from adjustments to the gains/(losses) on sales of businesses that were previously discontinued, with such adjustments related primarily to a reduction in income tax liabilities.

The final purchase 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 with the buyers, an arbitration process. Final agreement of the working capital figures with the buyers for some 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 purchase price and resulting gains/(losses) on these and other previous divestitures may be materially adjusted in subsequent periods. Refer to Note 11 for the tax implications associated with our dispositions.

For 2008, 2007 and 2006, income (loss) from discontinued operations and the related income taxes are shown below:

	<u>Year ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Income (loss) from discontinued operations	\$ 5.0	\$(27.4)	\$(85.4)
Income tax (provision) benefit	(10.3)	27.3	42.8
Loss from discontinued operations, net	<u>\$ (5.3)</u>	<u>\$ (0.1)</u>	<u>\$(42.6)</u>

For 2008, 2007 and 2006, results of operations from our businesses reported as discontinued operations were as follows:

	<u>Year ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues	\$288.3	\$542.7	\$788.6
Pre-tax income	9.1	9.2	23.9

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

	December 31, 2008	December 31, 2007
Assets:		
Cash and equivalents	\$ —	\$ —
Accounts receivable, net	18.7	64.1
Inventories, net	27.9	58.9
Other current assets	4.2	13.0
Net property, plant and equipment	24.4	50.8
Goodwill and intangibles, net	4.0	95.6
Other assets	1.1	5.4
Assets of discontinued operations	<u>\$ 80.3</u>	<u>\$ 287.8</u>
Liabilities:		
Accounts payable	\$ 12.3	\$ 38.9
Accrued expenses and other	5.3	36.1
Short-term debt	0.4	1.5
Deferred and other income taxes	2.0	13.7
Long-term debt and other	0.2	8.4
Liabilities of discontinued operations	<u>\$ 20.2</u>	<u>\$ 98.6</u>

(5) 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, but are not limited to, 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 TV 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, pensions and postretirement expense, 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.

Revenues by business segment, group of products and geographic area represent sales to unaffiliated customers, and no one customer or group of customers that, to our knowledge are under common control accounted for more than 10% of our consolidated revenues for all periods presented. Intercompany revenues among segments are not significant. Identifiable assets by business segment are those used in our operations in each segment. General corporate assets are principally cash, pension assets, deferred tax assets, certain prepaid expenses, fixed assets and our 44.5% interest in the EGS Electrical Group, LLC and Subsidiaries ("EGS") joint venture. See Note 9 for financial information relating to EGS.

Flow Technology

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

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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, our Horsham, PA information technology data center ("IT Center") and our Asia-Pacific center in Shanghai, China. As described in Note 6, during 2008 we initiated a plan for the shut-down of our IT Center in Horsham, PA. We expect to complete this shut-down during the first half of 2010.

Financial data for our business segments, including the results of acquisitions from the dates of the respective acquisitions, are as follows:

	2008	2007	2006
Revenues:			
Flow Technology	\$1,998.7	\$1,070.0	\$ 815.4
Test and Measurement	1,100.3	1,079.8	1,049.7
Thermal Equipment and Services	1,690.1	1,560.5	1,327.7
Industrial Products and Services	1,066.6	865.1	741.6
Total	<u>\$5,855.7</u>	<u>\$4,575.4</u>	<u>\$3,934.4</u>

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	<u>2008</u>	<u>2007</u>	<u>2006</u>
Segment income:			
Flow Technology	\$ 243.4	\$ 175.4	\$ 127.5
Test and Measurement	108.8	118.3	148.8
Thermal Equipment and Services	204.4	162.7	111.4
Industrial Products and Services	245.0	149.8	92.4
Total segment income	<u>801.6</u>	<u>606.2</u>	<u>480.1</u>
Corporate expense	107.7	100.3	96.1
Pension and postretirement expense	38.8	43.5	44.2
Stock-based compensation expense	41.5	39.5	36.7
Special charges, net	17.2	5.2	3.8
Impairment of goodwill and other intangible assets	123.0	4.0	—
Consolidated operating income	<u>\$ 473.4</u>	<u>\$ 413.7</u>	<u>\$ 299.3</u>
Capital expenditures:			
Flow Technology	\$ 29.3	\$ 15.2	\$ 9.7
Test and Measurement	14.2	11.2	7.2
Thermal Equipment and Services	31.4	23.3	14.0
Industrial Products and Services	28.2	19.3	17.1
General corporate	13.3	13.6	1.2
Total	<u>\$ 116.4</u>	<u>\$ 82.6</u>	<u>\$ 49.2</u>
Depreciation and amortization:			
Flow Technology	\$ 35.6	\$ 17.6	\$ 11.6
Test and Measurement	29.6	18.2	19.1
Thermal Equipment and Services	23.7	21.7	22.6
Industrial Products and Services	11.1	11.3	11.0
General corporate	4.5	4.7	3.4
Total	<u>\$ 104.5</u>	<u>\$ 73.5</u>	<u>\$ 67.7</u>
Identifiable assets:			
Flow Technology	\$2,096.2	\$2,030.2	\$ 960.9
Test and Measurement	1,104.9	1,225.0	1,075.7
Thermal Equipment and Services	1,805.4	1,761.5	1,728.8
Industrial Products and Services	688.3	625.4	638.2
General corporate	346.5	307.5	532.1
Discontinued operations	80.3	287.8	501.4
Total	<u>\$6,121.6</u>	<u>\$6,237.4</u>	<u>\$5,437.1</u>
Revenues by Groups of Products:			
Flow Technology	\$1,998.7	\$1,070.0	\$ 815.4
Test and Measurement	1,100.3	1,079.8	1,049.7
Thermal Equipment and Services	1,690.1	1,560.5	1,327.7
Industrial Products and Services:			
Power transformers and services	499.3	421.1	290.6
Industrial tools and equipment	153.9	149.4	143.1
Aerospace components	121.7	110.2	102.2
Broadcast antenna systems	141.0	93.3	116.7
Laboratory equipment	150.7	91.1	89.0
Total Industrial Products and Services	<u>1,066.6</u>	<u>865.1</u>	<u>741.6</u>
Total	<u>\$5,855.7</u>	<u>\$4,575.4</u>	<u>\$3,934.4</u>

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<u>Geographic Areas:</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:⁽¹⁾			
United States	\$3,055.5	\$2,685.8	\$2,484.3
Germany	864.9	657.2	532.1
China	301.2	283.3	223.9
United Kingdom	278.0	244.4	206.8
Other	1,356.1	704.7	487.3
	<u>\$5,855.7</u>	<u>\$4,575.4</u>	<u>\$3,934.4</u>
Tangible Long-Lived Assets:			
United States	\$ 624.1	\$ 571.0	\$ 538.7
Other	258.8	289.0	145.5
Long-lived assets of continuing operations	882.9	860.0	684.2
Long-lived assets of discontinued operations	25.5	56.2	165.7
Total tangible long-lived assets	<u>\$ 908.4</u>	<u>\$ 916.2</u>	<u>\$ 849.9</u>

(1) Revenues are included in the above geographic areas based on the country that recorded the customer revenue.

(6) Special Charges, Net

As part of our business strategy, we right-size and consolidate operations to drive results. Additionally, from time to time, we alter our business model to better serve customer demand, fix or discontinue lower-margin product lines and rationalize and consolidate manufacturing capacity. Our restructuring and integration decisions are based, in part, on discounted cash flows to achieve our goals of increased outsourcing, reduced structural footprint, and maintaining profitability in a difficult economic environment. As a result of our strategic review process, we recorded net special charges of \$17.2 in 2008, \$5.2 in 2007 and \$3.8 in 2006. These net special charges were primarily for restructuring initiatives to consolidate manufacturing and sales facilities, reduce workforce, and rationalize certain product lines.

The components of the charges have been computed based on actual cash payouts, our estimate of the realizable value of the affected tangible and intangible assets and estimated exit costs, including severance and other employee benefits based on existing severance policies and local laws.

Impairments of long-lived assets, including amortizable intangibles, which represent non-cash asset write-downs, are accounted for in accordance with SFAS No. 144. Typically, these non-cash asset write-downs arise from business restructuring decisions that lead to the disposition of assets no longer required in the restructured business. For these situations, we recognize a loss when the carrying amount of an asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Realization values for assets subject to impairment testing are determined primarily by management, taking into consideration various factors including third-party appraisals, quoted market prices or previous experience. If an asset remains in service at the decision date, the asset is written down to its fair value and the resulting net book value is depreciated over its remaining economic useful life. When we commit to a plan to sell an asset, including the initiation of a plan to locate a buyer, and it is probable that the asset will be sold within one year based on its current condition and sales price, depreciation of the asset is discontinued and the asset is classified as an asset held for sale. The asset is written down to its fair value less any selling costs.

Exit costs, including, among other things, severance, other employee benefit costs and operating lease obligations on idle facilities, are accounted for in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." As a result, liabilities for exit costs are measured initially at their fair value and recorded when incurred.

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Special charges for the years ended December 31, 2008, 2007 and 2006 are described in more detail below and in the applicable sections that follow.

	2008	2007	2006
Employee termination costs	\$ 5.5	\$2.8	\$ 1.3
Facility consolidation costs	2.5	0.3	1.1
Other cash costs	4.9	1.3	0.3
Non-cash asset write-downs	4.3	0.8	1.3
Gain on sale of assets	—	—	(0.2)
Total	<u>\$17.2</u>	<u>\$5.2</u>	<u>\$ 3.8</u>

2008 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs	Non-Cash Asset Write- downs	Total Special Charges
Flow Technology	\$ 0.1	\$ 0.9	\$ 2.3	\$ 0.3	\$ 3.6
Test and Measurement	2.3	0.6	0.7	0.6	4.2
Thermal Equipment and Services	2.0	0.8	1.3	1.4	5.5
Industrial Products and Services	—	—	—	—	—
Corporate	1.1	0.2	0.6	2.0	3.9
Total	<u>\$ 5.5</u>	<u>\$ 2.5</u>	<u>\$ 4.9</u>	<u>\$ 4.3</u>	<u>\$ 17.2</u>

Flow Technology segment — The charges for 2008 were driven mainly by the relocation of the Flow Technology segment's headquarters from Delavan, WI to Charlotte, NC, which totaled \$2.0, and charges related to facility closures and sales office consolidation efforts. These activities resulted in the termination of four employees.

Test and Measurement segment — Charges for 2008 related primarily to exit costs associated with a plan to consolidate distribution activities within the segment, costs associated with the closure of a manufacturing facility in Owatonna, MN, and costs associated with integrating the segment's technical and training service line in its diagnostic tools business. These activities resulted in the termination of 91 employees.

Thermal Equipment and Services segment — Charges for 2008 related primarily to the relocation of the segment's headquarters from Overland Park, KS to Charlotte, NC, which totaled \$1.1, as well as, severance, asset impairment and other charges associated with outsourcing functions related to a manufacturing facility in China and the shut-down of facilities in Houston, TX and Gennevilliers, France. These activities resulted in the termination of 169 employees.

Corporate — Charges for 2008 related primarily to an impairment charge of \$1.4 associated with an idle facility that was sold during the year, expenses of \$0.9 for outsourcing certain functions associated with the scheduled shut-down of our IT Center in Horsham, PA, an impairment charge of \$0.6 related to the expected sale of a facility in Newtown, CT and \$0.4 associated with our legal entity reduction initiative. These activities resulted in the termination of 36 employees.

We do not expect future costs associated with the above initiatives to be significant. With the exception of certain multi-year operating lease obligations and other contractual obligations, which are not material to our consolidated financial statements, we anticipate that the liabilities related to restructuring actions will be paid within one year from the period in which the action was initiated.

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2007 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs	Non-Cash Asset Write- downs	Total Special Charges
Flow Technology	\$ —	\$ —	\$ (0.1)	\$ —	\$ (0.1)
Test and Measurement	2.3	0.2	0.1	—	2.6
Thermal Equipment and Services	—	—	1.0	0.2	1.2
Industrial Products and Services	0.3	0.1	—	0.5	0.9
Corporate	0.2	—	0.3	0.1	0.6
Total	<u>\$ 2.8</u>	<u>\$ 0.3</u>	<u>\$ 1.3</u>	<u>\$ 0.8</u>	<u>\$ 5.2</u>

Flow Technology segment — The credit for 2007 related to a reduction in liabilities that were no longer necessary as the associated restructuring activities had been completed.

Test and Measurement segment — Charges for 2007 related primarily to workforce reductions associated with various consolidation and reorganization efforts in Europe and the United States, including the planned closure of a manufacturing facility in Owatonna, MN. These efforts resulted in the termination of 77 employees.

Thermal Equipment and Services segment — Charges for 2007 related primarily to lease holding costs of \$0.8 for an idle facility in Belgium and an asset impairment charge associated with the planned divestiture of an idle facility in Benton Harbor, MI.

Industrial Products and Services segment — Charges for 2007 related primarily to an asset impairment charge associated with the planned divestiture of an idle facility in Watertown, WI.

Corporate — Charges for 2007 relate primarily to charges for a legal entity reduction initiative.

2006 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs	Non-Cash Asset Write- downs	Gain on Sale of Assets	Total Special Charges
Flow Technology	\$ 1.1	\$ 0.9	\$ 0.1	\$ —	\$ —	\$ 2.1
Test and Measurement	0.5	0.6	—	0.2	—	1.3
Thermal Equipment and Services	(0.3)	(0.4)	—	—	(0.2)	(0.9)
Industrial Products and Solutions	—	—	—	—	—	—
Corporate	—	—	0.2	1.1	—	1.3
Total	<u>\$ 1.3</u>	<u>\$ 1.1</u>	<u>\$ 0.3</u>	<u>\$ 1.3</u>	<u>\$ (0.2)</u>	<u>\$ 3.8</u>

Flow Technology segment — Charges for 2006 related primarily to costs of \$1.3 associated with exit activities at a facility in St. Paul, NC, employee termination costs of \$0.7 relating to a facility in Germany, costs relating to a previously announced reorganization of a Netherlands' operation, and exit activities at two locations in the United Kingdom. The German initiative resulted in the termination of four employees.

Test and Measurement segment — Charges for 2006 related primarily to employee termination and lease holding costs associated with the closure of manufacturing facilities in Miramar, FL and Novi, MI. These closure activities resulted in the termination of 25 employees.

Thermal Equipment and Services segment — In 2006, the segment incurred charges of \$0.3 relating to a previously announced facility consolidation effort. These charges were more than offset by credits of \$1.2 associated with a reduction of liabilities that are no longer necessary as the related restructuring activities have been completed.

Corporate — Charges for 2006 relate primarily to an impairment charge for the planned divestiture of an idle facility.

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The following is an analysis of our restructuring and integration liabilities for years ended December 31, 2008, 2007 and 2006:

	For the year ended December 31,		
	2008	2007	2006
Balance at beginning of year	\$ 12.6	\$ 4.9	\$ 15.7
Special charges — cash ⁽¹⁾	13.6	4.4	2.6
Adjustments related to acquisition accounting	31.5	8.4	—
Utilization — cash	(28.1)	(4.9)	(13.4)
Currency translation adjustment and other	1.9	(0.2)	—
Ending balance ⁽²⁾	<u>\$ 31.5</u>	<u>\$ 12.6</u>	<u>\$ 4.9</u>

(1) The years ended December 31, 2008, 2007 and 2006 exclude \$3.6, \$0.8 and \$1.2, respectively, of non-cash special charges relating to asset impairments that impact special charges but not the related liabilities.

(2) The balance at December 31, 2008 was composed of \$26.9 relating to acquisition integration plans and \$4.6 for various restructuring initiatives.

In connection with our acquisitions, we formulate plans related to the future integration of the acquired entity. In accordance with Emerging issues Task Force Issue No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination," we record estimates for certain of the integration costs anticipated at the date of acquisition, including personnel, reductions and facility closures or restructurings.

Within our Flow Technology segment, we are in the midst of closing and consolidating several facilities as part of the APV integration. In connection with these plans, we have identified a total headcount reduction of approximately 500 employees.

(7) Inventories

	December 31,	
	2008	2007
Finished goods	\$229.3	\$220.1
Work in process	165.2	146.7
Raw materials and purchased parts	312.7	321.9
Total FIFO cost	<u>707.2</u>	<u>688.7</u>
Excess of FIFO cost over LIFO inventory value	(40.2)	(31.2)
	<u>\$667.0</u>	<u>\$657.5</u>

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated realizable values. Certain domestic inventories are valued using the last-in, first-out ("LIFO") method. These inventories were approximately 36% and 37% of total inventory at December 31, 2008 and 2007, respectively. Other inventories are valued using the first-in, first-out ("FIFO") method. Progress payments, which are netted against work in process at year-end, were \$4.1 in 2008 and \$3.2 in 2007.

(8) Goodwill and Other Intangible Assets

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

	December 31, 2007	Goodwill resulting from business combinations	Impairments	Foreign Currency Translation and other ⁽¹⁾	December 31, 2008
	Flow Technology	\$ 661.7	\$ —	\$ —	\$ 2.9
Test and Measurement	367.7	3.5	—	(6.6)	364.6
Thermal Equipment and Services	612.6	—	(114.1)	(16.9)	481.6
Industrial Products and Services	270.8	—	—	(1.9)	268.9
Total	<u>\$ 1,912.8</u>	<u>\$ 3.5</u>	<u>\$ (114.1)</u>	<u>\$ (22.5)</u>	<u>\$ 1,779.7</u>

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	December 31, 2006	Goodwill resulting from business combinations	Impairments	Foreign Currency Translation and other ⁽¹⁾	December 31, 2007
Flow Technology	\$ 438.1	\$ 190.4	\$ —	\$ 33.2	\$ 661.7
Test and Measurement	341.7	36.6	—	(10.6)	367.7
Thermal Equipment and Services	595.3	—	—	17.3	612.6
Industrial Products and Services	285.8	—	—	(15.0)	270.8
Total	\$ 1,660.9	\$ 227.0	\$ —	\$ 24.9	\$ 1,912.8

(1) Includes adjustments resulting from acquisitions completed not more than one year after the consummation date and adjustment to tax positions considered uncertain at the date of acquisition. For the year ended December 31, 2008, net adjustments resulting from the acquisition accounting related to the APV transaction totaled \$66.1, which is included in the Flow Technology segment. For the year ended December 31, 2008, various other purchase accounting adjustments, changes from foreign currency translation, and tax related adjustments totaled \$1.3, (\$83.3) and (\$6.6), respectively. For the year ended December 31, 2007 net adjustments related to various purchase accounting adjustments, changes from foreign currency translation, and tax related adjustments totaled \$28.2, \$34.9, and (\$38.2), respectively.

Identifiable intangible assets comprise the following:

	December 31, 2008			December 31, 2007		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with determinable lives:						
Patents	\$ 28.4	\$ (21.3)	\$ 7.1	\$ 28.0	\$ (19.3)	\$ 8.7
Technology	73.4	(11.3)	62.1	73.5	(6.7)	66.8
Customer relationships	211.3	(31.9)	179.4	219.2	(18.9)	200.3
Other	25.1	(8.9)	16.2	31.0	(10.6)	20.4
	338.2	(73.4)	264.8	351.7	(55.5)	296.2
Trademarks with indefinite lives⁽¹⁾:	382.0	—	382.0	410.7	—	410.7
Total	\$ 720.2	\$ (73.4)	\$ 646.8	\$ 762.4	\$ (55.5)	\$ 706.9

(1) Balance reflects impairment charges of \$8.9 and \$4.0 recorded during 2008 and 2007, respectively, associated with a business within our Thermal Equipment and Services segment.

Amortization expense was \$25.7, \$17.8 and \$13.5 for the years ended December 31, 2008, 2007 and 2006, respectively. Estimated amortization expense related to these intangible assets is \$20.1 in 2009, \$19.5 in 2010, \$18.6 in 2011, \$18.6 in 2012 and \$18.4 in 2013.

At December 31, 2008, intangible assets with determinable lives consisted of \$152.6 in the Flow Technology segment, \$81.1 in the Test and Measurement segment, and \$26.7 in the Thermal Equipment and Services segment. Trademarks with indefinite lives consisted of \$199.7 in the Flow Technology segment, \$52.5 in the Test and Measurement segment, \$114.8 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 "Goodwill and Other Intangible Assets," the fair values of our reporting units generally are based on discounted cash flow projections that we believe to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about carrying values of the reported net assets of our reporting units. Other considerations are also incorporated, including comparable industry price multiples. Many of our reporting units closely follow changes in the industries and end-markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principal methods of competition such as volume, price, service, product performance and technical innovations and estimates associated with cost improvement initiatives, capacity utilization and assumptions for inflation and foreign currency changes. Any significant change in market conditions and

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estimates or judgments used to determine expected future cash flows that indicates a reduction in carrying value may give rise to impairment in the period that the change becomes known.

We perform our annual goodwill impairment testing during the fourth quarter, with such testing based primarily on events and circumstances existing as of the end of the third quarter. As a result of our testing during the fourth quarter of 2008, no impairment of goodwill was identified. However, in response to the substantial changes in the global economic environment during the fourth quarter of 2008, we concluded that it was necessary to perform additional impairment testing as of December 31, 2008. In connection with these tests, we determined that the fair value of our Weil McLain subsidiary was less than the carrying value of its net assets. As a result, we estimated the implied fair value of goodwill and recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9). This charge reflects a \$19.3 implied fair value of goodwill, which considers (i) a \$33.7 difference between the estimated fair value of our Weil McLain subsidiary compared to the carrying value of its net assets, and (ii) an allocation to certain tangible and intangible assets of \$89.3 for estimated increases in these assets solely for purposes of applying the impairment provisions of SFAS No. 142. The impairment charge is based upon estimates that will be finalized in the first quarter of 2009. However, we do not believe that the adjustments, if any, will be material to our consolidated financial statements.

In addition, our testing as of December 31, 2008 identified another reporting unit (Service Solutions, our specialty diagnostic service tools business) whose fair value exceeded the carrying value of its net assets by less than 10%. The aggregate goodwill and indefinite-lived intangible asset balance for Service Solutions was \$382.6 at December 31, 2008. We will continue to monitor impairment indicators across our reporting units, including Service Solutions.

In connection with our annual impairment testing of indefinite-lived intangible assets under SFAS No. 142 during the fourth quarter of 2007, we determined that other intangible assets held by a business within our Thermal Equipment and Services segment were impaired and we recorded an impairment charge of \$4.0.

(9) Investment in Joint Venture

We have a joint venture, EGS, with Emerson Electric Co., in which we hold a 44.5% interest. Emerson Electric Co. controls and operates the joint venture. EGS operates primarily in the United States, Canada and France and is engaged in the manufacture of electrical fittings, hazardous location lighting and power conditioning products. We account for our investment under the equity method of accounting, on a three-month lag basis, and we typically receive our share of the joint venture's earnings in cash dividends paid quarterly. EGS's results of operations and certain other information for its fiscal years ended September 30, 2008, 2007 and 2006 were as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net sales	\$575.5	\$532.0	\$483.5
Gross profit	245.7	225.4	214.6
Net income	97.4	84.2	88.6
Capital expenditures	10.9	11.5	7.5
Depreciation and amortization	8.2	8.2	8.5
SPX's equity earnings in EGS	43.7	39.3	40.2

Condensed balance sheet information of EGS as of September 30, 2008 and 2007 was as follows:

	<u>2008</u>	<u>2007</u>
Current assets	\$167.1	\$165.3
Non-current assets	297.8	292.0
Current liabilities	87.5	76.5
Non-current liabilities	17.9	14.4

The carrying value of our investment in EGS was \$63.6 and \$77.6 at December 31, 2008 and 2007, respectively, and is recorded in other assets in our consolidated balance sheets. We contributed non-monetary assets to EGS upon its formation. We recorded these contributed assets at their historical cost in accordance with Accounting Principles Board ("APB") No. 29, "Accounting for Nonmonetary Transactions," while EGS recorded these assets at their fair value. As a result of this basis difference in the goodwill recorded by EGS upon formation, our investment in EGS is less than our proportionate share of EGS's net assets, with such difference totaling \$86.2 at December 31, 2008.

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(10) Employee Benefit Plans

Overview — We have defined benefit pension plans that cover a portion of our salaried and hourly paid employees, including certain employees in foreign countries. Beginning in 2001, we discontinued providing these pension benefits generally to newly hired employees. In addition, we no longer provide service credits to certain active participants. Of the U.S. employees covered by a defined benefit pension and actively accruing a benefit, most are covered by an account balance plan or are part of a collectively bargained plan.

We have domestic postretirement plans that provide health and life insurance benefits for certain retirees and their dependents. Beginning in 2001, we discontinued providing these postretirement benefits generally to newly hired employees. Some of these plans require retiree contributions at varying rates. Not all retirees are eligible to receive these benefits, with eligibility governed by the plan(s) in effect at a particular location.

Effective December 31, 2006, we adopted the provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — An Amendment of FASB Statements No. 87, 88, 106 and 132(R)". SFAS No. 158 requires balance sheet recognition of the funded status of pension and postretirement benefit plans. Under SFAS No. 158, actuarial gains and losses and prior service costs must be recognized as a component of shareholders' equity (in accumulated other comprehensive income (loss)) until they are amortized as a component of net periodic benefit expense. Based on the funded status of our plans as of December 31, 2006, the adoption of SFAS No. 158 decreased total assets by \$127.9, increased total liabilities by \$81.5, and reduced shareholders' equity by \$209.4. The adoption of SFAS No. 158 did not affect our results of operations.

Defined Benefit Pension Plans

Plan assets — Our investment strategy is based on the long-term growth of principal while mitigating overall risk to ensure that funds are available to pay benefit obligations. The domestic plan assets are invested in a broad range of investment classes, including domestic and international equities, fixed income securities and other investments. We engage various investment managers who are regularly evaluated on long-term performance, adherence to investment guidelines and ability to manage risk commensurate with the investment style and objective for which they were hired. Allowable investments under the plan agreements include equity securities, fixed income securities, mutual funds, venture capital funds, real estate and cash and equivalents. In addition, investments in futures and option contracts, commodities and other derivatives are allowed in commingled fund allocations to professional investment managers. Investments prohibited under the plan agreements include private placements and short selling of stock. No shares of our common stock were held by our defined benefit pension plans as of December 31, 2008 and 2007.

Actual asset allocation percentages of each major category of our domestic and foreign pension plan assets as of December 31, 2008 and 2007, along with the targeted asset investment allocation percentages, each of which is based on the midpoint of an allocation range, are as follows:

Domestic Pension Plans

	Actual Allocations		Mid-point of Target Allocation Range
	2008	2007	2008
Equity securities ⁽¹⁾	37%	54%	60%
Debt securities ⁽¹⁾	41%	26%	25%
Alternative investments ⁽²⁾	18%	16%	15%
Other ⁽³⁾	4%	4%	—%
Total	100%	100%	100%

(1) The equity securities actual allocation is significantly below the target primarily due to the significant decline in the value of the global equity markets during the second half of 2008. The debt securities actual allocation is significantly above the target primarily due to the increase in the value of our fixed income securities during 2008, as well as the decline in our equity securities during the year. We intend to re-balance to the mid-point of the target allocation range during the first half of 2009.

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- (2) Alternative investments are comprised of commingled global fund allocations, which include long-term equity investments, fixed income investments, futures and option contracts and commodities.
- (3) Assets included in this category at December 31, 2008 and 2007 were comprised primarily of cash and equivalents.

Foreign Pension Plans

	<u>Actual Allocations</u>		<u>Mid-point of Target Allocation Range</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>
Equity securities	47%	49%	50%
Debt securities	48%	46%	47%
Other	5%	5%	3%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Employer Contributions — We currently fund U.S. pension plans in amounts equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974, plus additional amounts that may be approved from time to time. During 2008, we made contributions of approximately \$0.6 to our qualified domestic pension plans and direct benefit payments of \$35.9 to our non-qualified domestic pension plans. During the third quarter of 2008, we made lump-sum payments to our former Chief Executive Officer to extinguish remaining obligations of our non-qualified domestic pension plans. The lump-sum payments totaled \$31.8 and were made in August 2008. In 2009, we expect to make contributions of \$8.2 to our qualified domestic pension plans and direct benefit payments of \$4.2 to our non-qualified domestic pension plans.

Many of our foreign plan obligations are unfunded in accordance with local laws. These plans have no assets and instead are funded by us on a pay as you go basis in the form of direct benefit payments. In our foreign plans that are funded, we made contributions of \$18.9 in 2008, which includes \$8.0 of contributions that relate to businesses that have been classified as discontinued operations. In addition, in our foreign plans that are unfunded, we made direct benefit payments of \$2.4 in 2008. In 2009, we expect to make \$11.0 of contributions, which includes \$2.1 of contributions that relate to businesses that have been classified as discontinued operations, and \$2.2 of direct benefit payments to our foreign pension plans.

Estimated Future Benefit Payments — Following is a summary, as of December 31, 2008, of the estimated future benefit payments for our pension plans in each of the next five fiscal years and in the aggregate for five fiscal years thereafter. Benefit payments are paid from plan assets or directly by us for our non-funded plans. The expected benefit payments are estimated based on the same assumptions used at December 31, 2008 to measure our obligations and include benefits attributable to estimated future employee service.

**Estimated benefit payments:
(Domestic and foreign pension plans)**

	<u>Domestic Pension Benefits</u>	<u>Foreign Pension Benefits</u>
2009	\$ 76.3	\$ 8.8
2010	77.2	9.7
2011	76.8	10.0
2012	80.8	10.0
2013	78.8	10.4
Subsequent five years	463.9	54.5

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Obligations and Funded Status — The funded status of our pension plans is dependent upon many factors, including returns on invested assets and the level of market interest rates. The combined funded status of our pension plans as of December 31, 2008 has declined since December 31, 2007, primarily as a result of lower than projected returns on plan assets as a result of the global economic recession that existed during 2008. Our non-funded pension plans account for \$110.3 of the current underfunded status, as these plans are not required to be funded. The underfunded status of our primary domestic pension plans did not require us to make cash contributions in 2008. The following tables show the domestic and foreign pension plans' funded status and amounts recognized in our consolidated balance sheets:

	Domestic Pension Plans		Foreign Pension Plans	
	2008	2007	2008	2007
Change in projected benefit obligation:				
Projected benefit obligation — beginning of year	\$ 1,039.7	\$ 1,122.9	\$ 294.6	\$ 272.2
Service cost	7.6	8.3	3.5	2.9
Interest cost	65.7	64.0	15.5	13.7
Employee contributions	—	—	0.2	0.2
Actuarial gains	(33.2)	(54.3)	(31.2)	(13.4)
Curtailement gain	(0.1)	—	—	—
Plan amendments	0.4	—	0.2	—
Benefits paid	(110.2)	(84.2)	(12.1)	(10.0)
Acquisitions/ (divestitures)	—	(17.0)	(2.0)	16.5
Foreign exchange and other	—	—	(57.8)	12.5
Projected benefit obligation — end of year	<u>\$ 969.9</u>	<u>\$ 1,039.7</u>	<u>\$ 210.9</u>	<u>\$ 294.6</u>
Change in plan assets:				
Fair value of plan assets — beginning of year	\$ 947.3	\$ 988.0	\$ 234.0	\$ 206.0
Return on plan assets	(156.0)	52.7	(27.0)	10.1
Benefits paid	(110.2)	(84.2)	(12.1)	(10.0)
Contributions (employer and employee)	36.5	5.3	21.5	18.5
Acquisitions/ (divestitures)	—	(14.5)	(1.4)	1.1
Foreign exchange and other	—	—	(54.3)	8.3
Fair value of plan assets — end of year	<u>\$ 717.6</u>	<u>\$ 947.3</u>	<u>\$ 160.7</u>	<u>\$ 234.0</u>
Funded status at year-end	<u>\$ (252.3)</u>	<u>\$ (92.4)</u>	<u>\$ (50.2)</u>	<u>\$ (60.6)</u>
Amounts recognized in the balance sheet consist of:				
Other assets	\$ —	\$ 8.8	\$ 0.8	\$ —
Accrued expenses	(4.1)	(35.0)	(2.2)	(1.5)
Other long-term liabilities	(248.2)	(66.2)	(48.8)	(59.1)
Net amount recognized	<u>\$ (252.3)</u>	<u>\$ (92.4)</u>	<u>\$ (50.2)</u>	<u>\$ (60.6)</u>
Amounts recognized in accumulated other comprehensive income (loss) (pre-tax) consist of:				
Net actuarial loss	\$ 492.9	\$ 320.9	\$ 39.6	\$ 40.2
Net prior service credits	(3.7)	(4.3)	(0.5)	(1.0)
Total accumulated comprehensive loss (pre-tax)	<u>\$ 489.2</u>	<u>\$ 316.6</u>	<u>\$ 39.1</u>	<u>\$ 39.2</u>

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The following is information about our pension plans that have accumulated benefit obligations in excess of the fair value of their plan assets at December 31, 2008 and 2007:

	Domestic Pension Plans		Foreign Pension Plans	
	2008	2007	2008	2007
Projected benefit obligation	\$ 969.9	\$ 288.2	\$ 182.1	\$ 292.7
Accumulated benefit obligation	949.6	287.1	178.2	287.1
Fair value of plan assets	717.6	186.9	131.1	232.7

The accumulated benefit obligation for all domestic and foreign pension plans was \$949.6 and \$206.7, respectively, at December 31, 2008 and \$1,021.8 and \$288.4, respectively, at December 31, 2007.

Components of Net Periodic Pension Benefit Expense — Net periodic pension benefit expense for our domestic and foreign pension plans included the following components:

Domestic Pension Plans

	Year Ended December 31,		
	2008	2007	2006
Service cost	\$ 7.6	\$ 8.3	\$ 9.3
Interest cost	65.7	64.0	64.6
Expected return on plan assets	(78.0)	(77.1)	(80.2)
Amortization of unrecognized losses	21.6	33.1	36.1
Amortization of unrecognized prior service cost	(0.7)	(0.7)	(0.4)
Curtailed/settlement loss	7.6	3.2	0.2
Total net periodic pension benefit expense	23.8	30.8	29.6
Less: Net periodic pension expense of discontinued operations	(0.5)	(3.5)	(0.8)
Net periodic pension benefit expense of continuing operations	<u>\$ 23.3</u>	<u>\$ 27.3</u>	<u>\$ 28.8</u>

We recorded a pension settlement charge of \$7.1 associated with \$31.8 of lump-sum payments that were made to our former Chief Executive Officer in 2008. A pension settlement is recognized when the total lump-sum pension payments for a plan during the year exceed the sum of the service and interest costs components of pension expense for that year. The amount of the settlement is the immediate recognition of a portion of the plan's overall net loss in proportion to the amount of the benefit obligation being settled.

Foreign Pension Plans

	Year Ended December 31,		
	2008	2007	2006
Service cost	\$ 3.5	\$ 2.9	\$ 2.2
Interest cost	15.5	13.7	12.5
Expected return on plan assets	(16.9)	(16.1)	(14.6)
Amortization of unrecognized losses	1.2	1.8	2.5
Amortization of unrecognized prior service cost	(0.1)	(0.1)	(0.1)
Curtailed/settlement loss	—	—	1.0
Total net periodic pension benefit expense	3.2	2.2	3.5
Less: Net periodic pension benefit expense of discontinued operations	(0.2)	—	(1.7)
Net periodic pension benefit expense of continuing operations	<u>\$ 3.0</u>	<u>\$ 2.2</u>	<u>\$ 1.8</u>

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Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) in 2008 were as follows:

	Domestic plans	Foreign plans
Current year actuarial loss	\$ 200.7	\$ 12.6
Amortization of actuarial loss	(21.6)	(1.2)
Current year prior service cost	0.4	0.2
Amortization of prior service cost	0.7	0.1
Settlement loss	(7.6)	—
Foreign exchange and other	—	(11.8)
	\$ 172.6	\$ (0.1)

The estimated amounts that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit expense in 2009 are as follows:

	Domestic plans	Foreign plans
Net actuarial loss	\$ 21.2	\$ 2.0
Net prior service credit	(0.9)	(0.1)
	\$ 20.3	\$ 1.9

Assumptions — Actuarial assumptions used in accounting for our domestic and foreign pension plans are as follows:

	<u>Year Ended December 31,</u>		
	2008	2007	2006
<i>Domestic Pension Plans</i>			
Weighted-average actuarial assumptions used in determining net periodic pension expense:			
Discount rate	6.59%	6.00%	5.75%
Rate of increase in compensation levels	4.25%	4.25%	4.25%
Expected long-term rate of return on assets	8.50%	8.50%	8.50%
Weighted-average actuarial assumptions used in determining year-end benefit obligations:			
Discount rate	7.06%	6.59%	6.00%
Rate of increase in compensation levels	4.25%	4.25%	4.25%
<i>Foreign Pension Plans</i>			
Weighted-average actuarial assumptions used in determining net periodic pension expense:			
Discount rate	5.67%	4.94%	4.74%
Rate of increase in compensation levels	4.20%	3.86%	3.69%
Expected long-term rate of return on assets	7.65%	7.26%	6.84%
Weighted-average actuarial assumptions used in determining year-end benefit obligations:			
Discount rate	6.35%	5.72%	4.94%
Rate of increase in compensation levels	4.08%	4.24%	3.86%

It is our policy to review the pension assumptions annually. Pension income or expense is determined using assumptions as of the beginning of the year, while the funded status is determined using assumptions as of the end of the year. The assumptions are determined by management and established at the respective balance sheet date using the following principles: (i) The expected long-term rate of return on plan assets is established based upon forward looking long-term expectations of asset returns over the expected period to fund participant benefits based on the target investment mix of our plans; (ii) The discount rate is determined by matching the expected projected benefit obligation cash flows for each of the plans to a yield curve that is representative of long-term, high-quality (rated AA or higher) fixed income debt instruments as of the measurement date; and (iii) The rate of increase in compensation levels is established based on management's expectations of current and foreseeable future increases in compensation. In addition, management also considers advice from independent actuaries.

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Postretirement Benefit Plans

Employer Contributions and Future Benefit Payments — Our postretirement medical plans are non-funded and have no plan assets, but are instead funded by us on a pay as you go basis in the form of direct benefit payments. In 2008, we made benefit payments of \$18.8 (net of federal subsidies of \$1.3) to our postretirement benefit plans. Following is a summary, as of December 31, 2008, of the estimated future benefit payments and expected federal subsidies for our postretirement plans in each of the next five fiscal years and in the aggregate for five fiscal years thereafter. The expected benefit payments and federal subsidies are estimated based on the same assumptions used at December 31, 2008 to measure our obligations and include benefits attributable to estimated future employee service.

	Postretirement Payments, net of Subsidies	Postretirement Subsidies
2009	\$ 17.3	\$ 2.2
2010	17.2	1.9
2011	16.8	1.9
2012	16.3	1.9
2013	15.6	1.9
Subsequent five years	67.4	8.8

Obligations and Funded Status — The following tables show the postretirement plans' funded status and amounts recognized in our consolidated balance sheets:

	Postretirement Benefits	
	2008	2007
Change in projected benefit obligation:		
Projected benefit obligation — beginning of year	\$ 163.2	\$ 179.8
Service cost	0.2	0.2
Interest cost	9.8	10.3
Actuarial gain	(5.2)	(7.5)
Plan change	(0.9)	—
Benefits paid	(18.8)	(19.6)
Projected benefit obligation — end of year	<u>\$ 148.3</u>	<u>\$ 163.2</u>
Funded status at year-end	<u>\$ (148.3)</u>	<u>\$ (163.2)</u>
Amounts recognized in the balance sheet consist of:		
Accrued expenses	\$ (17.0)	\$ (18.1)
Other long-term liabilities	(131.3)	(145.1)
Net amount recognized	<u>\$ (148.3)</u>	<u>\$ (163.2)</u>
Amounts recognized in accumulated other comprehensive income (loss) (pre-tax) consist of:		
Net actuarial loss	\$ 42.7	\$ 51.7
Net prior service credit	(7.2)	(7.6)
Total accumulated comprehensive loss (pre-tax)	<u>\$ 35.5</u>	<u>\$ 44.1</u>

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The net periodic postretirement benefit expense included the following components:

	<u>Year Ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Service cost	\$ 0.2	\$ 0.2	\$ 0.2
Interest cost	9.8	10.3	10.2
Amortization of unrecognized loss	3.8	4.8	4.5
Amortization of unrecognized prior service credits	(1.3)	(1.3)	(1.3)
Net periodic postretirement expense	<u>\$12.5</u>	<u>\$14.0</u>	<u>\$13.6</u>

Other changes in benefit obligations recognized in other comprehensive income (loss) in 2008 were as follows:

Current year actuarial gain	\$(5.2)
Current year net prior service credit	(0.9)
Amortization of actuarial loss	(3.8)
Amortization of prior service cost	1.3
	<u>\$(8.6)</u>

The estimated amounts that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit expense in 2009 include net actuarial losses of \$3.1 and prior service credits of \$1.4.

Actuarial assumptions used in accounting for our domestic postretirement plans are as follows:

	<u>Year Ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assumed health care cost trend rates:			
Health care cost trend rate for next year	8.6%	9.3%	10.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2019	2014	2014
Discount rate used in determining net periodic postretirement benefit expense	6.32%	6.00%	5.75%
Discount rate used in determining net year-end postretirement benefit obligation	7.07%	6.32%	6.00%

The accumulated postretirement benefit obligation was determined using the terms and conditions of our various plans, together with relevant actuarial assumptions and health care cost trend rates. It is our policy to review the postretirement assumptions annually. The assumptions are determined by management and are established based on our prior experience and management's expectation that future rates will decline. In addition, management also considers advice from independent actuaries.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the postretirement benefit plans. A percentage point change in assumed health care cost trend rates would have had the following effects on 2008 postretirement expense:

	1%	1%
	<u>Increase</u>	<u>Decrease</u>
Effect on total of service and interest costs	\$ 0.6	\$ (0.5)
Effect on postretirement benefit obligation	\$ 8.7	\$ (8.0)

Defined Contribution Retirement Plans

We maintain a defined contribution retirement plan (the "Plan") pursuant to Section 401(k) of the U.S. Internal Revenue Code. Under the Plan, eligible U.S. employees may voluntarily contribute up to 50% of their compensation into the Plan and we match a portion of participating employees' contributions. Our matching contributions are made in newly issued shares of

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company common stock and are issued at the prevailing market price. The matching contributions vest with the employee immediately upon the date of the match and there are no restrictions on the resale of common stock held by employees.

Under the Plan, we contributed 0.252, 0.216 and 0.326 shares of our common stock to employee accounts in 2008, 2007 and 2006, respectively. Compensation expense is recorded based upon the market value of shares as the shares are contributed to employee accounts. We recorded \$19.2 in 2008, \$17.7 in 2007 and \$17.5 in 2006 as compensation expense related to the matching contribution.

Certain hourly and collectively bargained employees participate in other defined contribution retirement plans maintained pursuant to Section 401(k) of the U.S. Internal Revenue Code. These plans do not match employees' contributions in shares of company common stock, although company common stock is offered as an investment option under these plans.

(11) Income Taxes

Income before income taxes and the provision for income taxes consisted of the following:

	<u>Year Ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Income before income taxes:			
Income from continuing operations:			
United States	\$205.1	\$246.1	\$167.0
Foreign	201.0	133.7	97.0
	<u>\$406.1</u>	<u>\$379.8</u>	<u>\$264.0</u>
Provision for (benefit from) income taxes:			
Current:			
United States	\$ 65.7	\$ 41.5	\$ 51.3
Foreign	37.8	53.5	(6.0)
Total current	<u>103.5</u>	<u>95.0</u>	<u>45.3</u>
Deferred and other:			
United States	19.8	(10.7)	(31.6)
Foreign	29.6	1.2	37.0
Total deferred and other	<u>49.4</u>	<u>(9.5)</u>	<u>5.4</u>
Total provision	<u>\$152.9</u>	<u>\$ 85.5</u>	<u>\$ 50.7</u>

The reconciliation of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate is as follows:

	<u>Year Ended December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax at U.S. federal statutory rate	35.0%	35.0%	35.0%
State and local taxes, net of U.S. federal benefit	1.2	0.6	(1.5)
U.S. credits and exemptions	(1.7)	(1.7)	(2.4)
Foreign earnings taxed at lower rates	(2.0)	(9.9)	(5.0)
Repatriation	—	—	(0.7)
Audit settlements with taxing authorities	(6.6)	(4.6)	(13.1)
Adjustments to tax contingencies, net	2.3	2.6	7.6
Non-deductible compensation	(0.3)	0.6	0.7
Impairment on goodwill and other intangible assets	9.7	—	—
Other	0.1	(0.1)	(1.4)
	<u>37.7%</u>	<u>22.5%</u>	<u>19.2%</u>

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Significant components of our deferred tax assets and liabilities are as follows:

	<u>As of December 31,</u>	
	<u>2008</u>	<u>2007</u>
Deferred tax assets:		
Working capital accruals	\$ 48.6	\$ 44.6
Legal, environmental and self-insurance accruals	46.7	57.0
Restructuring	7.9	2.2
Pension, other postretirement and postemployment benefits	152.2	102.6
NOL and credit carryforwards	203.4	196.6
Payroll and compensation	27.6	29.7
Other	80.8	47.4
Total deferred tax assets	567.2	480.1
Valuation allowance	(185.3)	(182.4)
Net deferred tax assets	381.9	297.7
Deferred tax liabilities:		
Accelerated depreciation	12.7	23.7
Basis difference in affiliates	19.7	18.2
Intangibles recorded in acquisitions	229.7	269.2
Other	55.0	38.2
Total deferred tax liabilities	317.1	349.3
	\$ 64.8	\$ (51.6)

General Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess deferred tax assets to determine if they will be realized and the adequacy of deferred tax liabilities, incorporating the results of local, state, federal and foreign tax audits in our estimates and judgments.

We had available net operating loss deductions and tax credit carryforwards totaling approximately \$1,008.7 at December 31, 2008. Approximately \$327.4 of these carryforwards were for numerous state jurisdictions and approximately \$552.2 were for various foreign jurisdictions, while the remainder represent Federal tax credits. Of these amounts, approximately \$15.8 expire in 2009 and \$493.1 expire at various times between 2010 and 2028. The remaining carryforwards have no expiration date.

Realization of deferred tax assets associated with net operating loss and credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration in the appropriate tax jurisdiction. We believe that it is more likely than not that certain of these net operating loss and credit carryforwards will expire unused and, accordingly, have established a valuation allowance against the deferred tax assets associated with these carryforwards. Although realization is not assured for the remaining deferred tax assets, we believe it is more likely than not that the deferred tax assets will be realized through future taxable earnings or tax planning strategies. However, deferred tax assets could be reduced in the near term if our estimates of taxable income during the carryforward period are significantly reduced or tax planning strategies are no longer viable. The valuation allowance increased by \$2.9 in 2008 and \$52.9 in 2007.

The amount of income tax that we pay annually is dependent on various factors, including the timing of certain deductions. These deductions can vary from year to year, and, consequently, the amount of income taxes paid in future years will vary from the amounts paid in the prior year.

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Undistributed International Earnings

During 2006, we completed our plan to repatriate earnings of certain foreign subsidiaries and recognized an income tax benefit of \$2.0.

Remaining foreign earnings are considered indefinitely reinvested. Accordingly, we have made no provision for U.S. federal and state income taxes or foreign withholding taxes for these remaining foreign earnings. If these earnings were distributed, we would be subject to U.S. income taxes (subject to a reduction for foreign tax credits) and withholding taxes payable to the various foreign countries.

FIN 48

Effective January 1, 2007, we adopted the provisions of FIN 48. As a result of such adoption, we recognized a decrease of \$52.5 to our liability for unrecognized tax benefits, with a corresponding increase to retained earnings.

As of December 31, 2008, we had gross unrecognized tax benefits of \$102.9 (net unrecognized tax benefits of \$81.3), of which \$67.9, if recognized, would impact our effective tax rate from continuing operations.

We classify interest and penalties related to unrecognized tax benefits as a component of our income tax provision. As of December 31, 2008, gross accrued interest, excluded from the amounts above, totaled \$21.3 (net accrued interest of \$15.2), while the related amount as of December 31, 2007 was \$23.0 (net accrued interest of \$14.9). There were no significant penalties recorded during the years ended December 31, 2008 or 2007.

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 \$20.0 to \$25.0.

The aggregate changes in the balance of unrecognized tax benefits for the years ended December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Unrecognized tax benefit — opening balance	\$120.1	\$ 204.3
Gross increases — tax positions in prior period	19.2	4.1
Gross decreases — tax positions in prior period	(0.3)	—
Gross increases — tax positions in current period	7.7	15.0
Settlements	(37.9)	(101.1)
Lapse of statute of limitations	(1.9)	(2.2)
Change due to foreign currency exchange rates	(4.0)	—
Unrecognized tax benefit — ending balance	<u>\$102.9</u>	<u>\$ 120.1</u>

Tax Contingencies

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 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.

On August 28, 2008, we reached an agreement with the IRS regarding an audit of our 2003 through 2005 U.S. income tax returns. Upon the resolution of the examination, we recorded \$25.6 as an income tax benefit from continuing operations and \$5.0 as an income tax benefit to "Gain (loss) on the disposition of discontinued operations."

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 twelve months as we do not expect the examination will conclude within the next twelve months.

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On September 4, 2007, we reached an agreement with the IRS regarding the tax returns for years 1995 through 2002. In connection with the resolution of these examinations, we reduced our liability for uncertain tax positions (including interest) by \$124.4. Of that reduction, \$35.6 represented an amount accrued in excess of our final settlement (including tax, interest and penalties). The \$35.6 reduction in our liability for uncertain tax positions was recorded as an income tax benefit from continuing operations of \$16.8 and a decrease in goodwill of \$18.8.

During 2007, we recorded an income tax benefit of \$11.5 associated with a reduction in the statutory tax rates in Germany and the United Kingdom. In addition, we recorded an aggregate income tax benefit of \$15.9 in 2007 associated with the settlement of various state matters and certain matters in the United Kingdom, an expected refund in China related to an earnings reinvestment plan, and the reversal of income taxes that were provided prior to 2007.

In 2006 we recorded an income tax benefit of \$34.7 associated with the settlement of the IRS examination covering our 1998 to 2002 income tax returns. In addition, we reduced our income tax provision by \$8.3 as a result of the settlement of various state income tax matters.

State income tax returns generally are subject to examination for a period of three to five years after filing of the respective tax return. 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 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 reached the final stages of the appeals process for any of 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 4 to these consolidated financial statements, we may recognize an additional income tax provision or benefit.

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(12) Indebtedness

The following summarizes our outstanding debt as of, and debt activity for the year ended, December 31, 2008.

	December 31, 2007	Borrowings	Repayments	Other ⁽³⁾	December 31, 2008
Term loan	\$ 750.0	\$ —	\$ (75.0)	\$ —	\$ 675.0
Domestic revolving loan facility	115.0	485.5	(535.5)	—	65.0
Global revolving loan facility	—	100.0	(100.0)	—	—
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⁾	70.0	261.0	(331.0)	—	—
Other indebtedness ⁽²⁾	83.3	—	(28.3)	0.2	55.2
Total debt	1,567.8	\$ 846.5	\$(1,069.8)	\$ 0.2	1,344.7
Less: short-term debt	254.3				112.9
Less: current maturities of long-term debt	78.9				76.4
Total long-term debt	\$ 1,234.6				\$ 1,155.4

(1) Under this arrangement, we can borrow, on a continuous basis, up to \$130.0, as available.

(2) Includes aggregate balances under extended accounts payable programs and a purchase card program of \$47.9 and \$57.1 at December 31, 2008 and 2007, respectively.

(3) "Other" includes debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

Credit Facilities

On September 21, 2007, we entered into senior credit facilities with a syndicate of lenders that replaced our then-existing senior credit facilities, which were simultaneously terminated. These senior credit facilities 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 with a final maturity of September 2012;
- a domestic revolving credit facility, available for loans and letters of credit, in an aggregate principal amount of 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.

At December 31, 2008, we had \$411.8 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facility of \$65.0 and to \$123.2 reserved for outstanding letters of credit. In addition, at December 31, 2008, we had \$257.6 of available issuance capacity under our foreign credit instrument facility after giving effect to \$692.4 reserved for outstanding letters of credit.

In connection with the termination of our then-existing senior credit facilities, we incurred \$3.3 of costs, including \$2.3 for the write-off of deferred financing costs, \$0.2 for an early termination fee and \$0.8 for costs associated with the early termination of our then-existing interest rate protection agreements (see Note 13).

The weighted-average interest rate of our outstanding borrowings, including the impact of swaps, under the senior credit facilities was 4.88% at December 31, 2008.

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We also may seek additional commitments for incremental term loan facilities or increases in commitments in respect of the domestic revolving credit facility, the global revolving credit facility and/or the foreign credit instrument facility by up to an aggregate principal amount of \$400.0 without the need for consent from the existing lenders.

We are the borrower under the term and revolving loan facilities, and certain of our foreign subsidiaries are (and others may in the future become) borrowers under the global revolving credit facility and the foreign credit instrument facility.

All borrowings and other extensions of credit under our senior credit facilities are subject to the satisfaction of customary conditions, including absence of defaults and accuracy in material respects of representations and warranties.

The letters of credit under the domestic revolving credit facility are stand-by letters of credit requested by any borrower on behalf of itself or any of its subsidiaries. The foreign credit instrument facility is used to issue foreign credit instruments, including bank undertakings to support our foreign operations.

The interest rates applicable to loans under our senior credit facilities are, at our option, equal to either an alternate base rate (the higher of (a) the federal funds effective rate plus 0.5% and (b) the prime rate of Bank of America) or a reserve adjusted LIBOR rate for dollars (Eurodollar) plus, in each case, an applicable margin percentage, which varies based on our Consolidated Leverage Ratio (as defined in the credit agreement generally as the ratio of consolidated total debt (net of cash equivalents in excess of \$50.0) at the date of determination to consolidated adjusted EBITDA for the four fiscal quarters ended on such date). We may elect interest periods of one, two, three or six months for Eurodollar borrowings. The fees charged and the interest rate margins applicable to Eurodollar and base rate loans are (all on a per annum basis) as follows:

<u>Consolidated Leverage Ratio</u>	<u>Domestic Revolving Commitment Fee</u>	<u>Global Revolving Commitment Fee</u>	<u>Letter of Credit Fee</u>	<u>Foreign Credit Commitment Fee</u>	<u>Foreign Credit Instrument Fee</u>	<u>LIBOR Rate Loans</u>	<u>ABR Loans</u>
Greater than or equal to 3.00 to 1.0	0.35%	0.35%	1.75%	0.35%	1.3125%	1.75%	0.75%
Between 2.00 to 1.0 and 3.00 to 1.0	0.30%	0.30%	1.50%	0.30%	1.125%	1.50%	0.50%
Between 1.50 to 1.0 and 2.00 to 1.0	0.25%	0.25%	1.25%	0.25%	0.9375%	1.25%	0.25%
Between 1.00 to 1.0 and 1.50 to 1.0	0.20%	0.20%	1.00%	0.20%	0.75%	1.00%	0.00%
Less than 1.00 to 1.0	0.175%	0.175%	0.875%	0.175%	0.65625%	0.875%	0.00%

The term loan is repayable in quarterly installments of \$18.75 for each quarter ending March 31, 2009 through September 30, 2011, and \$112.5 for the quarters ending December 31, 2011 through June 30, 2012, with the balance due in September 2012.

Our senior credit facilities require mandatory prepayments in amounts equal to the net proceeds from the sale or other disposition of, including from any casualty to, or governmental taking of property in excess of specified values (other than in the ordinary course of business and subject to other exceptions) by us or our subsidiaries. Mandatory prepayments will be applied first to prepay the term loan and then to repay amounts (or cash collateralize letters of credit) outstanding under the global revolving credit facility or the domestic revolving credit facility (without reducing the commitments thereunder). No prepayment is required to the extent the net proceeds are reinvested in permitted acquisitions, permitted investments or assets to be used in our business within 360 days of the receipt of such proceeds.

We may voluntarily prepay loans under our senior credit facilities, in whole or in part, without premium or penalty. Any voluntary prepayment of loans will be subject to reimbursement of the lenders' breakage costs in the case of a prepayment of Eurodollar rate borrowings other than on the last day of the relevant interest period.

Indebtedness under our senior credit facilities is guaranteed by:

- each existing and subsequently acquired or organized domestic material subsidiary with specified exceptions; and
- us with respect to the obligations of our foreign borrower subsidiaries under the global revolving credit facility and the foreign credit instrument facility.

Indebtedness under our senior credit facilities is secured by a first priority pledge and security interest in 100% of the capital stock of our domestic subsidiaries (with certain exceptions) and 65% of the capital stock of our material first tier foreign subsidiaries. If our corporate credit rating is "Ba2" or less by Moody's and "BB" or less by S&P, then we and our domestic

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subsidiary guarantors are required to grant security interests, mortgages and other liens on substantially all our and their assets.

Our senior credit facilities require that we maintain:

- a Consolidated Interest Coverage Ratio (as defined in the credit agreement generally as the ratio of consolidated adjusted EBITDA for the 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 not 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 repurchase 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).

At December 31, 2008, we were in compliance with all covenant provisions of our senior credit facilities, and the senior credit facilities did not impose any restrictions on our ability to repurchase shares or pay dividends, other than those inherent in the credit agreement.

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 (see Note 4). 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, but are effectively junior to our senior credit facilities. 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. At December 31, 2008, we were in compliance with all covenant provisions of these senior notes. We have agreed to conduct a registered exchange offer for the notes and will use commercially reasonable efforts to exchange the notes for a new issue of identical debt securities within 150 days from February 28, 2009, if the notes are not freely tradable before this date, and file under certain circumstances a shelf registration statement to cover resales of the notes and to cause the registration statement to be declared effective by the SEC. If we fail to satisfy these obligations, we have agreed to pay additional interest to holders of the notes under certain circumstances.

In June 2003, we issued \$300.0 of non-callable 6.25% senior notes that mature on June 15, 2011. The interest payment dates for these notes are June 15 and December 15 of each year. In December 2002, we issued \$500.0 of callable 7.50% senior notes that mature on January 1, 2013. The interest payment dates for these notes are January 1 and July 1 of each year. Both of these note issuances are unsecured and rank equally with all of our existing and future unsecured senior indebtedness, but are effectively junior to our senior credit facilities.

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Other Borrowings and Financing Activities

Some of our businesses participate in extended accounts payable programs through agreements with lending institutions. Under the arrangements, our businesses are provided extended payment terms. As of December 31, 2008 and 2007, the participating businesses had \$7.3 and \$12.8, respectively, outstanding under these arrangements. Additionally, certain of our businesses purchase goods and services under a purchasing card program allowing for payment beyond normal payment terms. As of December 31, 2008 and 2007, the participating businesses had \$40.6 and \$44.3, 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.

We are party to 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. 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. There were no amounts outstanding under this financing agreement at December 31, 2008, compared to \$70.0 at December 31, 2007. At December 31, 2008, we had \$78.8 of available borrowing capacity under our trade receivables financing agreement.

(13) Financial Instruments

Effective January 1, 2008, we adopted the provisions of SFAS No. 157 that apply to our financial assets and liabilities that are measured at fair value within our financial statements, which provides a framework for measuring fair value under GAAP. 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 derivative assets and liabilities include swaps, currency foreign contracts and commodity price protection agreements that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks. 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 December 31, 2008, 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 risks.

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 include the following as of December 31, 2008:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Current assets — currency forward contracts and embedded derivative contracts	\$ —	\$ 0.6	\$ —
Noncurrent assets — embedded derivative contracts	—	8.9	—
Current liabilities — currency 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. We designate and account for these swaps as cash flow hedges. In connection with the September 21, 2007 refinancing of our senior credit facilities (see Note 12), we terminated all our existing swaps and entered into new swaps with a notional amount of \$600.0. These new swaps have maturities through September 2012 and effectively convert \$600.0 of our borrowings 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 new term loan. As of December 31, 2008, the aggregate notional amount of the swaps was \$540.0.

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In connection with the termination of our previously held swaps, on September 21, 2007, we made a net cash payment of \$0.4. In addition, we reclassified \$0.8 from accumulated other comprehensive income (loss) to "Loss on early extinguishment of debt."

As of December 31, 2008 and 2007, we recorded an unrealized loss, net of tax, of \$25.8 and \$9.1, respectively to accumulated other comprehensive income (loss). In addition, as of December 31, 2008 and 2007, we recorded a long-term liability of \$42.0 and \$14.8, 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. 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 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 gain (loss) recorded in "Other expense, net" from the change in the fair value of FX forward contracts and embedded derivatives totaled \$4.5 for 2008, \$6.2 for 2007 and (\$1.8) for 2006, respectively.

We had FX forward contracts with an aggregate notional amount of \$129.8 outstanding as of December 31, 2008, with scheduled maturities of \$129.5 and \$0.3 in 2009 and 2010, respectively. The fair values of our FX forward contracts and embedded derivatives were as follows:

	December 31, 2008			December 31, 2007	
	Current Assets	Noncurrent Assets	Current Liabilities	Current Assets	Current Liabilities
Currency forward contracts	\$ 0.5	\$ —	\$ 2.9	\$ —	\$ 0.1
Embedded derivative contracts	0.1	8.9	—	—	0.8

Other Derivative Instruments

From time to time we enter into forward contracts to manage the exposure on forecasted purchases of commodity raw materials. We designate and account for such transactions as cash flow hedges. As of December 31, 2008 and 2007, the unrealized loss, net of tax, recorded in accumulated other comprehensive income (loss) was \$5.8 and \$0.6, respectively. We expect to reclassify the 2008 unrealized loss to cost of products sold over the next 12 months as the hedged transactions impact earnings. The fair values of these contracts were \$7.2 and \$0.7 (recorded as a current liability) as of December 31, 2008 and 2007, respectively. The amount of gain (loss) recognized during the years ended December 31, 2008, 2007 and 2006, related to the ineffectiveness of the hedges was not material.

Other Fair Value Financial Assets and Liabilities

The carrying amount of cash and equivalents and receivables reported in the 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 each year-end for similar debt, was \$1,229.6 at December 31, 2008, compared to our carrying value of \$1,344.7.

Concentrations 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.

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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. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

(14) Commitments, Contingent Liabilities and Other Matters

Leases

We lease certain manufacturing facilities, offices, sales and service locations, machinery and equipment, vehicles and office equipment under various leasing programs accounted for as operating leases. The future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year are:

<u>Year Ending December 31,</u>	
2009	\$ 41.2
2010	32.1
2011	28.7
2012	24.0
2013	18.7
Thereafter	35.6
Total minimum payments	<u>\$180.3</u>

Total operating lease expense was \$51.5 in 2008, \$44.6 in 2007 and \$37.8 in 2006. Capital leases were not material to any of the periods presented.

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, 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 \$340.9 (including \$260.7 for risk management matters) and \$360.2 (including \$268.8 for risk management matters) at December 31, 2008 and 2007, respectively. Of these amounts, \$266.8 and \$270.2 are included in "Other long-term liabilities" within our consolidated balance sheets at December 31, 2008 and 2007, respectively, with the remainder included in "Accrued expenses."

Litigation Matters

On June 8, 2006, we reached a settlement with VSI Holdings, Inc. ("VSI") resolving litigation relating to a merger agreement with VSI that we terminated. Under the terms of the settlement, the lawsuit was dismissed with prejudice, neither party admitted any liability or wrongdoing, and we made a payment in the amount of \$20.0 to VSI. The charge associated with

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this payment was recorded in 2006 and has been included in "Other expense, net" within our 2006 consolidated statement of operations.

On April 13, 2007, we reached a settlement, with court approval, of a class action lawsuit by purchasers of our common stock alleging violations of the Securities Exchange Act of 1934 and a related ERISA class action lawsuit filed on behalf of participants in our employee benefit plans alleging breaches of the Employee Retirement Income Security Act of 1974. Under the terms of the settlement, both class action lawsuits were dismissed with prejudice and our aggregate net settlement payment, after reimbursement by our insurer, was \$5.1, which we paid into the settlement fund in May 2007. During 2006, we recorded a charge to selling, general and administrative expense of \$4.1 associated with the settlement.

In October of 2004, one of our Italian subsidiaries, SPX Cooling Technologies Italia, S.p.A., formerly Balcke Marley Italia, S.p.A., was notified that it was the subject of an investigation by the Milan Public Prosecutor's Office. The investigation related to the business practices of several individuals and different companies in securing contracts from an Italian power generation company. On August 24, 2006, the Public Prosecutor served on SPX Cooling Technologies Italia, S.p.A., a Notice of End of the Preliminary Investigations. This Notice, which also identified numerous other individual and corporate defendants, set forth an allegation that SPX Cooling Technologies Italia, S.p.A. was responsible under Italian Legislative Decree No. 231 for failing to adopt and effectively implement a proper organization and management model suitable for the prevention of alleged acts of bribery by the former general manager of Hamon-Research Cottrell Italia, S.p.A. and the former director of Marley Cooling Tower Europe, S.p.A. Following the assertion of preliminary defenses by SPX Cooling Technologies Italia S.p.A., the Public Prosecutor discharged our subsidiary from any responsibilities under such Italian Legislative Decree for several alleged acts of bribery, and that discharge is final. In addition, the judge responsible for this matter approved a plea-agreement, to which the Public Prosecutor consented, under which our subsidiary made a payment of Euro 1.2 in October 2008 and all remaining claims against our subsidiary were resolved. We recorded the liability associated with this matter in 2006.

We are subject to other 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 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, only 10 of which sites have been active in the past few years. These laws may impose liability on certain

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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 previously recorded.

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 workers' compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for risk management matters are determined by management, are based on claims filed and estimates of claims incurred but not yet reported, and generally 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.

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. The use of a consortium arrangement typically results in joint and several liability to the customer for the consortium members, however, our consortium arrangements typically provide that each consortium member assumes its responsible share of any damages or losses associated with the project. If responsibility cannot be determined or a consortium member defaults, then the remaining consortium members are responsible according to their share of the contract value. Within our consolidated financial statements, we account for our share of the revenues and profits under the consortium arrangements. As of December 31, 2008, our share of the aggregate contract value on open consortium arrangements was \$316.3 (of which approximately 42.0% has been recognized thus far as revenue), whereas the aggregate contract value on open consortium arrangements was \$738.6. As of December 31, 2007, our share of the aggregate contract value on open consortium arrangements was \$192.6 (of which approximately 69% had been recognized as revenue), whereas the aggregate contract value on open consortium arrangements was \$529.0. At December 31, 2008 and 2007, we recorded a liability of \$3.1 and \$2.1, respectively, representing the estimated fair value of our potential obligation under the joint and several liability provisions associated with the consortium arrangements.

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Executive Agreements

Our Board of Directors has adopted severance agreements for eight of our executives, which create certain liabilities in the event of the termination of these executives following a change of control. In addition, our Board of Directors also approved employment agreements for seven of these executives. These agreements have rolling terms of either one year or two years and specify the executive's current compensation, benefits and perquisites, the executive's entitlements upon termination of employment, and other employment rights and responsibilities. Lastly, three executive officers have outstanding non-interest bearing 20-year relocation home loans totaling \$4.5 granted in connection with the 2001 move of our corporate headquarters. In the event of the death or permanent disability of the employee or a change in control of SPX, we will forgive the note and pay the employee or his estate an amount equal to the employee's tax liability as a result of the loan forgiveness.

(15) Shareholders' Equity and Stock-Based Compensation

Earnings Per Share

The following table sets forth the computations of basic and diluted earnings per share:

	Year Ended December 31,		
	2008	2007	2006
Numerator:			
Income from continuing operations for calculating basic earnings per share	\$ 253.2	\$ 294.3	\$ 213.3
Interest on convertible LYONs, net of tax	—	—	1.1
Income from continuing operations for calculating diluted earnings per share	<u>\$ 253.2</u>	<u>\$ 294.3</u>	<u>\$ 214.4</u>
Net income for calculating basic earnings per share	<u>\$ 247.9</u>	<u>\$ 294.2</u>	<u>\$ 170.7</u>
Interest on convertible LYONs, net of tax	—	—	1.1
Net income for calculating diluted earnings per share	<u><u>\$ 247.9</u></u>	<u><u>\$ 294.2</u></u>	<u><u>\$ 171.8</u></u>
Denominator:			
Weighted-average number of common shares used in basic earnings per share	53.046	54.842	58.254
Dilutive Securities — Employee stock options, restricted stock and restricted stock units	1.016	1.465	1.499
Conversion of convertible LYONs	—	—	0.971
Weighted-average number of common shares and dilutive securities used in diluted earnings per share	<u>54.062</u>	<u>56.307</u>	<u>60.724</u>

The total number of stock options that were not included in the computation of dilutive earnings per share because their exercise price was greater than the average market price of common shares was 0.326, 0.656 and 7.216 for the years ended December 31, 2008, 2007 and 2006, respectively. The total number of unvested restricted stock and restricted stock units that were not included in the computation of diluted income per share because required market thresholds for vesting (as discussed below) were not met was 0.281 at December 31, 2008.

The impact of the inclusion of the convertible LYONs was a reduction in both income from continuing operations per share and net income per share of \$0.04 and \$0.03, respectively, for 2006.

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Accumulated Other Comprehensive Income (Loss)

The components of the balance sheet caption accumulated other comprehensive income (loss) were as follows:

	December 31, 2008	December 31, 2007
Foreign currency translation adjustment	\$ 204.0	\$ 298.4
Net unrealized losses on qualifying cash flow hedges, net of tax benefit of \$19.7 and \$6.0, respectively	(31.6)	(9.7)
Pension liability adjustment, net of tax benefit of \$211.5 and \$149.3, respectively	(352.3)	(250.6)
Accumulated other comprehensive income (loss)	<u>\$ (179.9)</u>	<u>\$ 38.1</u>

Common Stock and Treasury Stock

At December 31, 2008, we had 200.0 authorized shares of common stock (par value \$10.00). Common shares issued, treasury shares and shares outstanding are summarized in the table below.

	Common Stock Issued	Treasury Stock	Shares Outstanding
Balance at December 31, 2005	89.549	(26.986)	62.563
Stock options exercised	2.335	1.678	4.013
Share repurchases	—	(8.692)	(8.692)
Restricted stock and restricted stock units	0.636	(0.069)	0.567
Other	0.315	—	0.315
Balance at December 31, 2006	92.835	(34.069)	58.766
Stock options exercised	1.899	0.388	2.287
Share repurchases	—	(9.004)	(9.004)
Restricted stock and restricted stock units	0.627	(0.105)	0.522
Other	0.221	—	0.221
Balance at December 31, 2007	95.582	(42.790)	52.792
Stock options exercised	0.281	0.770	1.051
Share repurchases	—	(3.375)	(3.375)
Restricted stock and restricted stock units	0.403	—	0.403
Other	0.257	—	0.257
Balance at December 31, 2008	<u>96.523</u>	<u>(45.395)</u>	<u>51.128</u>

Stock-Based Compensation

Under the 2002 Stock Compensation Plan, as amended in 2006, the successor plan to the 1992 Stock Compensation Plan, up to 20.0 shares of our common stock may be granted to key employees and 5.799 of these shares were available for grant at December 31, 2008. The 2002 Stock Compensation Plan permits the issuance of new shares or shares from treasury upon the exercise of options, vesting of restricted stock units or restricted stock.

Restricted stock or restricted stock units may be granted to certain eligible employees or non-employee directors in accordance with applicable equity compensation plan documents and agreements. Subject to participants' continued employment and other plan terms and conditions, the restrictions lapse and awards vest over three years. In addition, the restrictions lapse and the awards vest in the event of retirement, death or disability. The 2004 grants vested ratably. In December 2004, the Compensation Committee of the Board of Directors announced changes to our stock based employee compensation program. Under the announced changes, market ("company performance") thresholds have been instituted for vesting of substantially all restricted stock and restricted stock units awarded in 2005 and future years. This vesting is based on SPX shareholder return versus the S&P 500 composite index. On each vesting date, we compare 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

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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 in accordance with these company performance requirements are forfeited.

Beginning in 2007, we grant restricted stock to non-employee directors under the 2006 Non-Employee Directors' Stock Incentive Plan (the "Directors' Plan") in lieu of granting them phantom stock shares. Under the Directors' Plan, up to 0.100 shares of our common stock may be granted to non-employee directors and 0.065 of these shares were available for grant at December 31, 2008. Restricted stock has 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 for employee awards described in the preceding paragraph. Restricted stock that does not vest within the three-year vesting period in accordance with these 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 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 account for stock-based compensation in accordance with SFAS No. 123(R), "Share-Based Payment." SFAS No. 123(R) requires the recognition of compensation expense for share-based awards, including stock options, based on their grant date fair values. In addition, SFAS No. 123(R) specifies that an award is vested when the employee's retention of the award is no longer contingent on providing subsequent service (the "non-substantive vesting period approach"). Total stock option expense was \$0.0, \$0.2 and \$0.9 for the years ended December 31, 2008, 2007 and 2006, respectively, while compensation expense related to restricted stock and restricted stock units totaled \$41.5, \$39.2 and \$36.7 for the years ended December 31, 2008, 2007 and 2006, respectively.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. There were no option grants in 2008, 2007 and 2006.

We use the Monte Carlo simulation model due to the fact that our restricted stock and restricted stock units contain a "market condition." The Monte Carlo simulation model utilizes multiple input variables that determines 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, 2008 and January 3, 2007:

	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
January 2, 2008:				
SPX Corporation	26.5%	0.98%	2.85%	0.4913
S&P 500 Composite Index	12.4%	n/a	2.85%	
January 3, 2007:				
SPX Corporation	29.0%	1.63%	4.63%	0.4225
S&P 500 Composite Index	10.5%	n/a	4.63%	

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 grant. The risk-free interest rate reflects the 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 derived service period of each award, which is up to three years.

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During the years ended December 31, 2008, 2007 and 2006, we classified excess tax benefits of \$35.3, \$29.0 and \$12.7, respectively, as financing cash flows included in "Proceeds from the exercise of employee stock options and other" within our consolidated statements of cash flows.

Restricted Stock and Restricted Stock Unit Awards

The following table summarizes the restricted stock and restricted stock unit activity from December 31, 2005 through December 31, 2008:

	Unvested Restricted Stock and Restricted Stock Units	Weighted-average Grant-Date Fair Value per share
Outstanding at December 31, 2005	1.576	\$ 40.30
Granted	0.755	33.97
Vested	(0.672)	43.64
Forfeited	(0.134)	39.71
Outstanding at December 31, 2006	1.525	36.95
Granted	0.815	46.24
Vested	(0.835)	41.83
Forfeited	(0.127)	36.93
Outstanding at December 31, 2007	1.378	40.49
Granted	0.641	74.62
Vested	(0.703)	38.78
Forfeited	(0.065)	55.93
Outstanding at December 31, 2008	1.251	58.01

As of December 31, 2008, there was \$18.6 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 1.5 years.

In conjunction with the sale of Contech in April 2007 (see Note 4), we modified the existing outstanding awards issued to certain Contech employees by removing all restrictions associated with 0.046 restricted stock units and accelerating the vesting period to the effective date of the modification. This modification resulted in 0.031 shares issued, 0.015 shares withheld related to the SPX minimum required tax withholdings and expense recorded of \$1.1, net of tax, as part of the loss on disposition of discontinued operations.

In conjunction with the sale of Dock in October 2006 (see Note 4), we modified the existing outstanding awards issued to 29 Dock employees by removing all restrictions associated with these 0.014 restricted stock units and accelerating the vesting period to the effective date of the modification. This modification resulted in 0.010 shares issued, 0.004 shares withheld related to the SPX minimum required tax withholdings and expense recorded of \$0.3, net of tax, as part of the loss on disposition of discontinued operations.

In conjunction with the sale of Vance in January 2006 (see Note 4), we modified the existing outstanding awards issued to 30 Vance employees by removing all restrictions associated with these 0.075 restricted stock units and accelerating the vesting period to the effective date of the modification. This modification resulted in 0.048 shares issued, 0.027 shares withheld related to the SPX minimum required tax withholdings and expense recorded of \$1.6, net of tax, as part of the loss on disposition of discontinued operations.

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Stock Options

The following table shows stock option activity from December 31, 2005 through December 31, 2008:

	Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2005	12.965	\$ 69.07
Granted	—	—
Exercised	(4.013)	43.89
Terminated	(4.116)	103.12
Options outstanding and exercisable at December 31, 2006	4.836	60.97
Granted	—	—
Exercised	(2.287)	54.41
Terminated	(0.175)	67.65
Options outstanding and exercisable at December 31, 2007	2.374	66.80
Granted	—	—
Exercised	(1.051)	69.26
Terminated	(0.015)	60.29
Options outstanding and exercisable at December 31, 2008	<u>1.308</u>	<u>64.89</u>

The weighted-average remaining term, in years, of options outstanding and exercisable at December 31, 2008 was 2.2. Aggregate intrinsic value (market value of stock less option exercise price) represents the total pretax intrinsic value, based on our closing stock price on December 31, 2008, 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 the exercisable at December 31, 2008 was \$0.7. The total number of in-the-money options exercisable on December 31, 2008 was 0.362. The aggregate intrinsic value of options exercised during the years ended December 31, 2008, 2007 and 2006 was \$52.5, \$65.4 and \$43.1, respectively.

Treasury Stock

In 2008, we repurchased 3.375 shares (all of which were associated with written trading plans under Rule 10b5-1 of the Securities and Exchange Act of 1934, as amended) of our common stock on the open market, for total cash consideration of \$115.2. We record common stock repurchases based on the settlement date. The covenants under our senior credit facilities contain certain restrictions on the payment of dividends and the repurchase of our common stock. See Note 12 for discussion of our ability to repurchase shares under our current senior credit facilities.

Preferred Stock

None of our 3.0 shares of authorized and no par value preferred stock was outstanding at December 31, 2008, 2007 and 2006.

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(16) Quarterly Results (Unaudited)

	First ⁽⁵⁾⁽⁶⁾		Second ⁽⁵⁾⁽⁶⁾		Third ⁽⁵⁾⁽⁶⁾		Fourth ⁽⁶⁾	
	2008	2007	2008	2007	2008	2007	2008	2007
Operating revenues ⁽¹⁾	\$ 1,349.9	\$ 972.2	\$ 1,512.1	\$ 1,165.9	\$ 1,486.0	\$ 1,147.6	\$ 1,507.7	\$ 1,289.7
Gross profit ⁽¹⁾⁽²⁾	403.8	268.5	462.6	319.1	442.6	341.0	462.7	398.5
Income (loss) from continuing operations ⁽²⁾⁽³⁾	62.4	31.1	91.1	70.0	110.4	94.3	(10.7)	98.9
Income (loss) from discontinued operations, net of tax ⁽³⁾⁽⁴⁾	(1.0)	(1.9)	3.7	(6.1)	6.6	(1.4)	(14.6)	9.3
Net income (loss)	\$ 61.4	\$ 29.2	\$ 94.8	\$ 63.9	\$ 117.0	\$ 92.9	\$ (25.3)	\$ 108.2
Basic earnings (loss) per share of common stock:								
Continuing operations	\$ 1.19	\$ 0.53	\$ 1.72	\$ 1.25	\$ 2.06	\$ 1.78	\$ (0.20)	\$ 1.90
Discontinued operations, net of tax	(0.02)	(0.03)	0.07	(0.11)	0.12	(0.03)	(0.28)	0.18
Net income (loss)	\$ 1.17	\$ 0.50	\$ 1.79	\$ 1.14	\$ 2.18	\$ 1.75	\$ (0.48)	\$ 2.08
Diluted earnings (loss) per share of common stock:								
Continuing operations	\$ 1.15	\$ 0.52	\$ 1.67	\$ 1.22	\$ 2.01	\$ 1.73	\$ (0.20)	\$ 1.85
Discontinued operations, net of tax	(0.02)	(0.03)	0.07	(0.10)	0.12	(0.02)	(0.28)	0.17
Net income (loss)	\$ 1.13	\$ 0.49	\$ 1.74	\$ 1.12	\$ 2.13	\$ 1.71	\$ (0.48)	\$ 2.02

Note: The sum of the quarters' earnings per share may not equal the full year per share amounts.

- (1) During 2007, an internal audit of an operation in Japan uncovered employee misconduct and improper accounting entries. Correction of these matters resulted in a charge of \$7.4 during third quarter of 2007, with a reduction of \$2.3 of revenues, \$4.5 recorded to cost of products sold and \$0.6 related to selling, general and administrative expense. See Note 1 for further information.
- (2) During the first, second and fourth quarters of 2007 we recorded charges (credits) related to the settlement of a legacy product liability matter within our Industrial Products and Services segment of \$3.6, \$6.0 and (\$1.1), respectively.
- (3) The first, second, third and fourth quarters of 2008 include charges of \$0.7, \$4.2, \$4.8 and \$7.5, respectively, associated with restructuring initiatives. The first, second, third and fourth quarters of 2007 include charges of \$0.3, \$1.2, \$2.5 and \$1.2, respectively, associated with restructuring initiatives. See Note 6 for additional information.

We recorded charges related to legacy legal matters of \$0.1, \$0.1 and \$4.8 during the second, third and fourth quarters of 2007, respectively.

The second quarter of 2007 includes a benefit of \$5.0 within our Thermal Equipment and Services segment as a result of cost improvements associated with a state-approved environmental remediation plan at a site in California.

The third quarter of 2008 included a charge of \$9.5 relating to the settlement of a lawsuit arising out of a 1997 business disposition.

During the third quarter of 2008, we recorded income tax benefits of \$25.6 and \$5.0 to continuing operations and discontinued operations, respectively, in connection with the finalization of the audits of our 2003 through 2005 Federal income tax audits.

In the fourth quarter of 2007, we recorded an impairment charge of \$4.0 associated with intangible assets held by a business within our Thermal Equipment and Services segment. See Note 8 for further discussion.

In the fourth quarter of 2008, we recorded \$123.0 of charges related to the impairment of goodwill (\$114.1) and other intangible assets (\$8.9) at our Weil McLain subsidiary. See Note 8 for further discussion.

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December 31, 2008
(All dollar and share amounts in millions, except per share data)

During the third and fourth quarters of 2007, in connection with the resolution of certain matters related to our Federal income tax returns for the years 1995 through 2002, we recorded income tax benefits of \$11.0 and \$5.8, respectively. In addition, during the third and fourth quarters of 2007, we recorded income tax benefits of \$8.1 and \$3.4, respectively, associated with a reduction in the statutory tax rates in Germany and the United Kingdom. Lastly, during the fourth quarter of 2007, we recorded an aggregate income tax benefit of \$12.4 associated with the settlement of various state matters (\$3.8), an expected refund in China related to an earnings reinvestment plan (\$3.7), and the reversal of income taxes that were provided prior to 2007 (\$4.9).

- (4) During the third quarter of 2007, we committed to a plan to divest our Air Filtration business within our Flow Technology segment. As a result of this planned divestiture, we recorded a net charge of \$11.0 to reduce the net assets to be sold to their estimated net realizable value. During the first quarter of 2008, we recorded a net charge 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 the third quarter of 2008, we sold our Air Filtration business, resulting in a net gain of \$2.4.

During the third quarter of 2008, we committed to a plan to divest our Scales business. As a result of the planned divestiture, we recorded a net charge of \$1.2 during the third quarter of 2008 to reduce the carrying value of the related net assets to be sold to their estimated net realizable value. During the fourth quarter, we sold our Scales business, resulting in a net loss of \$3.5.

We sold LDS during the fourth quarter of 2008, resulting in a net gain of \$17.1.

During the third and fourth quarters of 2008, we committed to plans to divest a business within our Flow Technology segment and a business within our Industrial Products and Services segment, respectively. We have reported, for all periods presented, the financial condition, results of operations, and cash flows of these businesses as discontinued operations in our consolidated financial statements. As a result of these planned divestitures, we recorded a net charge of \$29.0 during 2008 to "Gain (loss) on disposition of discontinued operations, net of tax" in order to reduce the carrying value of the related net assets to be sold to their estimated net realizable value (i.e., projected sales price, net of estimated transaction costs, the expected payment to a minority shareholder and a charge of \$7.0 related to tax matters). In January 2009, we sold the business within the Flow Technology segment for cash and a promissory note totaling \$23.5. We are actively pursuing the sale of the business within the Industrial Products and Services segment and anticipate that the sale will be completed during the next twelve months.

During the first quarter of 2007, we recorded a charge of \$6.6 in connection with the planned disposition of Contech. In addition, we recorded charges of \$4.3, \$0.1 and \$2.6 during the second, third and fourth quarters of 2007 related to expenses contingent upon the consummation of the sale.

We recognized an income tax benefit of \$13.5 during the third quarter of 2007 relating to the reversal of certain deferred tax liabilities associated with businesses previously disposed of and reported as discontinued operations, primarily during 2005 (see Note 1 for further discussion of this matter).

During the fourth quarter of 2007, we sold the BD Austria and Nema business units within our Thermal Equipment and Services segment resulting in a net gain (loss) of \$17.2 and (\$2.3), respectively.

- (5) Amounts presented differ from amounts previously reported in our quarterly reports on Form 10-Q due to the classification of certain of our businesses as discontinued operations in accordance with SFAS No. 144.
- (6) It is our practice to 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 for efficiency purposes. The effects of this practice only impact the quarterly reporting periods and not the annual reporting period. We had one fewer day in the first quarter of 2008 and two additional days in the fourth quarter of 2008 when compared to the respective 2007 periods.

ITEM 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls And Procedures

Disclosure 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 December 31, 2008. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective and no changes are required at this time.

Changes in Internal Control Over Financial Reporting

In connection with the evaluation by SPX management, including the Chief Executive Officer and Chief Financial Officer, of our internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d), no changes during the quarter ended December 31, 2008 were identified that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report On Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control framework and processes were designed to provide reasonable assurance to management and the Board of Directors regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changing conditions, effectiveness of internal control over financial reporting may vary over time.

Management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2008, such internal control is effective. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework.

The effectiveness of our internal control over financial reporting as of December 31, 2008 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included in this Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of SPX Corporation:

We have audited the internal control over financial reporting of SPX CORPORATION AND SUBSIDIARIES (the "Company") as of December 31, 2008, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2008 of the Company and our report dated February 27, 2009 expressed an unqualified opinion on those financial statements, and included an explanatory paragraph relating to the adoption of new accounting standards.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 27, 2009

ITEM 9B. Other Information

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

(a) Directors of the company.

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the heading "Election of Directors" and is incorporated herein by reference.

(b) Executive Officers of the company.

Christopher J. Kearney, 53, was named Chairman of the Board in May 2007, and President, Chief Executive Officer and a director in December 2004. He joined SPX in February 1997 as Vice President, Secretary and General Counsel and an officer of the company. He had previously served as Senior Vice President and General Counsel of Grimes Aerospace Company. Mr. Kearney is a director of Nucor Corporation.

Patrick J. O'Leary, 51, was named Executive Vice President, Treasurer and Chief Financial Officer in December 2004. He joined SPX in October 1996 as Vice President, Finance, Treasurer and Chief Financial Officer and an officer of the company. He had previously served as Chief Financial Officer and a director of Carlisle Plastics, Inc. Mr. O'Leary is a director of Pulte Homes, Inc.

Robert B. Foreman, 51, was named Executive Vice President, Human Resources and Asia Pacific in December 2005 and Executive Vice President, Global Business Systems and Services in June 2008. He joined SPX Corporation in April 1999 as Vice President, Human Resources and an officer of the company. Previously he spent 14 years with PepsiCo, most recently serving as Vice President Human Resources for Frito-Lay International.

Don L. Canterna, 58, was named Segment President, Flow Technology and an officer in August 2005. He joined SPX in 2001 when SPX acquired United Dominion Industries, where he had been General Manager of Waukesha Cherry-Burrell since 1997. He was promoted to President of Waukesha Cherry-Burrell in 2001 and was named President of SPX Process Equipment in 2003 when Waukesha Cherry-Burrell, Lightnin and Bran+Luebbe were consolidated.

David A. Kowalski, 50, was named Segment President, Test and Measurement and an officer in August 2005. He joined SPX in 1999 as the Vice President and General Manager of Tools and Equipment at Service Solutions and was named President of Service Solutions in 2004. Before joining SPX he held positions with American National Can Company, J.I. Case, Picker International and Warner Swasey.

Kevin L. Lilly, 56, was named Vice President, Secretary and General Counsel and an officer in December 2005 and Senior Vice President in December 2006. Mr. Lilly joined SPX in 2003 as General Counsel for the company's publicly traded subsidiary, Inrange Technologies Corporation. After the sale of Inrange, he was Group General Counsel for the technical and industrial systems businesses and Associate General Counsel for SPX business operations. Previously, Mr. Lilly served as partner at Archer & Greiner, partner at Jamieson, Moore, Peskin & Spicer, and Staff Attorney for the United States Court of Appeals for the Seventh Circuit in Chicago.

Lee Powell, 50, was named an officer in February 2008. He joined SPX in August 2005 as Segment President, Industrial Products and Services. Prior to joining SPX, he spent nine years with the Invensys PLC appliance controls group.

(c) Section 16(a) Beneficial Ownership Reporting Compliance.

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

(d) Code of Ethics.

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

(e) Information regarding our Audit Committee and Nominating and Governance Committee is set forth in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the headings "Corporate Governance" and "Board Committees" and is incorporated herein by reference.

ITEM 11. Executive Compensation

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the headings "Executive Compensation" and "Director Compensation" and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the headings "Ownership of Common Stock" and "Equity Compensation Plan Information" and is incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

ITEM 14. Principal Accountant Fees And Services

This information is included in our definitive proxy statement for the 2009 Annual Meeting of Stockholders under the heading "Ratification of the Appointment of Independent Public Accountants" and is incorporated herein by reference.

PART IV

ITEM 15. Exhibits And Financial Statement Schedules

The following documents are filed as part of this Form 10-K:

1. All financial statements. See Index to Consolidated Financial Statements on page 44 of this Form 10-K.
2. Financial Statement Schedules. None required. See page 44 of this Form 10-K.
3. Exhibits. See Index to Exhibits.

INDEX TO EXHIBITS

<u>Item No.</u>	<u>Description</u>
3.1	— Restated Certificate of Incorporation, as amended, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (file no. 1-6948).
3.2	— Certificate of Ownership and Merger dated April 25, 1988, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 1988 (file no. 1-6948).
3.3	— By-Laws as amended and restated effective November 17, 2008, incorporated herein by reference from our Current Report on Form 8-K filed on November 19, 2008 (file no. 1-6948).
4.1	— Form of Senior Indenture, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.
4.2	— Form of Subordinated Indenture, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.
4.3	— Form of Debt Security, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.
4.4	— Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of December 27, 2002, incorporated herein by reference from our Current Report on Form 8-K filed on January 3, 2003 (file no. 1-6948).
4.5	— First Supplemental Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of December 27, 2002, incorporated herein by reference from our Current Report on Form 8-K filed on January 3, 2003 (file no. 1-6948).
4.6	— Second Supplemental Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of June 16, 2003, incorporated herein by reference from our Current Report on Form 8-K filed on June 18, 2003 (file no. 1-6948).
4.7	— Third Supplemental Indenture, dated as of March 24, 2005, between SPX Corporation and JPMorgan Chase Bank, N.A. (f/k/a JPMorgan Chase Bank), as trustee, incorporated herein by reference from our Current Report on Form 8-K/A filed on November 7, 2005 (file no. 1-6948).
4.8	— Fourth Supplemental Indenture, dated as of March 24, 2005, between SPX Corporation and JPMorgan Chase Bank, N.A. (f/k/a JPMorgan Chase Bank), as trustee, incorporated herein by reference from our Current Report on Form 8-K/A filed on November 7, 2005 (file no. 1-6948).
4.9	— Indenture, dated as of December 13, 2007 between SPX Corporation, the Initial Subsidiary Guarantors, and U.S. Bank National Association, a national banking association, as trustee, incorporated herein by reference from our Current Report on Form 8-K filed on December 19, 2007 (file no. 1-6948).
4.10	— Registration Rights Agreement, dated as of December 13, 2007, among SPX Corporation, the Guarantors, and Banc of America Securities LLC and J.P. Morgan Securities, Inc., as representatives of the initial purchasers, incorporated herein by reference from our Current Report on Form 8-K filed on December 19, 2007 (file no. 1-6948).
4.11	— Copies of the instruments with respect to our other long-term debt are available to the Securities and Exchange Commission upon request.
*10.1	— SPX Corporation Retirement Plan for Directors, as amended and restated, incorporated herein by reference from our Amendment No. 1 on Form 8 to the Annual Report on Form 10-K for the year ended December 31, 1988 (file no. 1-6948).
*10.2	— Stock Option Award dated as of June 23, 1999 between SPX Corporation and Patrick J. O'Leary, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.3	— Form of Loan Note (Primary Residence) for certain executive officers, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2001 (file no. 1-6948).
*10.4	— Amended and Restated Deferred Compensation Plan of United Dominion Industries, Inc., effective as of May 24, 2001, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2001 (file no. 1-6948).

Item No.	Description
*10.5	— SPX Corporation 2002 Stock Compensation Plan, as amended and restated, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (file no. 1-6948).
*10.6	— Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 (file no. 1-6948).
*10.7	— Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on January 6, 2005 (file no. 1-6948).
*10.8	— Supplemental Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on March 1, 2005 (file no. 1-6948).
*10.9	— SPX Corporation 2005 Executive Bonus Plan, incorporated herein by reference from our Current Report on Form 8-K filed on June 28, 2005 (file no. 1-6948).
*10.10	— SPX Corporation Executive Long-Term Disability Plan, incorporated herein by reference from our Current Report on Form 8-K filed on December 19, 2005 (file no. 1-6948).
*10.11	— SPX 2006 Executive Bonus Plan, incorporated herein by reference from our Current Report on Form 8-K filed on February 24, 2006 (file no. 1-6948).
*10.12	— Amendment to Restricted Stock Agreement Regarding Performance Measurement Periods, dated as of February 24, 2006, between the Company and each of Christopher Kearney, Patrick O'Leary, Robert Foreman, Thomas Riordan, Kevin Lilly, Don Canterna and David Kowalski, incorporated herein by reference from our Current Report on Form 8-K filed on February 24, 2006 (file no. 1-6948).
*10.13	— Amendment to SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2005 (file no. 1-6948).
*10.14	— Form of Restricted Stock Unit Agreements Under the 2002 Stock Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2005 (file no. 1-6948).
*10.15	— Employment Agreement between SPX Corporation and James Peters, executed on February 22, 2007, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2006 (file no. 1-6948).
*10.16	— Change-of-Control Severance Agreement between SPX Corporation and James Peters, executed on January 22, 2007, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2006 (file no. 1-6948).
*10.17	— Form SPX Corporation Confidentiality and Non-Competition Agreement for Executive Officers, incorporated herein by reference from our Current Report on Form 8-K filed on October 6, 2006 (file no. 1-6948).
*10.18	— 2002 Stock Compensation Plan (As Amended and Restated), incorporated herein by reference to Appendix C of our definitive proxy statement for our 2006 Annual Meeting of Stockholders, filed April 3, 2006 (file no. 1-6948).
*10.19	— Executive Annual Incentive Plan, incorporated herein by reference to Appendix C of our definitive proxy statement for our 2006 Annual Meeting of Stockholders, filed April 3, 2006 (file no. 1-6948).
*10.20	— 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference to Appendix C of our definitive proxy statement for our 2006 Annual Meeting of Stockholders, filed April 13, 2006 (file no. 1-6948).
*10.21	— Form of Restricted Stock Agreement under the SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2006 (file no. 1-6948).
*10.22	— Amendment to the SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 (file no. 1-6948).

Item No.	Description
10.23	— Credit Agreement, dated as of September 21, 2007, among SPX Corporation, the Foreign Subsidiary Borrowers party thereto, The Bank of America, N.A., as Administrative Agent, Deutsche Bank AG Deutschlandgeschäft Branch, as Foreign Trade Facility Agent, and the lenders party thereto, incorporated herein by reference from our Current Report on Form 8-K filed on September 27, 2007 (file no. 1-6948).
*10.24	— Form of Restricted Stock Agreement under the 2002 Stock Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2007 (file no. 1-6948).
*10.25	— Form of Restricted Stock Agreement under the SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2007 (file no. 1-6948).
*10.26	— SPX Corporation 2008 Executive Bonus Plan, incorporated herein by reference from our Quarterly Report on Form 10-Q filed on May 7, 2008 (file no. 1-6948).
*10.27	— SPX Corporation Supplemental Retirement Savings Plan, as Amended and Restated May 31, 2008, incorporated herein by reference from our Quarterly Report on Form 10-Q filed on August 1, 2008 (file no. 1-6948).
*10.28	— Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on December 18, 2008 (file no. 1-6948).
*10.29	— SPX Corporation Supplemental Individual Account Retirement Plan, as amended and restated October 21, 2008.
*10.30	— SPX Corporation 1997 Non-Employee Director's Compensation Plan, as amended and restated December 17, 2008.
*10.31	— SPX Corporation 2005 Non-Employee Directors' Compensation Plan, as amended and restated December 17, 2008.
*10.32	— Amended and restated Employment Agreement between SPX Corporation and Christopher J. Kearney.
*10.33	— Amended and restated Employment Agreement between SPX Corporation and Patrick J. O'Leary.
*10.34	— Amended and restated Employment Agreement between SPX Corporation and Robert B. Foreman.
*10.35	— Amended and restated Employment Agreement between SPX Corporation and Don L. Canterna.
*10.36	— Amended and restated Employment Agreement between SPX Corporation and David A. Kowalski.
*10.37	— Amended and restated Employment Agreement between SPX Corporation and Kevin Lilly.
*10.38	— Amended and restated Employment Agreement between SPX Corporation and Lee S. Powell.
*10.39	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Christopher J. Kearney.
*10.40	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Patrick J. O'Leary.
*10.41	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Robert B. Foreman.
*10.42	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Don L. Canterna.
*10.43	— Amended and restated Executive Change of Control Agreement between SPX Corporation and David A. Kowalski.
*10.44	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Kevin Lilly.
*10.45	— Amended and restated Executive Change of Control Agreement between SPX Corporation and Lee S. Powell.
*10.46	— SPX Corporation Supplemental Retirement Plan for Top Management, as Amended and Restated October 21, 2008.

<u>Item No.</u>	<u>Description</u>
11.1	— Statement regarding computation of earnings per share. See Consolidated Statements of Operations on page 46 of this Form 10-K.
21.1	— Subsidiaries.
23.1	— Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP.
23.2	— Consent of Independent Registered Public Accounting Firm — KPMG LLP
24.1	— Power of Attorney (included on signature page).
31.1	— Rule 13a-14(a) Certifications.
32.1	— Section 1350 Certifications.
99.1	— Report of Independent Registered Public Accounting Firm — KPMG LLP

* Denotes management contract or compensatory plan or arrangement.

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**SPX CORPORATION
SUPPLEMENTAL INDIVIDUAL ACCOUNT
RETIREMENT PLAN**

As Amended and Restated Effective October 21, 2008

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**SPX CORPORATION
SUPPLEMENTAL INDIVIDUAL ACCOUNT RETIREMENT PLAN**

The SPX Corporation Supplemental Individual Account Retirement Plan, formerly known as the Excess and Top Hat Benefit Plan No. 3 (the "Plan") was adopted effective January 1, 1984, amended from time to time thereafter and is now amended and restated, effective as of October 21, 2008. The Plan is established and maintained by SPX Corporation for the purpose of providing benefits in excess of the limitations on benefits imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code for certain of its employees who participate in the SPX Corporation Individual Account Retirement Plan.

The provisions of this Plan are only applicable to Participants in the employ of SPX Corporation on or after the effective date of such provisions. Participants who terminated prior to that date (or the Surviving Spouses or Beneficiaries of such Participants) shall be eligible for benefits, if any, under the terms of the Plan then in effect, or as subsequently amended such that the amended terms apply to such persons.

**ARTICLE I
DEFINITIONS**

Whenever used herein the following terms shall have the meanings hereinafter set forth. 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 **"Account Balance"** means the value of a Participant's benefit payable under this Plan on or after July 1, 1997, expressed as a lump sum. A Participant's Account Balance at any time shall be the sum of the following:

- (i) Initial Account Balance (if any);
- (ii) Principal Accruals; and
- (iii) Interest Accruals.

1.2 **"Accrued Benefit"** has the following meaning with respect to the methods of determining a benefit under this Plan as may apply to a specific Participant:

- (1) **Account Balance.** An Accrued Benefit based on a Participant's Account Balance means the Participant's Account Balance at any time, and the immediate single life annuity which is the Actuarial Equivalent of the Participant's Account Balance at such time. For any Participant who terminates employment before he attains his Normal Retirement Age, and who elects to leave his Account Balance in the Plan, Accrued Benefit means that Participant's Account Balance at the time of termination of employment plus Interest Accruals to the date of distribution, and the immediate single life annuity which is the Actuarial Equivalent of the Participant's Account Balance at such time.
- (2) **Grandfathered Benefit.** An Accrued Benefit based on a Participant's Grandfathered Benefit, described in Section 1.13.

A Participant's Accrued Benefit shall be payable only in those optional forms of benefit which pertain (as provided under the Qualified Plan) to the Account Balance or Grandfathered Benefit (whichever is applicable).

1.3 **"Act"** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations relating thereto.

1.4 **"Actuarial Equivalent"** means a benefit having the same value as the benefit it replaces, as defined in this subsection. Actuarial equivalency shall be determined on the basis of the following assumptions:

- (1) For purposes of (i) converting an Account Balance to a single life annuity, or (ii) converting a single life annuity to a lump sum, or (iii) converting a lump sum (other than an Account Balance) to a single life annuity, the applicable actuarial assumptions set forth under Section 2.1(c)(1) of the Qualified Plan shall be utilized.

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- (2) For purposes of converting a single life annuity (i) into a joint and 50% survivor annuity, or (ii) into any optional form of benefit (excluding lump sums), the actuarial factors set forth in Appendix A of the Qualified Plan (as amended, if applicable) shall be applied.
- (3) For all other purposes under the Plan, mortality shall be based upon the mortality assumptions set forth in the mortality table commonly described as "UP-1984," as published, and the assumed interest rate shall be 5% per year.

1.5 **"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).

1.6 **"Beneficiary"** means a Participant's beneficiary under the Qualified Plan with respect to a Participant's Non-409A Supplemental Retirement Benefit (or, if applicable, the Supplemental Plan Preretirement Death Benefit payable under the first paragraph of Section 4.2).

With respect to a Participant's 409A Supplemental Retirement Benefit (or, if applicable, the Supplemental Plan Preretirement Death Benefit payable under the second paragraph of Section 4.2), "Beneficiary" means any person or persons designated by a Participant to receive such 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. 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. 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. 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 option. If payments under a period certain benefit option have commenced to a Participant's designated Beneficiary and the Beneficiary dies before all payments under such form of payment have been made, any remaining payments shall be made to the Beneficiary's estate.

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

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

1.9 **"Committee"** means the Compensation Committee of the Board.

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1.10 **"Company"** means SPX Corporation, a Delaware corporation, or, 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.

1.11 **"Excess Participant"** means a Qualified Plan participant whose benefit is limited by reason of the application of Code Section 415, as in effect on the date that Qualified Plan Retirement Benefits commence.

1.12 **"Former Accrued Benefit"** means (1) a Participant's accrued Normal Retirement Benefit as of June 30, 1997 under the Qualified Plan payable in the form of a single life annuity at the Participant's Normal Retirement Age (or, if later, payable on June 30, 1997), based on the terms of this Plan as in effect on June 30, 1997, or (2) the accrued Normal Retirement Benefit as of the date that benefits under a Prior Plan were converted to Account Balances under this Plan.

1.13 **"Grandfathered Benefit"** means the alternative benefit formula under the Qualified Plan applicable to Participants who had a combination of age and service of at least 50 with at least 10 years of service under the Qualified Plan on June 30, 1997, which may be elected instead of such a Participants' Account Balance under the Qualified Plan.

1.14 **"GSX Transition Benefit"** means the special transition benefit payable with respect to the Qualified Plan account balance of certain Participants who were formerly covered by the General Signal Corporation Benefits Plan as referenced in Section 9.2.

1.15 **"Initial Account Balance"** means the Actuarial Equivalent of a Participant's Former Accrued Benefit, expressed as a lump sum on July 1, 1997 with respect to employees who were participants in the Qualified Plan on that date or the date on which a Participant's benefit under any other Prior Plan which is now part of the Qualified Plan was converted to an Actuarial Equivalent Account Balance. A Participant's Initial Account Balance (determined as if the Plan terminated on July 1, 1997, or on the applicable Prior Plan conversion date) shall be no less than the Actuarial Equivalent of the Participant's Accrued Benefit under this Plan or a Prior Plan determined as if this Plan or a Prior Plan had terminated on the conversion date.

1.16 **"Interest Accruals"** means the additions to a Participant's Account Balance determined with the Interest Accrual Rate below and in accordance with the methodology utilized under the Qualified Plan for the Interest Credits thereunder.

1.17 **"Interest Accrual Rate"** means the rate of interest (determined once each Plan Year) at which a Participant's Account Balance is deemed to grow. For any Plan Year, the Interest Accrual Rate shall be the interest rate paid on five-year United States Treasury Notes (Constant Maturities) in effect as of the last business day of November of the immediately preceding Plan Year.

1.18 **“Normal Retirement Age”** means the earlier of (a) the date a Participant has attained his Social Security Unreduced Retirement Age (as defined under the Qualified Plan), or (b) the date when he has both attained his 65th birthday and completed five years of Continuous Service under the Qualified Plan.

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1.19 **“Normal Retirement Date”** means the first day of the month coinciding with or next following the date on which a Participant terminates employment with the Company because of his normal retirement under the Qualified Plan on or after attainment of his Normal Retirement Age.

1.20 **“Participant”** means an employee of the Company or of an Affiliated Company who is a participant under the Qualified Plan (or any successor or replacement to the Qualified Plan) and to whom or with respect to whom a benefit is payable under this Plan. When used in the Plan, Participants are either “Excess Participants” or “Top Hat Participants.” The term “Participant” shall refer only to Top Hat Participants unless otherwise specified. Notwithstanding the foregoing, the term Participant shall not include any participant in the Qualified Plan, whose participation in the Qualified Plan is a result of a plan merger or transfer of assets and liabilities effected on or after January 1, 2001.

1.21 **“Plan”** means the SPX Corporation Supplemental Individual Account Retirement Plan.

1.22 **“Principal Accruals”** mean the additions made to a Participant’s Account Balance equivalent to those which would have been made under the Qualified Plan, absent the limits on compensation imposed by Code Section 401(a)(17), or any successor section of the Code, and provided that any deferrals of compensation made pursuant to the SPX Corporation Supplemental Retirement Savings Plan shall be includable in the determination of such compensation. Any qualified plan supplemental accruals shall reduce the amount of Principal Accruals under this Plan.

1.23 **“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 Qualified Plan, and any plan which has been merged into the Qualified Plan (a “Prior Plan”) where Prior Plan Accrued Benefits have been converted to an Initial Account Balance.

1.24 **“Qualified Plan Retirement Benefit”** means the aggregate benefit payable to a Participant pursuant to the Qualified Plan (including any portion to be paid to an alternate payee pursuant to a qualified domestic relations order) by reason of his termination of employment with the Company and all Affiliates for any reason other than death. Where the Qualified Plan provides for an offset to a Participant’s benefit under the Qualified Plan to reflect payment to a Participant of additional defined benefit pension payments (within the meaning of Code Section 414(j)) under other defined benefit pension plans of the Company or an Affiliated Company, the Participant’s Qualified Plan Retirement Benefit shall be the total value of all such defined benefit pensions.

1.25 **“Qualified Plan Preretirement Death Benefit”** means the aggregate benefit payment to the Surviving Spouse or Beneficiary of a Participant with respect to the Participant’s Qualified Plan Retirement Benefit in the event of the death of the Participant at any time prior to commencement of payment of his Qualified Plan Retirement Benefit.

1.26 **“Supplemental Plan Preretirement Death Benefit”** means the benefit payable to a Surviving Spouse or Beneficiary pursuant to the Plan by reason of the death of the Participant at any time prior to commencement of payment of his Qualified Plan Retirement Benefit.

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1.26A **“Supplemental Retirement Benefit”** means either a Supplemental Excess Retirement Benefit or a Supplemental Top Hat Retirement Benefit, as determined under the following Articles.

1.26B **“Non-409A Supplemental Retirement Benefit”** refers to the Supplemental 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.

1.26C **“409A Supplemental Retirement Benefit”** refers to the Supplemental 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.

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

1.28 **“Top Hat Participant”** means a Participant who both (i) participates in the Qualified Plan and (ii) whose benefits under the Qualified Plan are limited by the compensation limits of Code Section 401(a)(17).

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ARTICLE II ELIGIBILITY

A Participant who is eligible to receive a Qualified Plan Retirement Benefit, the amount of which is reduced:

- (1) in the case of an Excess Participant, by reason of the application of the limitations on benefits imposed by Code Section 415, or
- (2) in the case of a Top Hat Participant, by reason of the application of the limitations on benefits imposed by Code Section 401(a)(17),

shall be eligible to receive a Supplemental Retirement Benefit. A person shall be considered a Participant in the Plan in the first year such person accrues a benefit under this Plan. The Supplemental Retirement Benefit shall either be a Supplemental Excess Retirement Benefit or a Supplemental Top Hat

Retirement Benefit, whichever is greater. If a Participant dies prior to commencement of payment of his Qualified Plan Retirement Benefit, his Surviving Spouse or Beneficiary may be eligible to receive a Supplemental Plan Preretirement Death Benefit as provided in Article IV.

Individuals not initially treated and classified by their employer as common-law employees on the payroll records of their employer, including, but not limited to, leased employees, independent contractors or any other contract employees, shall be excluded from participation irrespective of whether a court, administrative agency or other entity determines that such individuals are common law employees.

**ARTICLE III
SUPPLEMENTAL RETIREMENT BENEFITS**

3.1 Amount.

(a) The Supplemental Excess Retirement Benefit payable to an eligible Excess Participant shall be an amount equal to the difference between (i) and (ii) below:

(i) the amount of the Qualified Plan Retirement Benefit to which the Participant would have been entitled if such benefit were computed without giving effect to the limitations on benefits imposed by application of Code Section 415,

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(ii) the amount of the Qualified Plan Retirement Benefit actually payable to the Participant.

The amounts described above shall be computed in the form of an Account Balance commencing on the date payment is made or begins.

(b) The Supplemental Top Hat Retirement Benefit shall be a Top Hat Participant's Account Balance under this Plan.

(c) Notwithstanding the provisions of 3.1(b) above, a Participant eligible for a Grandfathered Benefit under the Qualified Plan who elects to receive such benefit shall receive a Supplemental Top Hat Retirement Benefit in an amount equal to the difference between (i) and (ii) below:

(i) the amount of the Qualified Plan Retirement Benefit (using the Grandfathered Benefit formula) to which the Participant would have been entitled if such benefit were computed without giving effect to the limitations of Code Sections 401(a)(17) and 415,

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(ii) the amount of the Qualified Plan Retirement Benefit actually payable to the Participant.

The amounts described in (c)(i) and (ii) above shall be computed in the form of a straight life annuity payable over the lifetime of the Participant only commencing on his actual Normal Retirement Date or Early Retirement Date under the Qualified Plan.

3.2 Form of Non-409A Supplemental Retirement Benefit. The Non-409A Supplemental Retirement Benefit (regardless if stemming from a Supplemental Excess Retirement Benefit or Supplemental Top Hat Retirement Benefit) payable to a Participant shall be paid in the same form under which the Qualified Plan Retirement Benefit is payable to the Participant. The Participant's election under the Qualified Plan of any optional form of payment of his Qualified Plan Retirement Benefit (with the valid consent of his Surviving Spouse where required under the Qualified Plan) shall also be applicable to the payment of his Non-409A Supplemental Retirement Benefit, regardless if stemming from a Supplemental Excess Retirement Benefit or a Supplemental Top Hat Retirement Benefit.

3.3 Commencement of Non-409A Supplemental Retirement Benefit. Payment of the Non-409A Supplemental Retirement Benefit to a Participant shall commence on the same date that payment of the Qualified Plan Retirement Benefit to the Participant commences. Any election under the Qualified Plan made by the Participant with respect to the commencement of payment of his Qualified Plan

Retirement Benefit shall also be applicable with respect to the commencement of payment of his Non-409A Supplemental Retirement Benefit.

3.4 Approval of Company. Notwithstanding the provisions of Sections 3.2 and 3.3 above, an election made by the Participant under the Qualified Plan with respect to the form of payment or date for commencement of payment of his Qualified Plan Retirement Benefit (with the valid consent of his Surviving Spouse where required under the Qualified Plan) shall not be effective with respect to the form of payment or date for commencement of payment of his Non-409A Supplemental Retirement Benefit hereunder unless such election is filed in writing with the Committee with respect to his Non-409A Supplemental Retirement Benefit. If the Committee does not object to such election within 15 days, then the form of payment or date for commencement of payment of the Participant's Non-409A Supplemental Retirement Benefit shall be deemed to have been accepted by the Committee. The requirements of this Section 3.4 shall not apply in the event of a Change-of-Control, as defined in Article VIII.

3.4A Form and Timing of 409A Supplemental Retirement Benefits.

(a) Initial Eligibility and Payment Elections. For any person who shall newly become a Participant pursuant to Article II, such person may elect to have his 409A Supplemental Retirement Benefit payable in any optional form in which the Qualified Plan Retirement Benefit is payable to the Participant (including a lump sum payment). Such person must make a separate optional form election for the 409A Supplemental Retirement Benefit under this Plan, which need not be the same as the Participant's election under the Qualified Plan. Such person must also elect when the 409A Supplemental Retirement Benefit will commence, which commencement date may be no sooner than the date when the Participant has terminated employment. Such payment election must be made no later than thirty (30) days (or such earlier time as the Committee may designate) after the January 1st of the year following the year a person becomes a Participant in the Plan, and shall be irrevocable for the duration of a Participant's participation in the Plan except as set forth in the remainder of this Section 3.4A.

(b) **Transition Period.** For the transition period beginning January 1, 2008 and ending December 31, 2008, any Participant may elect to have his 409A Supplemental Retirement Benefit payable in any optional form in which the Qualified Plan Retirement Benefit is payable to the Participant (including a lump sum payment), and may elect when the 409A Supplemental Retirement Benefit will commence, which commencement date may be no sooner than the date when the Participant has terminated employment. Such payment 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 (d) below. No payment election made in 2008 under this transition relief will apply to 409A Supplemental Retirement Benefits that would otherwise be payable in 2008, nor may such election cause 409A Supplemental Retirement Benefits to be paid in 2008 that would not otherwise be payable in 2008. No payment election under this transition relief may be made retroactively, or when 409A Supplemental Retirement Benefit payments are imminent.

(c) **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 Supplemental Retirement Benefit: (i) benefit commencement date that is six months after termination of employment 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 (d) below.

(d) **Subsequent Change in Election.** A Participant may change the payment election with respect to the 409A Supplemental 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 Supplemental Retirement Benefit is a "life

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annuity" (as defined under Code Section 409A), the Participant may change such election to another optional form in which the Qualified Plan Retirement Benefit is payable to the Participant provided that:

- (1) such optional form is also a "life annuity" (as defined under Code Section 409A) which is actuarially equivalent (as determined under Code Section 409A);
- (2) such election to change is timely made before the first scheduled annuity payment date of the original election; and
- (3) such first scheduled annuity payment date does not change as a result of the new election.

(e) **Form.** The elections with respect to the 409A Supplemental Retirement Benefit (including the change in payment election provisions under paragraph (d) above) provided shall be made on a form approved by the Committee and filed with the Committee in the time and manner prescribed by the Committee.

(f) **Six Month Delay Rule.** If, at the time the Participant becomes entitled to 409A Supplemental 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 Supplemental 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 Supplemental Retirement Benefit payments that would otherwise have been paid to the Participant during this six-month period shall instead be aggregated and paid to the Participant on the date that is six (6) months after the Participant's termination. Any 409A Supplemental 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.

(g) **Payments.** Notwithstanding anything in the foregoing, a 409A Supplemental 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 **Actuarial Equivalent.** A Supplemental Retirement Benefit (whether a Supplemental Excess Retirement Benefit or Supplemental Top Hat Retirement Benefit, or whether a Non-409A Supplemental Retirement Benefit or 409A Supplemental Retirement Benefit) which is payable in any form other than the lump sum payment of an Account Balance (or a straight life annuity over the lifetime of a Participant who has chosen to receive the Grandfathered Benefit in lieu of the Participant's Account Balance under the Qualified Plan), or which commences at any time prior to the Participant's Normal Retirement Date, shall be the Actuarial Equivalent of the Supplemental Retirement Benefit set forth in Section 3.1.

3.6 **Source of Benefit Payments.** Any Supplemental Retirement Benefit or Supplemental Plan Preretirement Death 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 SUPPLEMENTAL PLAN PRERETIREMENT DEATH BENEFIT

4.1 Amount.

(a) If a Participant dies prior to commencement of payment of his Qualified Plan Retirement Benefit under circumstances in which a Qualified Plan Preretirement Death Benefit is payable to his Surviving Spouse or a non-spouse Beneficiary, then a Supplemental Plan Preretirement Death Benefit is payable as hereinafter provided. The Supplemental Plan Preretirement Death Benefit payable to a Surviving Spouse or Beneficiary shall be an amount equal to the difference between (a) and (b) below:

- (i) The amount of the Qualified Plan Preretirement Death Benefit to which a Surviving Spouse or Beneficiary would have been entitled if such benefit were computed without giving effect to the limitations on benefits imposed by application of Code Section 415 (and in the case of the Surviving Spouse or Beneficiary of a Top Hat Participant, Code Section 401(a)(17));

(ii) the Qualified Plan Preretirement Death Benefit actually payable to a Surviving Spouse or Beneficiary.

4.2 **Form and Commencement of Benefit.** With respect to a Supplemental Plan Preretirement Death Benefit payable to a Surviving Spouse or a Beneficiary 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, the form and commencement date shall be the same as the form and commencement date of the Qualified Plan Preretirement Death Benefit.

With respect to a Supplemental Plan Preretirement Death Benefit payable to a Surviving Spouse or a Beneficiary 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, such amount shall be payable as a lump sum payment on or as soon as administratively practicable on the first day of the month following the Participant's death, but not later than 60 days after such date. Notwithstanding the foregoing, to the extent that a Participant commenced (or received) his 409A Supplemental Retirement Benefit under the Plan, no amount shall be payable to a Surviving Spouse or a Beneficiary pursuant to the terms of this paragraph.

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ARTICLE V ADMINISTRATION OF THE PLAN

5.1 **Administration by the Company.** The Company, acting under the supervision of the 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 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 Supplemental 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 Supplemental 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 Supplemental Retirement Benefits. For purposes of this Plan with respect to 409A Supplemental 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 intends the Plan to be permanent but reserves the right, subject to Article VIII, to amend or terminate the Plan when, in the sole opinion of the Company, such amendment or termination is advisable. Any such amendment or termination shall be made pursuant to a resolution of the 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 deprive, directly or indirectly, any current or former Participant, Surviving Spouse, or non-spouse Beneficiary of all or any portion of any Supplemental Retirement Benefit or Supplemental Plan Preretirement Death Benefit, the payment of 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.

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ARTICLE VII GENERAL PROVISIONS

7.1 **Funding.** The Plan at all times shall be entirely unfunded 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 Qualified Plan Retirement Benefit or Qualified Plan Preretirement Death Benefit, or any other benefit payable under the Qualified Plan, shall be paid solely in accordance with the terms and conditions of the 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 Qualified 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, whether or not such termination results in any adverse effect on the Participant'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 **Small Benefits.** If the actuarial value of any Supplemental Retirement Benefit or Supplemental Plan Preretirement Death Benefit is less than \$25,000 at a Participant's termination of employment or death, the Company will pay the actuarial value of such benefit 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

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administratively practicable after the Participant's termination of employment or death (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 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 Supplemental 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 for 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 Committee with such information as the 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).

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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 **Definition of Change-of-Control.** For purposes of this Plan, 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 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 bonafide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than rights under the Company’s Rights Agreement dated June 25, 1996 with The Bank of New York, as amended), 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

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under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

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

Notwithstanding anything in this 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, individuals who at the beginning of such two-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) 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.

A “Change-of-Control” shall not include any transaction described in paragraph (a) or (c) above where, in connection with such transaction, a participant and/or any party acting in concert with that participant shall substantially increase their, his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal services).

8.1A **Definition of 409A Change-of-Control.** For purposes of this Plan, a “409A Change-of-Control” means the occurrence of any of the following events:

(a) any person or Group acquires ownership of Company’s stock that, together with stock held by such person or Group, constitutes more than 50% of the total fair market value or total voting power of Company’s stock, (including an increase in the percentage of stock owned by any person or Group

as a result of a transaction in which Company acquires its stock in exchange for property, provided that the acquisition of additional stock by any person or Group deemed to own more than 50% of the total fair market value or total voting power of Company's stock on January 1, 2005, shall not constitute a 409A Change-of-Control); or

(b) any person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or Group) ownership of Company stock possessing 30% or more of the total voting power of Company stock; or

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(c) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(d) any person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or Group) assets from Company that have a total Gross Fair Market Value equal to 40% or more of the total Gross Fair Market Value of all Company assets immediately prior to such acquisition or acquisitions, provided that there is no 409A Change-of-Control when Company's assets are transferred to:

- (1) a shareholder of Company (immediately before the asset transfer) in exchange for or with respect to Company stock;
- (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by Company;
- (3) a person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all outstanding Company stock; or
- (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in paragraph (iii).

For purposes of the above sub-paragraph (d), a person's status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which Company has no ownership interest before the transaction, but which is a majority-owned subsidiary of Company after the transaction is not a 409A Change-of-Control.

For purposes of this Section 8.1A, "Gross Fair Market Value" means the value of assets determined without regard to any liabilities associated with such assets.

For purposes of this Section 8.1A, "Group" means persons acting together for the purpose of acquiring Company stock and includes owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with Company. If a person owns stock in both Company and another corporation that enter into a merger, consolidation purchase or acquisition of stock, or similar transaction, such person is considered to be part of a Group only with respect to ownership prior to the merger or other transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time, or as a result of the same public offering.

8.2 ***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, 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 Supplemental Retirement Benefit or Supplemental Plan Preretirement Death Benefit, the payment of 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 of the Non-409A Supplemental Retirement Benefits to be subject to Code Section 409A coverage or cause any of the 409A Supplemental Retirement Benefits 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).

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(b) 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 Supplemental Retirement Benefits (and with respect to the 409A Supplemental Retirement Benefits 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 of the Non-409A Supplemental Retirement Benefits (and with respect to the 409A Supplemental Retirement Benefits if applicable) or Supplemental Plan Preretirement Death Benefit, the payment of which has commenced prior to the effective date of any such termination, or which would be payable if the Participant's employment terminated on the effective date of any Plan termination.

(c) For the purpose of determining a Participant's, Surviving Spouse's, or Beneficiary's right to receive a benefit (but not the amount of any such benefit) under this Article VIII, any Participant who has not yet become eligible for a Qualified Plan Retirement Benefit shall be deemed to have done so upon the Change-of-Control.

(d) Subject to Section 5.3, the benefit rights of any Participant under this Plan shall be determined only after taking into account the effect of any Severance Agreement between the Company and the Participant.

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.

(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

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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.

(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,
- (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

9.1 **Former Participants in the General Signal Corporation Supplemental Retirement Plan.** Certain employees of General Signal Corporation were participants in the General Signal Corporation Supplemental Retirement Plan (the "GSX Plan"), which terminated on December 31, 1998.

Benefits earned under the GSX Plan through December 31, 1998 shall be paid instead under this Plan. The Actuarial Equivalent of the GSX Plan benefit on December 31, 1998 (including any early retirement subsidy for a person eligible for early retirement under the GSX Plan on such date), shall be the Initial Account Balance under this Plan. Thereafter, the Account Balances of such Participants shall be maintained like any other Account Balance under this Plan. Former participants in the GSX Plan will be Participants in this Plan from and after January 1, 1999, only if, and for so long as, they meet the requirements for being a Top Hat Participant, as set forth in the Plan.

9.2 ***Certain Former General Signal Participants Eligible for Transition Benefits.*** Participants in this Plan eligible for a Transition Benefit (as defined under the Qualified Plan) with respect to their Qualified Plan account balance shall also receive such a benefit from this Plan, calculated as if the Account Balance of a Participant under this Plan was part of the Qualified Plan. Persons who are eligible for a Transition Benefit in the Qualified Plan who are not Participants in this Plan shall not receive such a benefit from this Plan.

Benefits shall be paid only if the plan administrator decides in its discretion that the applicant is entitled to them.

**SPX CORPORATION
1997 NON-EMPLOYEE DIRECTORS'
COMPENSATION PLAN**

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SECTION 1. ESTABLISHMENT, PURPOSES AND RESTATEMENT DATE OF PLAN

1.1 Establishment. SPX Corporation, a Delaware corporation, established the “SPX CORPORATION 1997 NON-EMPLOYEE DIRECTORS’ COMPENSATION PLAN” (the “Plan”) effective as of February 26, 1997.

1.2 Purposes. In conjunction with the SPX Corporation 2005 Non-Employee Directors’ Compensation Plan, the purpose of the Plan is to advance the interests of the Company and its shareholders by providing a compensation program for Non-Employee Directors. By thus compensating Non-

Employee Directors, the Company seeks to attract, retain, compensate and motivate those highly competent individuals whose judgment, initiative, leadership, and efforts are important to the continued success of the Company.

1.3 Restatement Date. The Plan is hereby amended and restated effective as of December 17, 2008.

SECTION 2. DEFINITIONS

As used herein, the following terms shall have the meanings hereinafter set forth:

- (a) "Annual Meeting" means the annual meeting of the shareholders of the Company.
 - (b) "Cash Payment" means the (i) cash amount payable to a Non-Employee Director pursuant to Section 8 below and (ii) effective for calendar years after December 31, 2008, any lead director fee payments that a Non-Employee Director may otherwise be entitled to.
 - (c) "Board" means the Board of Directors of the Company.
 - (d) "Code" means the Internal Revenue Code of 1986, as amended. References to any Section of the Code shall include any successor provision thereto and applicable regulations or guidance thereunder.
 - (e) "Common Stock" or "Share" means the common stock, par value \$10.00 per share, of the Company or such other class of shares or other securities as may be applicable pursuant to the provisions of subsection 4.3.
 - (f) "Company" means SPX Corporation, a Delaware corporation.
 - (g) "Deferred Mutual Fund Unit" means the equivalent of one share of a respective mutual fund or other security designated by the Board for purposes of measuring the value of an Account established pursuant to Section 5 of the Plan.
 - (h) "Director Options" means options granted hereunder to Non-Employee Directors.
 - (i) "Dividend Date" means with respect to the mutual fund or other securities underlying a Deferred Mutual Fund Unit, the payment date of any dividend declared on such mutual fund or securities.
 - (j) "Establishment Date" means February 26, 1997, the date on which the Plan was approved by the Board, and which Plan was approved by the Company's shareholders at the 1997 Annual Meeting.
 - (k) "EVA Plan" means the SPX Corporation EVA Incentive Compensation Plan.
 - (l) "EVA Plan Bonus Multiple" means, as to any calendar year, the aggregate amount of the Declared Bonuses (as such term is defined in the EVA Plan) for the Company's chief executive officer with respect to the calendar year, divided by the Target Bonus (as such term is defined in the EVA Plan) amount of the chief executive officer for the calendar year.
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- (m) "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to any Section of the Exchange Act shall include any successor provision thereto and applicable regulations or guidance thereunder.
 - (n) "Fair Market Value" means, as to any date, the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for such date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted.
 - (o) "Grant Date" means, with respect to each individual who is a Non-Employee Director on or after the Establishment Date, each of the Establishment Date, January 15, 1998, and January 15, 1999, and such other dates thereafter as the Board may establish. With respect to any individual who first becomes a Non-Employee Director after the Establishment Date and prior to January 15, 1999, the date the individual first becomes a Non-Employee Director shall also be a Grant Date.
 - (p) "Non-Employee Director" means any person who is a member of the Board and who is not, as of the date of an award under the Plan, an employee of the Company or any of its subsidiaries.
 - (q) "Retirement Plan" means the SPX Corporation Directors' Retirement Plan.
 - (r) "Retirement Plan Conversion Date" means the date of the 1997 Annual Meeting.

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SECTION 3. ELIGIBILITY

Each Non-Employee Director as of the Establishment Date and each person who becomes a Non-Employee Director after the Establishment Date shall be eligible to participate in the Plan.

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SECTION 4. SHARES OF COMMON STOCK AVAILABLE

4.1 Number. The total number of shares of Common Stock of the Company subject to issuance under the Plan, and subject to adjustment upon occurrence of any of the events indicated in subsection 4.3, may not exceed 75,000. The Shares to be delivered under the Plan may consist, in whole or in part, of authorized but unissued stock or treasury stock not reserved for any other purpose.

4.2 Unused Stock. In the event any shares of Common Stock that are subject to a Director Option which, for any reason, expires, terminates or is canceled as to such shares, such shares again shall become available for issuance under the Plan.

4.3 Adjustment in Capitalization. In the event of any change in the outstanding shares of Common Stock that occurs after ratification of the Plan by the shareholders of the Company by reason of a Common Stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to Director Options to be granted or outstanding pursuant to Section 7 hereof, and/or the stated option price, shall be appropriately adjusted by the Board, whose determination shall be conclusive; provided, however, that fractional shares shall be rounded to the nearest whole share.

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SECTION 5. DEFERRED ACCOUNT

5.1 Deferred Account. The Company shall establish a deferred account (an "Account") for each current Non-Employee Director whose benefit under the Retirement Plan is converted pursuant to subsection 5.2 below and for any other Non-Employee Director who makes an election to defer Cash Payments in accordance with Section 8 hereof. The Account may be further sub-divided by the Company in order to reflect Account amounts that are exempt from Code Section 409A and Account amounts that are subject to Code Section 409A. Distributions equal to the balance credited to the Non-Employee Director's Account shall be made in cash in accordance with Sections 6 or 9 hereof. The balance of the Account is dependent on the value per share of the mutual fund shares or other securities underlying the Deferred Mutual Fund Units on the date of distribution, and is therefore subject to market fluctuations in value until such distribution.

5.2 Conversion of Retirement Plan Benefit. On the Retirement Plan Conversion Date, the accrued benefit of each current Non-Employee Director under the Retirement Plan shall be converted into Deferred Mutual Fund Units in an amount equal to 115% of the present value of such Non-Employee Director's accrued benefit under the Retirement Plan, valued as of January 1, 1997. Prior to the Retirement Plan Conversion Date, each Non-Employee Director shall make an election with respect to the conversion of such Non-Employee Director's vested benefit among the respective Deferred Mutual Fund Units. Such conversion shall be effective as of the Retirement Plan Conversion Date and will take place based on the value of the mutual fund shares or other securities underlying such Deferred Mutual Fund Units on such date.

5.3 Investment of Account. A Non-Employee Director may elect to change the mix of the Deferred Mutual Fund Units credited to the Non-Employee Director's Account in accordance with the administrative procedures and rules set by the Board or Company from time to time. Such conversion shall be effective as of the applicable date determined according to such procedures and will take place based on the value of the mutual fund shares or other securities underlying the Deferred Mutual Fund Units on such date.

5.4 Dividends. At any time a balance of Deferred Mutual Fund Units is maintained in an Account, there shall be credited to the Account additional Deferred Mutual Fund Units on each Dividend Date. Such additional number of Deferred Mutual Fund Units shall be determined by reference to the number of mutual fund shares or other securities that would be issued by the mutual fund or the issuer of the other securities with respect to the reinvestment of such dividend. In the absence of such reinvestment, the number of such additional Deferred Mutual Fund Units shall be determined by (i) multiplying the total number of Deferred Mutual Fund Units (including fractional Deferred Mutual Fund Units) credited to the Account immediately prior to the Dividend Date by the amount of the dividend per share of the underlying mutual fund or other security and (ii) dividing the product by the Fair Market Value per share as of such Dividend

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Date. Additional Deferred Mutual Fund Units shall be similarly credited on each Dividend Date on which a balance of Deferred Mutual Fund Units is maintained in the Account.

5.5 Nontransferability. No Deferred Mutual Fund Units shall be pledged, hypothecated or transferred by a Non-Employee Director other than by will or the laws of descent and distribution. 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.

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SECTION 6. DISTRIBUTION OF ACCOUNT

6.1 Cessation of Directorship; Attainment of Age 70. Upon the first to occur of the date a Non-Employee Director attains age 70 or the date the Non-Employee Director ceases to be a director of the Company for any reason other than death, the balance of such Non-Employee Director's Account that is exempt from Code Section 409A shall be paid in a lump sum to the Non-Employee Director within ninety (90) days after such date, but in no event later than the December 31st of the calendar year in which such date occurs. Upon the first to occur of the date a Non-Employee Director attains age 70 or the date the Non-Employee Director ceases to be a director of the Company for any reason other than death, the balance of such Non-Employee Director's Account that is subject to Code Section 409A shall be paid in a lump sum to the Non-Employee Director on or as soon as administratively possible after such date, but no later than sixty (60) days after such date.

6.2 Death. In the event of the death of a Non-Employee Director while a director of the Company, the entire value of the Deferred Mutual Fund Units credited to his or her Account, within sixty (60) days of the date of the Non-Employee Director's death, shall be paid in cash in a lump sum to

such surviving beneficiary or beneficiaries as such Non-Employee Director may have designated by notice in writing to the Company or by will, or, if no beneficiaries are so designated, the legal representative of such Non-Employee Director's estate.

SECTION 7. DIRECTOR OPTIONS

7.1 Grant and Eligibility. On each Grant Date, Director Options for the purchase of 1,500 shares of Common Stock will be granted to each individual who is a Non-Employee Director.

7.2 Director Option Agreement. Each Director Option shall be evidenced by a Director Option Agreement that shall specify the option price, the duration of the option, the number of shares of Common Stock to which the option pertains, and such other provisions as the Board shall determine.

7.3 Tax Status. Director Options shall be options in the form of nonqualified stock options which are intended not to fall under the provisions of Code Section 422.

7.4 Director Option Price and Payment. The option price of each share of Common Stock subject to a Director Option shall be 100% of the Fair Market Value on the Grant Date. Director Options shall be exercised by the delivery of a written notice to the Company setting forth the number of shares of Common Stock with respect to which the option is to be exercised, accompanied by full payment for the Shares. Upon exercise of any Director Option, the option price shall be payable to the Company in full either (a) in cash or its equivalent, or (b) by tendering shares of previously acquired Common Stock having a Fair Market Value at the time of exercise equal to the total option price, or (c) by a combination of (a) and (b).

7.5 Vesting and Duration of Director Options. Each Director Option shall vest and become exercisable in full upon the first to occur of (a) the expiration of six months after the Grant Date, unless prior thereto the Non-Employee Director has ceased to be a director for any reason other than death or disability, (b) the death or disability of the Non-Employee Director, or (c) a Change in Control (as provided in Section 9 hereof). Once vested, Director Options shall expire upon the first to occur of the date which is (i) three years following termination of the director's Board membership for any reason other than death, or (ii) one year following the date of the Non-Employee Director's death; provided, however, in no event may any Director Option be exercised beyond the tenth anniversary of its Grant Date.

SECTION 8. CASH PAYMENT

8.1 EVA Amounts. With respect to service during each calendar year (or portion thereof) on and after the Establishment Date, but before January 1, 2005, each Non-Employee Director shall be entitled to receive cash payments at an annual rate of \$25,500 plus an amount equal to \$5,000 multiplied by the EVA Plan Bonus Multiple for the calendar year. The amount payable to the Non-Employee Director with respect to the EVA Plan Bonus Multiple shall be determined and paid in the same manner as bonuses are determined and paid under the bonus reserve provisions of the EVA Plan, provided, however, that in applying such provisions all personal performance criteria shall be deemed to be fully satisfied and full payment of any amounts credited to the bonus reserve shall be made at the time the Non-Employee Director ceases to be a director of the Company for any reason. Payment of all or a portion of the Cash Payment provided hereunder otherwise payable to a Non-Employee Director may be deferred as specified by a timely election filed by the Non-Employee Director with the Company; provided, however, that such deferral election must apply to all of the Cash Payment provided hereunder to which a Non-Employee Director may be entitled with respect to a calendar year, to all of such Cash Payment provided hereunder other than the portion determined by reference to the EVA Plan, or to all of the portion determined by reference to the EVA Plan. An election will be considered timely with respect to 1997 if received prior to the date of the 1997 Annual Meeting and for each calendar year thereafter if received prior to the first day of such calendar year. The amount of Cash Payment provided hereunder so deferred shall be credited to an Account established pursuant to Section 5 hereof as Deferred Mutual Fund Units as provided in the Non-Employee Director's deferral election based on the value of the mutual fund shares or other security underlying such Deferred Mutual Fund Units on the date the deferred Cash Payment provided hereunder would otherwise have been made. Such amounts shall thereafter be subject to the provisions of Sections 5 and 6 hereof relating to the conversion of Deferred Mutual Fund Units, dividends thereon, and distribution thereof. Nothing herein shall be construed to prevent the amount payable for 2004 to the Non-Employee Director with respect to the EVA Plan Bonus Multiple from being determined and paid in 2005. Notwithstanding the foregoing, effective as of June 23, 2005, the EVA bonus bank balances of the Non-Employee Directors provided hereunder shall be converted into performance shares under the SPX Corporation 2005 Non-Employee Directors' Compensation Plan for such Non-Employee Directors, and such EVA bonus bank balances shall be eliminated as of such date.

8.2 Director Fee Amounts. With respect to service during each calendar year (or portion thereof) after December 31, 2004, but before January 1, 2007, each Non-Employee Director shall be entitled to receive a flat fee retainer payment at an annual rate of \$60,000 (prorated for partial years of Board membership). With respect to service during each calendar year (or portion thereof) after December 31, 2006, each Non-Employee Director shall be entitled to receive a flat fee retainer payment at an annual rate of \$75,000 (prorated for partial years of Board membership). Payment of the Cash Payment described under this Plan otherwise payable to a Non-Employee Director may be deferred as specified by a timely election filed by the Non-Employee Director with the Company; provided, however, no deferral will be permitted with respect to any Cash Payment

that is made in a calendar year in which the Non-Employee Director is age 70 or older at any point during such year. Such deferral election shall be made by December 31st of the calendar year preceding the calendar year in which such Cash Payment would otherwise be made, and any such deferral election shall be irrevocable after such December 31st. The amount of Cash Payment so deferred shall be credited to an Account established pursuant to Section 5 hereof as Deferred Mutual Fund Units as provided in the Non-Employee Director's deferral election based on the value of the mutual fund shares or other security underlying such Deferred Mutual Fund Units on the date of the deferred Cash Payment would otherwise have been made. Such amounts shall thereafter be subject to the provisions of Sections 5 and 6 hereof relating to Deferred Mutual Fund Units, dividends thereon, and distribution thereof.

SECTION 9. EFFECT OF CHANGE IN CONTROL

9.1 Change in Control. For purposes of this Plan, a “Change in Control” shall be deemed to have occurred if:

(a) Any person, entity or group (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), excluding, for this purpose, the Company or any subsidiaries, any employee benefit plan of the Company or its subsidiaries which acquires beneficial ownership of voting securities of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities; provided, however, that no Change in Control shall be deemed to have occurred as the result of an acquisition of securities of the Company by the Company which, by reducing the number of voting securities outstanding, increases the direct or indirect beneficial ownership interest of any person to fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities, but any subsequent increase in the direct or indirect beneficial ownership interest of such a person in the Company shall be deemed a Change in 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 directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities has inadvertently reached that level of ownership interest, and if such person divests as promptly as practicable a sufficient amount of securities of the Company so that the person no longer has a direct or indirect beneficial ownership interest in fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities, then no Change in Control shall be deemed to have occurred; or

(b) During any period of two (2) consecutive years (not including any period prior to the Establishment Date), individuals who at the beginning of such two-year period constitute the Board and any new director (except for a director designated by a person who has entered into an agreement to effect a transaction described elsewhere in this subsection 9.1) whose election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination of election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(c) The shareholders of the Company approve a plan of complete liquidation of the Company, an agreement for the sale or other disposition by the Company of all or substantially all of the Company’s assets, or a plan of reorganization, merger or consolidation of the Company with any other corporation, except for a reorganization, merger or consolidation in which the security owners of the Company immediately prior to the reorganization, merger or consolidation continue to own at least eighty-five percent (85%) of the voting securities of the new (or continuing) entity immediately after such reorganization, merger or consolidation.

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9.1A 409A Change in Control. For purposes of this Plan, a “409A Change in Control” means the occurrence of any of the following events:

(a) any person or Group acquires ownership of the Company’s stock that, together with stock held by such person or Group, constitutes more than 50% of the total fair market value or total voting power of the Company’s stock, (including an increase in the percentage of stock owned by any person or Group as a result of a transaction in which the Company acquires its stock in exchange for property, provided that the acquisition of additional stock by any person or Group deemed to own more than 50% of the total fair market value or total voting power of the Company’s stock on January 1, 2005, shall not constitute a 409A Change in Control); or

(b) any person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or Group) ownership of Company stock possessing 30% or more of the total voting power of Company stock; or

(c) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(d) any person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or Group) assets from the Company that have a total Gross Fair Market Value equal to 40% or more of the total Gross Fair Market Value of all Company assets immediately prior to such acquisition or acquisitions, provided that there is no 409A Change in Control when the Company’s assets are transferred to:

- (1) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to Company stock;
- (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;
- (3) a person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all outstanding Company stock; or
- (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in paragraph (3).

For purposes of the above sub-paragraph (d), a person’s status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which the Company has no ownership interest before the transaction, but which is a majority-owned subsidiary of the Company after the transaction is not a 409A Change in Control.

For purposes of this Section 9.1A, “Gross Fair Market Value” means the value of assets determined without regard to any liabilities associated with such assets.

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For purposes of this Section 9.1A, “Group” means persons acting together for the purpose of acquiring Company stock and includes owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person owns stock in both the Company and another corporation that enter into a merger, consolidation purchase or acquisition of stock, or similar transaction, such person is considered to be part of a Group only with respect to ownership prior to the merger or other transaction giving rise to the change and not with respect to the

ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time, or as a result of the same public offering.

9.2 Effect of Change in Control. Notwithstanding any other provision of the Plan, if a Change in Control occurs, then:

- (a) the balance of any Account maintained pursuant to Section 5 that is exempt from coverage under Code Section 409A and any bonus reserve amounts not yet paid pursuant to subsection 8.1 hereof shall be paid in cash in a lump sum as promptly as practicable, but not more than thirty (30) days following the date of the Change in Control; and
- (b) the balance of any Account maintained pursuant to Section 5 that is subject to Code Section 409A coverage shall be paid in cash in a lump sum on or as promptly as practicable after the date of a 409A Change in Control (which 409A Change in Control may occur concurrently with or after a Change in Control), but no later than thirty (30) days following the date of a 409A Change in Control; and
- (c) each Director Option shall become fully vested and exercisable as of the date of the Change in Control.

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SECTION 10. AMENDMENT AND TERMINATION

The Board, or any committee to the extent authorized by the Board, may make such modifications to the Plan as it shall deem advisable, without further approval of the shareholders of the Company, except the Share limitation set forth in Section 4 cannot be increased without approval of the shareholders. The Plan shall continue in effect without limit unless and until the Board otherwise determines.

To the extent any provision of the Plan or action by the Board or Company would subject any Non-Employee Director to liability for interest or additional taxes under Code Section 409A, or make any Account amounts deferred prior to January 1, 2005 (including any gains or losses on such amounts) subject to Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Board. It is intended that the Plan will comply with Code Section 409A to the extent applicable, and that Account amounts deferred prior to January 1, 2005 (including any gains or losses on such amounts) 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 Board in order to preserve compliance with Code Section 409A and to maintain Code Section 409A exemption for the Account amounts deferred prior to January 1, 2005 (including any gains or losses on such amounts). For purposes of this Plan with respect to Account amounts subject to Code Section 409A, a Non-Employee Director shall have ceased to be a director of the Company upon 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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SECTION 11. MISCELLANEOUS

11.1 Rights of Directors. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to continue to serve as a Non-Employee Director of the Company or otherwise to be retained in the service of the Company.

11.2 Funding Not Required. Neither a Non-Employee Director nor any other person shall have any interest in any fund or in any specific asset of the Company by reason of amounts credited to the Account of such Non-Employee Director, any Cash Payments entitled to pursuant to Section 8, or any Director Options granted to such Non-Employee Director under the Plan, nor the right to exercise any of the rights or privileges of a shareholder with respect to any Deferred Mutual Fund Units credited to such Account or any granted Director Options, nor the right to receive any distribution under the Plan except as expressly provided herein. Distributions hereunder shall be made from the general funds of the Company or from a grantor trust established for purposes of assuring that funds will be available to satisfy the obligations of the Company with respect to the Accounts, and the rights of the Director shall be those of an unsecured general creditor of the Company. 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.

11.3 Indemnification. Each person who is or shall have been a member of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided he shall give the Company an opportunity, at its expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

11.4 Requirements of Law. The granting of Director Options and the issuance of shares of Common Stock with respect to an option exercise, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

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11.5 Governing Law. The Plan (including, without limitation, any rules, regulations, determinations or decisions made by the Board 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.

11.6 Administration. The Board may establish such rules and regulations with respect to the proper administration of the Plan as it may determine, and may amend or revoke any rule or regulation so established. This Plan shall be interpreted by and all questions arising in connection therewith shall be determined by a majority of the Board, whose interpretation or determination, when made in good faith, shall be conclusive and binding. Without limiting the foregoing, the election of any Non-Employee Director to defer cash payments, including Cash Payments made pursuant to Section 8, shall be

made and filed in accordance with procedures and forms set by the Board, and the timeliness of such elections shall be determined by the Board. Any deferral elections shall be made in accordance with the applicable requirements of Code Section 409A.

11.7 Tax Withholding. The Company may withhold from the distribution of any payment hereunder the amount necessary to satisfy a Non-Employee Director's (or beneficiary's) federal, state and local withholding tax requirements.

11.8 Construction. In the construction of the Plan, the masculine shall include the feminine and the singular shall include the plural in all cases where such meanings would be appropriate. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

**SPX CORPORATION
2005 NON-EMPLOYEE DIRECTORS'
COMPENSATION PLAN**

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SECTION 1. ESTABLISHMENT OF PLAN

1.1 Establishment. SPX Corporation, a Delaware corporation, established the “SPX CORPORATION 2005 NON-EMPLOYEE DIRECTORS’ COMPENSATION PLAN” (the “Plan”) effective as of February 28, 2005.

1.2 Purpose. In conjunction with the SPX Corporation 1997 Non-Employee Directors’ Compensation Plan, the purpose of the Plan is to advance the interests of the Company and its shareholders by providing a compensation program for Non-Employee Directors. Such program utilizes, in part, Performance Shares where the vesting of such Performance Shares depends on certain performance thresholds, thereby presenting a strong incentive to enhance shareholder value. By thus compensating Non-Employee Directors, the Company seeks to attract, retain, compensate and motivate those highly competent individuals whose judgment, initiative, leadership, and efforts are important to the continued success of the Company.

1.3 Restatement Effective Date. The Plan is hereby amended and restated effective as of December 17, 2008.

SECTION 2. DEFINITIONS

As used herein, the following terms shall have the meanings hereinafter set forth:

(a) “Board” means the board of directors of the Company.

(b) “Change of Control” means the occurrence of one of the following:

(i) any person, entity or group (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), excluding, for this purpose, the Company or any subsidiaries, any employee benefit plan of the Company or its subsidiaries which acquires beneficial ownership of voting securities of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of securities of the Company by the Company which, by reducing the number of voting securities outstanding, increases the direct or indirect beneficial ownership interest of any person to fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities, but any subsequent increase in the direct or indirect beneficial ownership interest of such a person in the Company shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a person who has become the beneficial owner directly or indirectly of securities of the Company representing fifteen percent (15%) or more of the combined

voting power of the Company's then outstanding securities has inadvertently reached that level of ownership interest, and if such person divests as promptly as practicable a sufficient amount of securities of the Company so that the person no longer has a direct or indirect beneficial ownership interest in fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities, then no Change of Control shall be deemed to have occurred; or

(ii) during any period of two (2) consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such two-year period constitute the Board and any new director (except for a director designated by a person who has entered into an agreement to effect a transaction described elsewhere in this subsection (b)) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination of election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(iii) the shareholders of the Company approve a plan of complete liquidation of the Company, an agreement for the sale or other disposition by the Company of all or substantially all of the Company's assets, or a plan of

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reorganization, merger or consolidation of the Company with any other corporation, except for a reorganization, merger or consolidation in which the security owners of the Company immediately prior to the reorganization, merger or consolidation continue to own at least eighty-five percent (85%) of the voting securities of the new (or continuing) entity immediately after such reorganization, merger or consolidation.

(c) "Code" means the Internal Revenue Code of 1986, as amended. References to any Section of the Code shall include any successor provision thereto and applicable regulations or guidance thereunder.

(d) "Company" means SPX Corporation, a Delaware corporation.

(e) "Establishment Date" means February 28, 2005.

(f) "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to any Section of the Exchange Act shall include any successor provision thereto and applicable regulations or guidance thereunder.

(g) "Fair Market Value" means, as to any date, the closing price of a share of SPX Common Stock as reported in the "NYSE-Composite Transactions" Section of the Midwest Edition of The Wall Street Journal for such date or, if no prices are quoted for such date, on the next preceding date on which such prices of SPX Common Stock are so quoted.

(h) "Non-Employee Director" means any person who is a member of the Board and who is not, as of the date of an award under the Plan, an employee of the Company or any of its subsidiaries.

(i) "Performance Share" means the expression on the Company's books which is equivalent to one SPX Share.

(j) "Return Condition" means, for the applicable measurement period, that the Total Shareholder Return exceeds the S&P Return.

(k) "S&P Return" means the percentage return of the S&P 500 Composite Index (using total shareholder return of the S&P 500 Composite Index as reported by Interactive Data Corporation (or any applicable successor entity thereto)) during the applicable measurement period.

(l) "SPX Common Stock" or "SPX Share" means the common stock, par value \$10.00 per share, of the Company.

(m) "Total Shareholder Return" means the percentage change in the Fair Market Value of one SPX Share (using total shareholder return of the SPX Common Stock as reported by Interactive Data Corporation (or any applicable successor entity thereto)) during the applicable measurement period.

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(n) "409A Change in Control" shall have the same meaning as under the SPX Corporation 1997 Non-Employee Directors' Compensation Plan.

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SECTION 3. ELIGIBILITY

Each Non-Employee Director as of the Establishment Date and each person who becomes a Non-Employee Director after the Establishment Date shall be eligible to participate in the Plan. Upon the date on which any such person ceases to be a Non-Employee Director, such person shall not be eligible to participate in the Plan thereafter.

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SECTION 4. PERFORMANCE SHARES

4.1 Grant & Vesting Schedule. With respect to service during each calendar year after December 31, 2004, and to the extent determined by the Board in its sole discretion, each Non-Employee Director serving as such on the applicable grant date shall receive a grant of 2,500 Performance Shares on January 1 of the applicable calendar year (or such other date as the Board may provide).

With respect to Performance Shares granted to Non-Employee Directors in 2005, such Performance Shares shall vest (provided the Non-Employee Director is still a member of the Board as of the applicable date) as follows:

- (a) One-third (1/3) of the Performance Shares granted shall vest on:
 - (i) the first anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such first anniversary date; or, if such Return Condition is not met,
 - (ii) the second anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such second anniversary date; or, if such Return Condition is not met,
 - (iii) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such third anniversary date.
- (b) One-third (1/3) of the Performance Shares granted shall vest on:
 - (i) the second anniversary of the grant date if the Return Condition is met for the measurement period dating from the first anniversary of the grant date to the day immediately preceding such second anniversary date; or, if such Return Condition is not met,
 - (ii) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the first anniversary of the grant date to the day immediately preceding such third anniversary date.
- (c) One-third (1/3) of the Performance Shares granted shall vest on the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the second anniversary of the grant date to the day immediately preceding such third anniversary date.

Notwithstanding the foregoing, for purposes of determining the vesting measurement periods (and applicable vesting dates, if any) of any Performance Shares granted to Non-Employee Directors in 2005, the grant date of such Performance Shares shall be deemed to be January 1, 2005.

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With respect to any Performance Shares granted to a Non-Employee Director on or after January 1, 2006, such awards shall vest (provided the Non-Employee Director is still a member of the Board as of the applicable date) as follows:

- (x) One-third (1/3) of the Performance Shares granted shall vest on:
 - (i) the first anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such first anniversary date; or, if such Return Condition is not met,
 - (ii) the second anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such second anniversary date; or, if such Return Condition is not met,
 - (iii) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such third anniversary date.
- (y) One-third (1/3) of the Performance Shares granted shall vest on:
 - (i) the second anniversary of the grant date if the Return Condition is met for the measurement period dating from the first anniversary of the grant date to the day immediately preceding such second anniversary date; or, if such Return Condition is not met,
 - (ii) the second anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such second anniversary date; or, if such Return Condition is not met,
 - (iii) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such third anniversary date.
- (z) One-third (1/3) of the Performance Shares granted shall vest on:
 - (i) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the second anniversary of the grant date to the day immediately preceding such third anniversary date; or, if such Return Condition is not met,
 - (ii) the third anniversary of the grant date if the Return Condition is met for the measurement period dating from the grant date to the day immediately preceding such third anniversary date.

Notwithstanding the foregoing, for purposes of determining the vesting measurement periods (and applicable vesting dates, if any) of any Performance Shares granted to Non-Employee Directors in 2006, the grant date of such Performance Shares shall be deemed to be January 1, 2006.

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4.2 **Forfeiture.** Any unvested Performance Shares shall be forfeited and cancelled upon the earlier of (i) the date on which the Non-Employee Director ceases to be a member of the Board for any reason other than death, disability or retirement from the Board after attaining age seventy, or (ii) the third anniversary of the applicable grant date if the applicable Return Condition(s) was not met as provided above. Notwithstanding the foregoing, any unvested Performance Shares (which have not been forfeited and cancelled pursuant to the preceding sentence) shall vest upon the earlier of (i) the date on which the Non-Employee Director ceases to be a member of the Board due to the death or disability of the Non-Employee Director, (ii) the retirement of the Non-Employee Director from the Board after attaining age seventy or (iii) a Change of Control.

4.3 Payout.

(a) Upon the vesting of any Performance Shares and subject to paragraph (b) below, the Performance Shares shall be paid out in cash on the applicable vesting date (or as soon as administratively feasible thereafter but no later than 60 days after such vesting date). The cash payment shall equal the Fair Market Value, determined as of the applicable vesting date, of the number of SPX Shares that are equal to the applicable number of Performance Shares that are vesting on such vesting date. Any payment that is made due to the death of a Non-Employee Director shall be payable to the surviving beneficiary or beneficiaries as such Non-Employee Director may have designated by notice in writing to the Company or by will, or, if no beneficiaries are so designated, the legal representative of such Non-Employee Director's estate.

(b) Notwithstanding paragraph (a) above, to the extent that Performance Shares vest pursuant to a Change of Control as provided in Section 4.2 (or Section 4.6) and are subject to Code Section 409A, such Performance Shares shall be paid in cash on the applicable date (or as soon as administratively feasible thereafter but no later than 60 days after such date) such Performance Shares (assuming for these purposes that no such Change of Control had occurred, and that any applicable Return Condition was met) would have otherwise vested, provided that in the event of a 409A Change in Control (which 409A Change in Control may occur concurrently with or after a Change of Control), such Performance Shares shall be promptly paid out in cash upon the 409A Change in Control (or as soon as administratively feasible thereafter but no later than 60 days after such 409A Change in Control).

4.4 Adjustment in Capitalization. In the event of any change in the outstanding shares of SPX Common Stock that occurs after the Establishment Date by reason of a SPX Common Stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of Performance Shares to be granted or outstanding pursuant to Section 4 hereof shall be appropriately adjusted by the Board, whose determination

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shall be conclusive; provided, however, that fractional Performance Shares shall be rounded to the nearest whole Performance Share.

4.5 Dividends. No dividends or dividend equivalents are payable on Performance Shares.

4.6 Conversion of EVA Bank Balances. Effective as of June 23, 2005, the EVA bonus bank balances of the Non-Employee Directors under subsection 8.1 of the SPX Corporation 1997 Non-Employee Directors' Compensation Plan (the "Bank Balances") shall be converted into Performance Shares. For each applicable Non-Employee Director, his or her Bank Balance as of June 22, 2005 shall be converted into such number of Performance Shares as is equal to such Bank Balance as of June 22, 2005 divided by the Fair Market Value of SPX Common Stock on June 22, 2005 (rounding up for fractional shares). Such Performance Shares shall be granted to the applicable Non-Employee Director on June 23, 2005 and shall vest in three equal annual installments on the first, second and third anniversaries of such grant date (provided the Non-Employee Director is still a member of the Board as of the applicable date). Any unvested portion of such Performance Shares shall be forfeited and cancelled upon the date on which the Non-Employee Director ceases to be a member of the Board for any reason other than death, disability or retirement from the Board after attaining age seventy. Notwithstanding the foregoing, any unvested Performance Shares (which have not been forfeited and cancelled pursuant to the preceding sentence) shall vest upon the earlier of (i) the date on which the Non-Employee Director ceases to be a member of the Board due to the death or disability of the Non-Employee Director, (ii) the retirement of the Non-Employee Director from the Board after attaining age seventy or (iii) a Change of Control. The Performance Shares granted under this subsection 4.6 shall be subject to all provisions of the Plan other than Sections 4.1 and 4.2.

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SECTION 5. AMENDMENT AND TERMINATION

The Board reserves the right to modify, amend or terminate this Plan in whole or in part, effective as of any specified date. The Plan shall continue in effect without limit unless and until the Board otherwise determines.

To the extent any provision of the Plan or action by the Board or Company would subject any Non-Employee Director 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 Board. It is intended that the Plan will comply with Code Section 409A to the extent applicable, 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 Board in order to preserve compliance with or exemption from Code Section 409A. For purposes of this Plan, a "retirement" (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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SECTION 6. MISCELLANEOUS

6.1 Administration. The Board shall have complete power and discretionary authority to interpret and administer the Plan, and make factual determinations thereunder, including the power to determine the rights or eligibility of Non-Employee Directors and any other persons, and the amounts of their benefits under the Plan, and to remedy ambiguities, inconsistencies or omissions, and any such interpretations and determinations shall be conclusive and binding on all parties. The Board may establish such rules and regulations with respect to the proper administration of the Plan as it may determine, and may amend or revoke any rule or regulation so established. No benefits shall be payable from this Plan if the Board determines in its sole discretion that such person is not entitled to such benefits.

6.2 Delegation. The Board has the authority to delegate any of its powers under this Plan to any other person, persons, or committee. This person, persons, or committee may further delegate its reserved powers to another person, persons, or committee as they see fit. Any delegation or subsequent delegation shall include the same full, final and discretionary authority that the Board has listed herein and any decisions, actions or interpretations made by any delegate shall have the same ultimate binding effect as if made by the Board.

6.3 Rights of Directors. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to continue to serve as a member of the Board or otherwise to be retained in the service of the Company.

6.4 Funding Not Required.

(a) Neither a Non-Employee Director nor any other person shall have any interest in any fund or in any specific asset of the Company by reason of any Performance Shares granted to such Non-Employee Director, nor the right to exercise any of the rights or privileges of a shareholder with respect to any Performance Share granted to a Non-Employee Director, nor the right to receive any distribution under the Plan except as expressly provided herein.

(b) Distributions hereunder shall be made from the general funds of the Company or from a grantor trust established (at the Company's discretion) for purposes of assuring that funds will be available to satisfy the obligations of the Company with respect to the payments hereunder, and the rights of the Non-Employee Director (or any other person) shall be those of an unsecured general creditor of the Company. If such grantor trust is established, however, individuals entitled to benefits hereunder shall not have any identifiable interest in any such funds, accounts or assets of such trust nor shall such individuals be entitled to any preference or priority with respect to the assets of such

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trust. The assets of the grantor trust would still be available to judgment creditors of the Company and to all creditors in the event of the Company's insolvency or bankruptcy. 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.

6.5 Non-Alienation. Performance Shares may not be sold, transferred, pledged, assigned, encumbered or otherwise alienated or hypothecated, whether voluntarily or involuntarily or by operation of law; any attempt to anticipate, alienate, sell, transfer, assign, pledge, or encumber in contradiction of this provision shall be void.

6.6 Tax Withholding. The Company may withhold from the distribution of any payment hereunder the amount necessary to satisfy a Non-Employee Director's (or beneficiary's) federal, state and local withholding tax requirements.

6.7 Indemnification. Each person who is or shall have been a member of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided he shall give the Company an opportunity, at its expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

6.8 Requirements of Law. The Plan and any Performance Share grants shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

6.9 Governing Law. The Plan (including, without limitation, any rules, regulations, determinations or decisions made by the Board 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.

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6.10 Construction. In the construction of the Plan, the masculine shall include the feminine and the singular shall include the plural in all cases where such meanings would be appropriate. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

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Amended and Restated Employment Agreement of Christopher J. Kearney

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and Christopher J. Kearney (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of February 23, 2005, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to continue to employ the Executive as its President and Chief Executive Officer;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 as President and Chief Executive Officer. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of President and Chief Executive Officer and will report directly to the Company's Board of Directors (the "Board"). The Executive's principal business office shall be at the Company's principal business office located in Charlotte, North Carolina, and Executive's principal family residence shall be located within 50 miles of the Company's principal business office for the duration of the Employment Term.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until two (2) years from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full two-year period.

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

(a) The Executive will perform duties assigned by the Board, from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of President and Chief Executive Officer.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's President and Chief Executive Officer. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of one million, fifty thousand dollars (\$1,050,000). The Board, or such committee of the Board as is responsible for setting the compensation of senior executive officers, shall review the Executive's performance and Base Salary annually in January of each year, 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 consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all senior executive 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 senior executive officers, including, but not limited to the SPX Corporation Stock Compensation Plan. For the 2008 bonus plan year, the Executive shall be eligible for a target bonus under the

Company's bonus plan equal to one hundred thirty percent (130%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his annual incentive plan participation 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. The Executive will be eligible to participate on substantially the same basis as the Company's other senior executive officers in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, 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 senior executive officers.

(d) Business Expenses. The Company shall 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 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 senior executive officers. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$40,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

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(g) Retiree Medical.

(i) The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall be reimbursed by the Company 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, his spouse or eligible dependents as applicable.

(iii) In the event that 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 annual reimbursement of one and one-half times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent.

(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.

(v) The Executive acknowledges and agrees that the benefit provided under this Section 4(g) replaces any and all benefits the Executive may have been entitled to under the SPX Corporation Retirement Health Plan for Top Management, if applicable.

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

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Code Section 409A, and references to termination of employment shall be deemed to refer to a Separation from Service.

(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 (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

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(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, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

(i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 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, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 12-month period immediately preceding the Executive's termination of employment.

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(iii) Executive perquisites on the same basis on which the Executive was receiving such perquisites prior to his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; 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 second anniversary of the Executive's employment termination; 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 termination of the Executive's employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected by the Executive), not to exceed \$50,000 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of President and Chief Executive Officer for similar companies in similar industries (except

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to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Board; (iii) the failure of the Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; (iv) the Company requires the Executive to relocate his principal business office to a location not within 50 miles of the Company's principal business office located in the Charlotte, North Carolina metropolitan area, or (v) the Company's failure to continue in effect any cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of senior executive officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described above in Section 5 shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) 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(h)).

(h) 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 paragraph 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.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

6. **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 his 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.

7. **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.

8. **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.

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

10. **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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

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11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

12. **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 would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

15. **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 other source.

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

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

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

19. **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.

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

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Christopher J. Kearney
Christopher J. Kearney

By: /s/Kevin L. Lilly
Kevin L. Lilly

Its: Senior Vice President, Secretary
and General Counsel

Date: December 8, 2008

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Amended and Restated Employment Agreement of Patrick J. O'Leary

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and Patrick J. O'Leary (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of February 23, 2005, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to continue to employ the Executive as its Executive Vice President and Chief Financial Officer;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 as Executive Vice President and Chief Financial Officer. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of Executive Vice President and Chief Financial Officer and will report directly to the Company's Chief Executive Officer. The Executive's principal business office shall be at the Company's principal business office located in Charlotte, North Carolina, and Executive's principal family residence shall be located within 50 miles of the Company's principal business office for the duration of the Employment Term.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until two (2) years from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full two-year period.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of Executive Vice President and Chief Financial Officer.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Executive Vice President and Chief Financial Officer. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of eight hundred, forty five thousand dollars (\$845,000). The Board, or such committee of the Board as is responsible for setting the compensation of senior executive officers, shall review the Executive's performance and Base Salary annually in January of each year, 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 consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all senior executive 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 senior executive officers, including, but not limited to the SPX Corporation Stock Compensation Plan. For the 2008 bonus plan year, the Executive shall be eligible for a target bonus under the

Company's bonus plan equal to one hundred percent (100%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his annual incentive plan participation 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. The Executive will be eligible to participate on substantially the same basis as the Company's other senior executive officers in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, 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 senior executive officers.

(d) Business Expenses. The Company shall 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 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 senior executive officers. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, 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 his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time

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employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall be reimbursed by the Company 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, his spouse or eligible dependents as applicable.

(iii) In the event that 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 annual reimbursement of one and one-half times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent.

(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.

(v) The Executive acknowledges and agrees that the benefit provided under this Section 4(g) replaces any and all benefits the Executive may have been entitled to under the SPX Corporation Retirement Health Plan for Top Management, if applicable.

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.

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

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(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 (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(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, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

- (i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end

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of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 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, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; 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 second anniversary of the Executive's employment termination; 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 termination of the Executive's employment. The Company

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will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected by the Executive), not to exceed \$50,000 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of Executive Vice President and Chief Financial Officer for similar companies in similar industries (except to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Chief Executive Officer, or the Company's Board; (iii) the failure of the Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; (iv) the Company requires the Executive to relocate his principal business office to a location not within 50 miles of the Company's principal business office located in the Charlotte, North Carolina metropolitan area, or (v) the Company's failure to continue in effect any cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the

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aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of senior executive officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described above in Section 5 shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) 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(h)).

(h) 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 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.

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(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 paragraph 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.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

6. **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

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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 his 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.

7. **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.

8. **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.

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

10. **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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

12. **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

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this Agreement to the extent that such payments or benefits would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

15. **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 other source.

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

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

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

19. **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

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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.

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

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Patrick J. O'Leary
Patrick J. O'Leary

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008

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Amended and Restated Employment Agreement of Robert B. Foreman

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and Robert B. Foreman (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of February 23, 2005, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to continue to employ the Executive as its Executive Vice President Global Business Systems & Services and President Asia-Pacific;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 as Executive Vice President, Global Business Systems & Services and President, Asia-Pacific. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of Executive Vice President, Global Business Systems & Services and President, Asia-Pacific and will report directly to the Company's Chief Executive Officer. The Executive's principal business office shall be at the Company's principal business office located in Charlotte, North Carolina, and Executive's principal family residence shall be located within 50 miles of the Company's principal business office for the duration of the Employment Term.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until two (2) years from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full two-year period.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of Executive Vice President, Global Business Systems & Services and President, Asia-Pacific.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Executive Vice President Global Business Systems & Services and President Asia-Pacific. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of seven hundred, twenty five thousand dollars (\$725,000). The Board, or such committee of the Board as is responsible for setting the compensation of senior executive officers, shall review the Executive's performance and Base Salary annually in January of each year, 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 consent. The Company shall pay the Executive's Base Salary according to payroll practices in effect for all senior executive 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 senior executive

officers, including, but not limited to the SPX Corporation Stock Compensation Plan. For the 2008 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to one hundred percent (100%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his annual incentive plan

participation 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. The Executive will be eligible to participate on substantially the same basis as the Company's other senior executive officers in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, 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 senior executive officers.

(d) Business Expenses. The Company shall 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 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 senior executive officers. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

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(g) Retiree Medical.

(i) The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall be reimbursed by the Company 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, his spouse or eligible dependents as applicable.

(iii) In the event that 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 annual reimbursement of one and one-half times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent.

(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.

(v) The Executive acknowledges and agrees that the benefit provided under this Section 4(g) replaces any and all benefits the Executive may have been entitled to under the SPX Corporation Retirement Health Plan for Top Management, if applicable.

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

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Code Section 409A, and references to termination of employment shall be deemed to refer to a Separation from Service.

(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 (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(d) Termination by the Company Without Cause, or Voluntary Termination by the Executive for Good Reason. If the Company terminates the Executive's

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employment other than for Cause, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

(i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 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, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; and (B) reimbursement of expenses relating to financial planning services, tax return

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preparation and annual physicals incurred on or before December 31 of the calendar year that includes the second anniversary of the Executive's employment termination; 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 termination of the Executive's employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected by the Executive), not to exceed \$50,000 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of Executive Vice President Global Business Systems & Services and President Asia-Pacific for similar companies in similar industries (except to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Chief Executive Officer, or the Company's Board; (iii) the failure of the Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; (iv) the Company requires the Executive to relocate his

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principal business office to a location not within 50 miles of the Company's principal business office located in the Charlotte, North Carolina metropolitan area, or (v) the Company's failure to continue in effect any cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of senior executive officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described above in Section 5 shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) 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(h)).

(h) 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 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

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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 paragraph 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.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

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6. **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 his 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.

7. **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.

8. **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.

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

10. **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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

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12. **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 would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

15. **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 other source.

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

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

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

19. **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

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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.

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

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Robert B. Foreman
Robert B. Foreman

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008

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Amended and Restated Employment Agreement of Don L. Canterna

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and Don L. Canterna (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of December 21, 2005, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to continue to employ the Executive as an Officer and Segment President;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 as an Officer and Segment President. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of an Officer and Segment President and will report directly to the Company's Chief Operating Officer or the Company's Chief Executive Officer.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until one (1) year from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full one-year period.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, Chief Operating Officer, or the Company's Board of Directors (the

"Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of an Officer and Segment President.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Officer and Segment President. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of four hundred, seventy five thousand dollars (\$475,000). 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 in January of each year, 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 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 2008 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to eighty percent (80%) of his Base Salary provided that all

performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his annual bonus plan participation 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. The Executive will be eligible to participate in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, pension, profit sharing and nonqualified deferred compensation arrangements, as the Board may determine in its discretion. 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 shall 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 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. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical. The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall be reimbursed by the Company on

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an annual basis up to the date the Executive reaches Medicare eligibility due to age, at which point such reimbursement shall 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. Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, his spouse or eligible dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease. In the event that 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 times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent. 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.

(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.

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(c) Termination of Employment for Death or Disability. In addition to the amounts determined under (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(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, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

(i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 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, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, provided that to the extent such continued

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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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; 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 employment termination. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination; 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 termination of the Executive's 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) one (1) year, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any

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outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of an Officer and Segment President for

similar companies in similar industries (except to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Chief Executive Officer, Chief Operating Officer, or the Company's Board; (iii) the failure of the Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; or (iv) the Company's failure to continue in effect any applicable cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described above in Section 5 shall be

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made in a lump sum cash payment as soon as administratively practicable (but in no event more than ten (10) 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(h)).

(h) 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 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),

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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 the Executive by the Company under this Section 5 on account of the separation from service and any applicable Company benefit plan.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

6. **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 his 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.

7. **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.

8. **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.

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

10. **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,

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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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

12. **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 would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

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15. **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 other source.

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

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

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

19. **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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date shown below.

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Don L. Canterna
Don L. Canterna

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008

Amended and Restated Employment Agreement of David A. Kowalski

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and David A. Kowalski (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of December 21, 2005, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to continue to employ the Executive as an Officer and Segment President;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 as an Officer and Segment President. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of an Officer and Segment President and will report directly to the Company's Chief Operating Officer or the Company's Chief Executive Officer.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until one (1) year from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full one-year period.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer, Chief Operating Officer, or the Company's Board of Directors (the

"Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of an Officer and Segment President.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Officer and Segment President. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of four hundred, 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 in January of each year, 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 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 2008 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to eighty percent (80%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board

committee) will determine and communicate to the Executive his annual bonus plan participation 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. The Executive will be eligible to participate in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, pension, profit sharing and nonqualified deferred compensation arrangements, as the Board may determine in its discretion. 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 shall 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 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. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical. The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall be reimbursed by the Company on an annual basis up to the date the Executive reaches Medicare eligibility due to age, at

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which point such reimbursement shall 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. Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, his spouse or eligible dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease. In the event that 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 times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent. 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.

(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

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- (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 (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of

physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(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, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

(i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

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(ii) Continued coverage under the Company's medical, dental, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; 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 employment termination; 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 termination of the Executive's employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options,

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restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) one (1) year, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of an Officer and Segment President for similar companies in similar industries (except to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Chief Executive Officer, Chief Operating Officer, or the Company's Board; (iii) the failure of the

Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; or (iv) the Company's failure to continue in effect any applicable cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious

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misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described 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 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(h)).

(h) 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 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

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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 paragraph 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.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

6. **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 his 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.

7. **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.

8. **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.

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

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10. **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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

12. **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 would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

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15. **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 other source.

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

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

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

19. **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.

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EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/David A. Kowalski
David A. Kowalski

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008

Amended and Restated Employment Agreement of Kevin Lilly

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company"), and Kevin Lilly (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of January 6, 2006, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to employ the Executive as its Senior Vice President, Secretary and General Counsel;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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 Senior Vice President, Secretary and General Counsel. During the Employment Term (as hereinafter defined), the Executive will have the title, status and duties of the Senior Vice President, Secretary and General Counsel and will report directly to the Company's Chief Executive Officer. The Executive's principal business office shall be at the Company's principal business office located in Charlotte, North Carolina, and Executive's principal family residence shall be located within 50 miles of the Company's principal business office for the duration of the Employment Term.

2. **Term of Employment.** The term of employment ("Employment Term") will commence on the Effective Date, and will continue thereafter until one (1) year from the Effective Date and will be automatically extended for subsequent one (1) day periods for each day of the Employment Term that passes after the Effective Date, unless sooner terminated by either party in accordance with the provisions of this Agreement. The intent of the foregoing provision is that the Agreement becomes "evergreen" on the Effective Date so that on each passing day after the Effective Date the Employment Term automatically extends to a full one-year period.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of the Senior Vice President, Secretary and General Counsel.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Senior Vice President, Secretary and General Counsel. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 Employment Term strictly adhere to and obey all of the rules and regulations 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 his own account or for or on behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.

4. **Compensation and Benefits.** During the Executive's employment hereunder, 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 at an annual base salary ("Base Salary") of four hundred, twenty five thousand dollars (\$425,000). 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 in January of each year, 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 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

2008 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to eighty percent (80%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his annual bonus plan participation 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. The Executive will be eligible to participate in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, pension, profit sharing and nonqualified deferred compensation arrangements, as the Board may determine in its discretion. 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 shall 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 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. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical. The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time

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of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall 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 shall 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. Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, his spouse or eligible dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease. In the event that 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 times the applicable premium of the plan in effect at the time retiree access is terminated at the appropriate coverage level, and subject to maximum annual inflation adjustment thereafter of five (5) percent. 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.

(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

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- (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 (b) above, if the Executive's termination of employment occurs by reason of death or disability, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom the Executive has no reasonable objection, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon reasonable request therefore by the Board, the Executive shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 10, the Board shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Board to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the base salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(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, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

(i) The Base Salary and annual bonus that the Company would have paid under the Agreement had the Executive's employment continued to the end of the Employment Term. For this purpose, annual bonus will be determined as the highest of (A) the actual bonus paid for the bonus plan year immediately preceding such termination, or (B) the average annual bonus paid to the Executive for the three bonus plan years preceding the year in which such termination 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 occurs, based on the performance level actually attained, exceeds the amount payable under the highest of (A) or (B).

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(ii) Continued coverage under the Company's medical, dental, life, disability, pension, profit sharing and other executive benefit plans through the end of the Employment Term, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he is not actively performing services for the Company, the Company will provide such benefits (A) under 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 bonus) through the end of the Employment Term shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the end of the Employment Term; 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 employment termination; 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 termination of the Executive's employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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 employment termination covered by this Section. The Executive shall report to the Company any such perquisites actually received by or made available to the Executive.

(iv) Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), any outstanding stock options,

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restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) one (1) year, or (B) the stock option expiration or other termination date. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 elected 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 termination of the Executive's 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 termination of the Executive's 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) assigning duties to the Executive that are inconsistent with those of the position of Senior Vice President, Secretary and

General Counsel for similar companies in similar industries (except to the extent the Company promotes the Executive to a higher executive position); (ii) requiring the Executive to report to other than the Company's Chief Executive Officer or the Company's Board; (iii) the failure of the Company to pay any portion of the Executive's compensation within 10 days of the date such compensation is due; or (iv) the Company's failure to continue in effect any applicable cash or stock-based incentive or bonus plan, pension plan, welfare benefit plan or other benefit plan, program or arrangement, unless the aggregate value of all such arrangements provided to the Executive after such discontinuance is not materially less than the aggregate value as of the Effective Date (using, for purposes of bonus plan comparisons, the target bonus potential before and after any such discontinuance).

(f) Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's willful and continued failure to substantially perform his 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 substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed his duties, and which gives the Executive at least 30 days to cure such alleged deficiencies, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) the Executive's engaging in egregious

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misconduct involving serious moral turpitude to the extent that his credibility and reputation no longer conforms to the standard of officers of the Company.

(g) Timing of Payments. Subject to Sections 5(h) and 5(i) and except as provided otherwise in this Agreement, all payments described above in Section 5 shall be made in a lump sum cash payment as soon as practicable (but in no event more than ten (10) 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(h)).

(h) 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 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

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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 paragraph 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.

(i) Release. The Company shall deliver to the Executive a release 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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

6. **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 his 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.

7. **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.

8. **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.

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

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10. **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:

SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to whom the Executive must give notice under this Section 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.

11. **Severability.** If any provisions(s) of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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.

12. **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 would otherwise clearly be duplicative; and (ii) the Executive's non-compete, non-solicitation, confidentiality or similar restrictive covenants shall remain in full force and effect.

13. **Consultation With Counsel.** The Executive acknowledges that he 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.

14. **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 nor 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.

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15. **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 other source.

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

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

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

19. **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.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date shown below.

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Kevin L. Lilly
Kevin L. Lilly

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

Its: President, Chairman and Chief
Executive Officer

Date:December 16, 2008

Amended and Restated Employment Agreement of Lee S. Powell

This Employment Agreement (the "Agreement") is effective as of November 20, 2008 (the "Effective Date"), by and between SPX Corporation (the "Company") and Leslie ("Lee") S. Powell (the "Executive").

WHEREAS, the Company and the Executive previously entered into an employment agreement, effective as of January 31, 2008, as amended (the "Previous Employment Agreement");

WHEREAS, the Company desires to employ the Executive as its Segment President, Industrial Products and Services;

WHEREAS, the Company and the Executive desire to amend and restate the Previous Employment Agreement as set forth below; and

WHEREAS, the Company and the Executive have reached agreement concerning the terms and conditions of his 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, Industrial Products and Services. During the Term (as hereinafter defined), the Executive will have the title, status and duties of the Segment President, Industrial Products and 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 Executive's principal family residence shall be located within 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 his 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 in 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 in Control.

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

(a) The Executive will perform duties assigned by the Company's Chief Executive Officer or the Company's Board of Directors (the "Board"), from time to time; provided that the Executive shall not be assigned tasks inconsistent with those of the Segment President, Industrial Products and Services.

(b) The Executive will devote his full time and best efforts, talents, knowledge and experience to serving as the Company's Segment President, Industrial Products and Services. However, the Executive may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, educational, religious and similar types of activities, speaking engagements and membership on other boards of directors, provided such activities do not interfere in any material way with the business of the Company; provided that, the Executive cannot serve on the board of directors of more than one publicly-traded 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 him in connection with such activities (e.g., director fees and honoraria).

(c) The Executive will perform his 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 his 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 his 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 at an annual base salary ("Base Salary") of four hundred thousand dollars (\$400,000). 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 in January of each year, 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

2008 bonus plan year, the Executive shall be eligible for a target bonus under the Company's bonus plan equal to eighty percent (80%) of his Base Salary provided that all performance goals set by the Company are met. The Board (or appropriate Board committee) will determine and communicate to the Executive his 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. The Executive will be eligible to participate in any executive benefit plans offered by the Company including, without limitation, medical, dental, short-term and long-term disability, life, pension, profit sharing and nonqualified deferred compensation arrangements, as the Board may determine in its discretion. 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 shall 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 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. Such perquisites shall not be less than those provided to the Executive on the Effective Date. The Company will also reimburse the Executive for annual income tax return preparation and financial planning up to \$20,000 per 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 5 weeks per calendar year. The maximum vacation accrual allowed from year to year and at any given time will equal Executive's annual entitlement. Once the maximum accrual is reached, Executive will no longer accrue vacation until the unused amount accrued is below the maximum level allowed.

(g) Retiree Medical. The Executive shall be entitled to receive retiree medical benefits during his lifetime in accordance with the eligibility requirements and plan

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offerings for access to retiree medical benefits provided generally to full-time employees of the Company. The Executive may cover his spouse or dependents eligible at the time of retirement. The cost of such benefits for the Executive, his spouse and eligible dependents, will be 100% of the premiums and shall 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 shall 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. Upon reaching Medicare eligibility due to age, Medicare shall become the primary payor of medical/prescription benefits for the Executive, his spouse or eligible dependents as applicable, and the reimbursement of premiums for such coverage by the Company shall cease. 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 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%). 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.

(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;

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(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, the Executive (or his 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. The Executive will be deemed to be disabled upon the earlier of (x) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, the Executive has been unable to perform substantially all of his usual and customary duties under this Agreement or (y) the date that a reputable physician selected by the Company's Chief Executive Officer, determines in writing that the Executive will, by reason of physical or mental injury or disease, be unable to perform substantially all of the Executive's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether the Executive is disabled, upon request therefore by the Chief Executive Officer, the Executive shall submit to medical examination for the purpose of determining the existence, nature and extent of any such disability. In accordance with Section 11, the Chief Executive Officer shall promptly give the Executive written notice of any such determination of the Executive's disability and of any decision of the Chief Executive Officer to terminate the Executive's employment by reason thereof. In the event of disability, until the date of termination, the amount of Base Salary payable to the Executive under Section 4 hereof shall be reduced dollar-for-dollar by the amount of disability benefits paid to the Executive in accordance with any disability policy or program of the Corporation.

(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 or death or disability, or the Executive voluntarily terminates his employment for Good Reason, in addition to the benefits payable under (b), the Company will pay the following amounts and provide the following severance benefits:

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

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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 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-year anniversary of the employment termination, at the same cost to the Executive as in effect on the date of the Executive's termination, 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 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 he 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-year anniversary of the employment termination shall be at the highest rate in effect during the 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 his employment termination, including: (A) reimbursement for club dues through the one year anniversary of the employment termination; 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 employment termination; 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 termination of the Executive's employment. The Company will bear the cost of such perquisites, at the same level in effect immediately prior to the Executive's employment termination. 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

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

Upon a "Change of Control" (as defined in the Executive's Change of Control Agreement dated November 20, 2008), 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 such termination date, and any Company stock options shall be immediately exercisable at any time prior to the earlier of (A) one (1) year, or (B) the stock option expiration or other termination date, subject to applicable insider trading policies and regulations. Prior to a Change of Control, any outstanding stock options, restricted stock or other equity-based compensation awards shall immediately vest upon such termination date, and any such stock options shall be immediately exercisable at any time prior to the earlier of (A) two (2) years, or (B) the stock option expiration or other termination date. 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 termination of the Executive's 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 termination of the Executive's 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 years following the initial existence of one 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 his duties as an

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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 his 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, reputationally, or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his 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 his or her duties, or commits 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. 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 in Control has not occurred that would extend the Agreement), the Executive may deliver his written resignation to the Company effective December 31, and the Company will continue the Executive's Base Salary for six (6) months 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

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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 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 paragraph 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 release 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

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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) Executive's rights shall be limited to those made available to Executive under Section 5(b) above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in Section 5(c) or Section 5(d), or any other monies on account of the termination of Executive's employment.

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 his 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.

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.

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:

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SPX Corporation
13515 Ballantyne Corporate Place
Charlotte, NC 28277
Attention: General Counsel

The Company may change the person and/or address to which the Executive must give notice under this Section 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 by a court of competent jurisdiction, in whole or in part, then it is the parties' mutual desire that such court modify such provision(s) 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 would otherwise clearly 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 he 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.

29. **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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date shown below.

EXECUTIVE ACCEPTANCE

SPX CORPORATION

/s/Lee S. Powell

Lee S. Powell

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

Its: Chairman, President and
Chief Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. Christopher J. Kearney
13515 Ballantyne Corporate Place
Charlotte, NC 28277

Dear Chris:

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 March 10, 1999 (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 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 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.

Executive Change of Control Agreement

Christopher J. Kearney

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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 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).

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) your willfully engaging 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;
 - (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

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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
- (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

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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.

(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;

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(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;

(vi) Credited service in the Company's Pension Plan (or its successor) through the Date of Termination for purposes of computing your accrued pension benefit;

(vii) 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

(viii) 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:

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(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 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 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 Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive three (3) additional full years of service credit

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for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, three (3) 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 (B)(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;

- (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 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;
- (viii) 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;
- (ix) 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 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

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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 (ix) 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) 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;

- (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

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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 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).

- (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 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.
- (xii) 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 (xii) 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); and
- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (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 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 (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.

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- (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.
 - (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

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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 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

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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 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.

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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.
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.

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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/Christopher J. Kearney
Christopher J. Kearney

SPX CORPORATION

By: /s/Kevin L. Lilly
Kevin L. Lilly

Its: Senior Vice President, Secretary
and General Counsel

Date: December 8, 2008



November 20, 2008

Mr. Patrick O'Leary
13515 Ballantyne Corporate Place
Charlotte, NC 28277

Dear Patrick:

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 March 10, 1999 (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 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 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.

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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 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).

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) your willfully engaging 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;
 - (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

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- 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
 - (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

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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.
- (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;

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- (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;
- (vi) Credited service in the Company's Pension Plan (or its successor) through the Date of Termination for purposes of computing your accrued pension benefit;
- (vii) 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
- (viii) 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:

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- (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 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 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 Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive three (3) additional full years of service credit

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for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, three (3) 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 (B)(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;

- (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 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;
- (viii) 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;
- (ix) 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 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

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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 (ix) 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) 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;

- (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

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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 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).

- (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 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.
- (xii) 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 (xii) 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); and
- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (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 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 (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.

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- (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.
 - (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

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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 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

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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 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.

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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.
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.

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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/Patrick J. O'Leary

Patrick J. O'Leary

SPX CORPORATION

By: /s/Christopher J. Kearney

Christopher J. Kearney

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. Robert B. Foreman
13515 Ballantyne Corporate Place
Charlotte, NC 28277

Dear Bob:

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 May 10, 1999 (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 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 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.

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Robert B. Foreman

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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 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).

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) your willfully engaging 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;
 - (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

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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
- (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

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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.

(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;

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(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;

(vi) Credited service in the Company's Pension Plan (or its successor) through the Date of Termination for purposes of computing your accrued pension benefit;

(vii) 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

(viii) 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:

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(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 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 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 Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive three (3) additional full years of service credit

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for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, three (3) 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 (B)(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;

- (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 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;
- (viii) 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;
- (ix) 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 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

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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 (ix) 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) 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;

- (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

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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 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).

- (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 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.
- (xii) 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 (xii) 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); and
- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (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 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 (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.

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- (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.
 - (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

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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 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

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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 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.

Executive Change of Control Agreement

Robert B. Foreman

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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.
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.

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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/Robert B. Foreman

Robert B. Foreman

SPX CORPORATION

By: /s/Christopher J. Kearney

Christopher J. Kearney

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. Don L. Canterna
 13515 Ballantyne Corporate Place
 Charlotte, NC 28277

Dear Don:

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 December 21, 2005 (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 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 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.

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 Don L. Canterna
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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.

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- (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
- (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.

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- (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.
- (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

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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;
 - (vi) An accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management (the "SERP");
 - (vii) 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

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- (viii) Subject to Section 4(e), the payments provided for in paragraphs (i), (ii), (iii), (iv), and (v) above 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 two (2);
- (ii) An amount equal to two (2) 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 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 two (2) 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 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 two (2) year period following your Date of

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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 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 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 (B)(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;
- (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 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;

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- (viii) 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;
- (ix) 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 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.

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The payments provided for in this subparagraph (ix) 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) 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;

- (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 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).
- (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 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.

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- (xii) 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 (xii) 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); and
 - (xiii) The payments provided in paragraphs (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 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 (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) 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.
- (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 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 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.

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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.
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.

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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

SPX CORPORATION

/s/Don L. Canterna

Don L. Canterna

By:/s/Christopher J. Kearney

Christopher J. Kearney

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. David A. Kowalski
13515 Ballantyne Corporate Place
Charlotte, NC 28277

Dear David:

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 December 21, 2005 (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 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 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.

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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.

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- (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
- (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.

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- (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.
- (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

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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;
 - (vi) An accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management (the "SERP");
 - (vii) 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

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- (viii) 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 two (2);
- (ii) An amount equal to two (2) 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 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 two (2) 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 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 two (2) year period following your Date of

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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 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 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 (B)(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;
- (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 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;

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- (viii) 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;
- (ix) 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 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.

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The payments provided for in this subparagraph (ix) 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) 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;

- (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 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).
- (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 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.

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- (xii) 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 (xii) 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); and
 - (xiii) Subject to Section 4(e) and except as otherwise provided in the Agreement, the payments provided in paragraphs (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 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 (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) 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.

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- (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.
 - (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),

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- (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 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

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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 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.

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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.
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.

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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.

/s/David A. Kowalski
David A. Kowalski

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. Kevin L. Lilly
 13515 Ballantyne Corporate Place
 Charlotte, North Carolina 28277

Dear Kevin:

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 January 6, 2006 (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 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 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
- (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.

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- (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.
- (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

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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;
 - (vi) An accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management (the "SERP");
 - (vii) 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

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- (viii) 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 two (2);
- (ii) An amount equal to two (2) 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 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 two (2) 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 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 two (2) year period following your Date of

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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 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 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 (B)(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;
- (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 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;

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- (viii) 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;
- (ix) 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 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.

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The payments provided for in this subparagraph (ix) 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) 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;

- (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 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).
- (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 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.

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- (xii) 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 (xii) 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); and

- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (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 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 (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) 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.

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- (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.
- (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 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 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.

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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.
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.

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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

SPX CORPORATION

/s/Kevin L. Lilly

Kevin L. Lilly

By: /s/Christopher J. Kearney

Christopher J. Kearney

Its: Chairman, President and Chief

Executive Officer

Date: December 16, 2008



November 20, 2008

Mr. Leslie S. Powell
 13515 Ballantyne Corporate Place
 Charlotte, NC 28277

Dear Lee:

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 February 26, 2008 (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 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 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.

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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.

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- (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
- (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.

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- (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.
- (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

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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;
 - (vi) An accrued benefit under the SPX Corporation Supplemental Retirement Plan for Top Management (the "SERP");
 - (vii) 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

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- (viii) 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 two (2);
- (ii) An amount equal to two (2) 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 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 two (2) 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 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 two (2) year period following your Date of

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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 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 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 (B)(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;
- (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 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;

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- (viii) 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;
- (ix) 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 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.

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The payments provided for in this subparagraph (ix) 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) 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;

- (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 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).
- (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 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.

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- (xii) 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 (xii) 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); and
- (xiii) Subject to Section 4(e) and except as otherwise provided in this Agreement, the payments provided in paragraphs (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 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 (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) 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.
 - (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),

- (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 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 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.

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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.
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.

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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

SPX CORPORATION

/s/Lee S. Powell
Lee S. Powell

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

Its: Chairman, President and Chief
Executive Officer

Date: December 16, 2008

SPX CORPORATION
SUPPLEMENTAL RETIREMENT PLAN
FOR TOP MANAGEMENT

(As Amended and Restated Effective October 21, 2008)

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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 October 21, 2008. 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.

**ARTICLE I
DEFINITIONS**

Wherever used herein the following terms shall have the meanings hereinafter set forth. 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,

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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 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

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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).

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.

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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.

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.

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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.** 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 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.

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:

- (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

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(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) 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), 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)), 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

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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

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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.

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- (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 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.

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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 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

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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

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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.

- (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,

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- (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,

- (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.

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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).

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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.

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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.

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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.

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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.

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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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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

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

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

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

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

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

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

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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

<u>Entity Name</u>	<u>Domestic Juris</u>
ACKA Tech, Inc.	China
Administraciones Directas Interactive Especializadas, S.C.	Mexico
APV (China) Co., Ltd.	China
APV (Thailand) Limited	Thailand
APV Asia Pte Ltd.	Singapore
APV Australia Pty Ltd.	Australia
APV Benelux B.V.	Netherlands
APV Benelux NV	Belgium
APV Czech Republic s.r.o.	Czech Republic
APV Deutschland GmbH	Germany
APV Far East Limited	Hong Kong
APV Far East Limited, Taiwan Branch	Taiwan
APV Finland Oy	Finland
APV France SAS	France
APV Hill and Mills (Malaysia) Sdn Bhd	Kuala Lumpur
APV Hungary Engineering and Representation Ltd. (APV Hungary Mérnöki és Képviselési Kft)	Budapest
APV Ibérica Ingeniería Y Servicios, S.A.	Spain
APV Ireland Limited	Dublin 2
APV Italia S.p.A.	Milan
APV Japan, Inc.	Japan
APV Latin America Corporation	Delaware
APV Manufacturing (Shanghai) Co., Ltd.	China
APV Manufacturing Poland Sp. z.o.o.	Poland
APV Middle East FZE	United Arab Emirates
APV Middle East Limited	Riyadh
APV New Zealand Limited	New Zealand
APV Norge AS	Norway
APV North America, Inc.	Delaware
APV Overseas Holdings Limited	United Kingdom
APV Pty Ltd.	Australia
APV Rosista GmbH	Germany
APV Schweiz AG	Switzerland
APV Service Limited	Russian Federation
APV Soluciones Integrales, S.A.de C.V.	Mexico
APV South America Indústria e Comércio Ltda.	Brazil
APV Sp. z.o.o.	Poland
APV Sverige AB	Sweden
APV Systems Limited	United Kingdom
APV Thermotech GmbH	Germany
APV UK Limited	United Kingdom
Arrendadora Korco, S.A. de C.V.	Mexico
Aurora/Hydromatic Pumps Inc.	Delaware
A.T.T.A. Limited	Scotland
AUTOBOSS Tech, Inc.	China
Balcke-Duerr Italiana, S.r.l.	Rome
Balcke-Dürr GmbH	Germany
Balcke-Dürr GmbH, Hungarian Branch	Budapest
Balcke-Dürr Holding GmbH	Germany
Balcke-Dürr Management GmbH	Germany
Balcke-Dürr Polska Sp. Z o.o.	Poland
BDT Limited	India
Bran & Luebbe S.A.	Brazil

<u>Entity Name</u>	<u>Domestic Juris</u>
BRAN + LUEBBE Electronics GmbH & Co. KG	Heidelberg
BRAN + LUEBBE Electronics Verwaltungs-GmbH	Hamburg
BRAN + LUEBBE GmbH	Germany
BRAN + LUEBBE Grundbesitz Gbr	Germany
Bran+Luebbe AS	Norway
Bran+Luebbe Pty. Ltd.	Australia
CARTOOL Gesellschaft zur Herstellung von Spezial- und Sonderwerkzeugen für Kraftfahrzeuge m. b. H.	Germany
CARTOOL technische Entwicklungen GmbH	Germany
D.F. Bevan (Holdings) plc	United Kingdom
DBT Technologies (Pty) Ltd	South Africa
Deca S.r.L.	Italy
Dezurik Japan Co., Ltd.	Japan
Dezurik of Australia Proprietary Limited	NSW
Dezurik International Limited	United Kingdom
Dillroad Limited	United Kingdom
Dollinger Ireland Limited	Ireland
Domestic Subsidiary Corporation	Delaware
EGS Electrical Group LLC	Delaware
Engineering Analysis Associates, Inc.	Michigan
Fairanks Morse India Limited	India
Fairbanks Morse Pump Corporation	Kansas
FCD (Canada) Inc.	Federally Chartered
Flair Corporation	Delaware
Fluid Technologies, Inc.	Oklahoma
General Signal (China) Co., Ltd.	China
General Signal (S.E.G.) Asia Limited	Hong Kong
General Signal Europe Limited	United Kingdom
General Signal India Private Limited	India
General Signal International Corporation	Delaware
General Signal Ireland B.V.	Netherlands
General Signal UK Limited	United Kingdom
Hangzhou Kayex Zheda Electromechanical Co., Ltd.	China
Hankison (UK) Limited	United Kingdom
Hankison de México, S. de R.L. de C.V.	Mexico
Heat Transfer Services Pte Ltd.	Singapore
IBS Filtran Kunststoff-/Metallerzeugnisse GmbH	Germany
Imagexpo, L.L.C.	Delaware
Invensys Philippines, Inc.	Philippines
Jack Hydraulics Limited	United Kingdom
J.P. Pumps Limited	United Kingdom
Johnson Pompes s.a.r.l.	France
Johnson Pump (Australia) Pty. Ltd.	Australia
Johnson Pump (India) Ltd.	India
Johnson Pump España S.L.	Spain
Johnson Pump Industrial AB	Sweden
Johnson Pump Italiana S.r.l.	Italy
Johnson Pump Oy	Finland
Johnson Pump Svenska AB	Sweden
Johnson Pumper A/S	Denmark
Johnson Pumps of America, Inc.	Delaware
Joseph Mason Limited	United Kingdom
Jurubatech Tecnologia Automotiva Ltda.	Brazil
Kayex China Holdings, Inc.	Delaware
Kennedy Wagstaff Limited	United Kingdom
Kent-Moore Brasil Indústria e Comércio Ltda.	Brazil

<u>Entity Name</u>	<u>Domestic Juris</u>
L & N Products Pty Limited	Australia
LAGTA Group Training Limited	Scotland
LAGTA Limited	Scotland
Leeds & Northrup (France) S.A.R.L.	France
Leeds & Northrup GmbH	Germany
Leeds & Northrup Italy, Srl	Italy
Leeds & Northrup Mexicana, S.A.	Mexico
Leeds & Northrup S.A.	Spain
M. R. Services Limited	United Kingdom
Mactek Pty Limited	Australia
Marley Canadian Inc.	Ontario
Marley Cooling Tower (Holdings) Limited	United Kingdom
Marley Engineered Products LLC	Delaware
Marley Mexicana S.A. de C.V.	Mexico
Marley Services S.C.	Mexico
Marley Water-Line Sdn. Bhd.	Malaysia
Mason Coatings plc	United Kingdom
MATRA-WERKE GmbH	Germany
MCT Services LLC	Delaware
Menk USA, LLC	Illinois
NESW 9 Limited	United Kingdom
New Signal, Inc.	Delaware
P.S.D., Inc	Ohio
Pearpoint Holdings, Limited	United Kingdom
Pearpoint Limited	United Kingdom
Pearpoint Overseas Limited	United Kingdom
Prepared Response, Inc.	Washington
Radiodetection (Canada) Ltd.	Ontario
Radiodetection (China) Limited	Hong Kong
Radiodetection Australia Pty Limited	Australia
Radiodetection B.V.	Netherlands
Radiodetection GmbH Ortungstechnik i.L.	Germany
Radiodetection Holdings Limited	United Kingdom
Radiodetection JV Sdn Bhd	Malaysia
Radiodetection Limited	United Kingdom
Radiodetection Sarl	France
Rathi Lightnin Mixers Private Limited	India
Safe Group Training Limited	Scotland
Service Solutions Brasil Desenvolvimento de Tecnologia Ltda.	São Paulo
Service Solutions Japan Limited	Japan
SOS Group Training (Edinburgh) Limited	Scotland
South Eastern Europe Services Limited	United Kingdom
Spore Holdings Limited	United Kingdom
SPX (Guangzhou) Cooling Technologies Co., Ltd.	China
SPX (Schweiz) A.G.	Switzerland
SPX (Tianjin) Cooling Technologies Co. Ltd.	China
SPX Air Treatment Limited	United Kingdom
SPX APV Danmark A/S	Denmark
SPX Australia Pty., Ltd.	Australia
SPX Canada	Ontario
SPX Canada Holdings I ULC	Nova Scotia
SPX Canada Holdings III ULC	Nova Scotia
SPX Canada Limited Partnership	Alberta
SPX Canada Partner I Co.	Nova Scotia
SPX Canada Partner II Co.	Nova Scotia
SPX Cooling Technologies (Beijing) Co. Ltd.	China

<u>Entity Name</u>	<u>Domestic Juris</u>
SPX Cooling Technologies (Zhangjiakou) Co. Ltd	China
SPX Cooling Technologies Australia Pty Limited	Australia
SPX Cooling Technologies Belgium S.A.	Belgium
SPX Cooling Technologies France SAS	France
SPX Cooling Technologies GmbH	Germany
SPX Cooling Technologies Ibérica, S.L.	Spain
SPX Cooling Technologies Italia S.p.A.	Italy
SPX Cooling Technologies Leipzig GmbH	Germany
SPX Cooling Technologies Malaysia Sdn Bhd	Malaysia
SPX Cooling Technologies Singapore Pte. Ltd.	Singapore
SPX Cooling Technologies UK Limited	United Kingdom
SPX Cooling Technologies, Inc.	Delaware
SPX Corporation (China) Co., Ltd.	China
SPX Corporation (Shanghai) Co., Ltd.	China
SPX CTS Italia S.r.l	Italy
SPX de México, S.A. de C.V.	Mexico
SPX Dehydration & Process Filtration B.V.	Netherlands
SPX Dehydration & Process Filtration Canada Inc.	Federally Chartered
SPX Dehydration & Process Filtration GmbH	Germany
SPX Europe GmbH	Germany
SPX Filtran (Beijing) Automotive Engineered Products Co.	China
SPX Filtran (Beijing) Filtration System Company Ltd.	China
SPX Filtran LLC	Delaware
SPX Finance SARL	Luxembourg
SPX Flow Technology (Shanghai) Co.	China
SPX Flow Technology Korea Co., Ltd.	South Korea
SPX France SARL	France
SPX Holding HK Limited	Hong Kong
SPX Holding Inc.	Connecticut
SPX Iberica S.A.	Spain
SPX India Private Limited	India
SPX International (Thailand) Limited	Thailand
SPX International e.G.	Germany
SPX International Holding GmbH	Germany
SPX International Management LLC	Delaware
SPX Italia S.r.l.	Italy
SPX Johnson Pump Marine AB	Sweden
SPX Korea Co., Ltd.	Korea
SPX Luxembourg Acquisition Company S.á.r.l.	Luxembourg
SPX Luxembourg Finance Company S.á.r.l.	Luxembourg
SPX Luxembourg Holding Company S.á.r.l.	Luxembourg
SPX Minnesota Properties, Inc.	Michigan
SPX Netherlands B.V.	Netherlands
SPX Pension Trust Company Limited	United Kingdom
SPX Process Equipment AB	Sweden
SPX Process Equipment BE NV	Brussels
SPX Process Equipment HK Limited	Hong Kong
SPX Process Equipment Limited	United Kingdom
SPX Process Equipment México, S.A. de C.V.	Mexico
SPX Process Equipment NL B.V.	Netherlands
SPX Process Equipment Pte. Ltd.	Singapore
SPX Process Equipment Pty Ltd.	Australia
SPX Receivables, LLC	Delaware
SPX Research & Development Center (Shanghai) Co., Ltd.	Shanghai
SPX Service Solutions Japan Limited	Japan
SPX Singapore Pte. Ltd.	Singapore

<u>Entity Name</u>	<u>Domestic Juris</u>
SPX Specialty Engineered Products (Shanghai) Co. Ltd.	Singapore
SPX Sweden AB	Sweden
SPX Technologies (Pty) Ltd.	Republic of South Africa
SPX Tigerholm Products AB	Sweden
SPX TPS HK Limited	Hong Kong
SPX Transportation & Industrial Solutions (Suzhou) Co., Ltd.	China
SPX U.L.M. GmbH	Germany
SPX UK Holding Limited	United Kingdom
SPX United Kingdom Limited	United Kingdom
SPX US Finance LLC	Delaware
SPX Valves & Controls (Shanghai) Co., Ltd.	China
SRE Electronics Limited	United Kingdom
TCI International, Inc.	Delaware
The Anglo-American Direct Tea Trading Company Limited	Scotland
The British Electronic Controls Limited	United Kingdom
The Consolidated Tea and Lands Company (India) Limited	Scotland
The Marley Company LLC	Delaware
The Marley-Wylain Company	Delaware
Tip Top Industrial Limited	Hong Kong
Tiros Sdn. Bhd.	Malaysia
TPS Tianyu Equipment Company Limited	PRC
Training Solutions (2000) Limited	Scotland
U.D.I. Finance Limited	Ireland
U.D.I. Mauritius Limited	Mauritius
UD-RD Holding Company Limited	United Kingdom
United Dominion Industries Corporation	Nova Scotia
Valley Forge (UK) Limited	United Kingdom
Valley Forge Technical Information Services GmbH	Germany
Valley Forge Technical Information Services, Inc.	Michigan
VL Churchill Limited	United Kingdom
Waukesha Electric Systems, Inc.	Wisconsin
WCB México, S.A. de C.V.	Mexico
WDLL Limited	Ireland
Weil-McLain (Shandong) Cast-Iron-Boiler Co., Ltd.	China
Wheway Hampshire Limited	United Kingdom
Wuxi Balcke Durr Technologies Company, Ltd.	China
XCel Erectors, Inc.	Delaware
Yantai Tip Top Industrial Co. Ltd.	China

QuickLinks

[Exhibit 21.1](#)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of SPX Corporation of our reports dated February 27, 2009 (which reports express an unqualified opinion and include an explanatory paragraph relating to, in fiscal 2006, the adoption of Statement of Financial Accounting Standards ("SFAS") No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — An amendment of FASB Statements No. 87, 88, 106 and 132(R)* and, in 2007, the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*), relating to the consolidated financial statements of SPX Corporation, and the effectiveness of SPX Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of SPX Corporation for the year ended December 31, 2008:

Filed on Form S-4:

Registration Statement No. 333-68650

Filed on Form S-8:

Registration Statement No. 33-24043
Registration Statement No. 333-29843
Registration Statement No. 333-29851
Registration Statement No. 333-29855
Registration Statement No. 333-70245
Registration Statement No. 333-82645
Registration Statement No. 333-82647
Registration Statement No. 333-61766
Registration Statement No. 333-69250
Registration Statement No. 333-69252
Registration Statement No. 333-106897
Registration Statement No. 333-109112
Registration Statement No. 333-139351
Registration Statement No. 333-139352

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 27, 2009

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[EXHIBIT 23.1](#)

[Consent of Independent Registered Public Accounting Firm](#)

Consent of Independent Registered Public Accounting Firm

The Board of Members
EGS Electrical Group, LLC:

We consent to the incorporation by reference in the registration statements (No. 333-68650) on Form S-4, and (Nos. 333-139352, 333-139351, 333-29843, 333-29851, 333-29857, 333-29855, 333-38443, 333-70245, 333-82645, 333-82647, 333-61766, 333-69250, 333-69252, 333-106897, 333-109112, and 33-24043) on Form S-8 of SPX Corporation of our report dated December 21, 2008, with respect to the consolidated balance sheets of EGS Electrical Group, LLC and subsidiaries as of September 30, 2008 and 2007, and the related consolidated statements of income, members' equity and comprehensive income, and cash flows for each of the years in the three-year period ended September 30, 2008, which report appears in the December 31, 2008 annual report on Form 10-K of SPX Corporation.

/s/ KPMG LLP

Chicago, Illinois
February 26, 2009

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[EXHIBIT 23.2](#)

[Consent of Independent Registered Public Accounting Firm](#)

Certification

I, Christopher J. Kearney, certify that:

1. I have reviewed this annual report on Form 10-K 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 conclusions 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: February 27, 2009

/s/ CHRISTOPHER J. KEARNEY

President and Chief Executive Officer

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[EXHIBIT 31.1](#)

[Certification](#)

Certification

I, Patrick J. O'Leary, certify that:

1. I have reviewed this annual report on Form 10-K 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 conclusions 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: February 27, 2009

/s/ PATRICK J. O'LEARY

Executive Vice President,
Treasurer, and Chief Financial Officer

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[EXHIBIT 31.2](#)

[Certification](#)

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 Annual Report on Form 10-K, for the year ended December 31, 2008, 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 27th day of February, 2009.

/s/ CHRISTOPHER J. KEARNEY

/s/ PATRICK J. O'LEARY

Christopher J. Kearney
President and Chief Executive Officer

Patrick J. O'Leary
Executive Vice President,
Treasurer and Chief Financial Officer

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[EXHIBIT 32.1](#)

Report of Independent Registered Public Accounting Firm

The Board of Members
EGS Electrical Group, LLC:

We have audited the accompanying consolidated balance sheets of EGS Electrical Group, LLC and subsidiaries (the Company) as of September 30, 2008 and 2007, and the related consolidated statements of income, members' equity and comprehensive income, and cash flows for each of the years in the three-year period ended September 30, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EGS Electrical Group, LLC and subsidiaries as of September 30, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2008, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Chicago, Illinois
January 8, 2009

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[EXHIBIT 99.1](#)

[Report of Independent Registered Public Accounting Firm](#)