

**BY-LAWS OF
INTERMEC, INC.**

(AS AMENDED JULY 19, 2007)

**ARTICLE I
OFFICES AND RECORDS**

SECTION 1.1. Delaware Office.

The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is Corporation Service Company, 1013 Centre Road, Wilmington, Delaware.

SECTION 1.2. Other Offices.

The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

SECTION 1.3. Books and Records.

The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

**ARTICLE II
STOCKHOLDERS**

SECTION 2.1. Annual Meeting.

The annual meeting of the stockholders of the Corporation shall be held on such date commencing in the year 1999 and at such place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.2. Special Meeting.

Subject to the rights of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation ("Preferred Stock") with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board").

SECTION 2.3. Place of Meeting.

The Board of Directors or the Chairman of the Board, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors or the Chairman of the Board. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.4. Notice of Meeting.

Written or printed notice, stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his, her, or its address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 7.4 of these By-Laws. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be canceled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.5. Quorum and Adjournment.

Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.6. Proxies.

At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such other manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by his duly authorized attorney in fact.

SECTION 2.7. Notice of Stockholder Business and Nominations.

A. Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting, and who complies with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph A.(1) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph A.(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the

Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

B. Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph A.(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

C. General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 2.8. Procedure for Election of Directors; Required Vote.

Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, each director to be elected by stockholders shall be elected by the vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Section 2.8, “a majority of the votes cast” shall mean that the number of shares voted “for” a director nominee’s election exceeds 50% of the number of votes cast with respect to that nominee’s election or, in the case where the number of nominees exceeds the number of directors to be elected, cast with respect to election of directors generally. “Votes cast” (a) shall include, as to each nominee, (i) votes cast “for” such nominee’s election and (ii) instructions to withhold authority to vote “for” such nominee’s election in all proxies submitted in connection with such election and (b) shall exclude abstentions with respect to that nominee’s election or, in the case where the number of nominees exceeds the number of directors to be elected, abstentions with respect to election of directors generally. Except as otherwise provided by law, the Certificate of Incorporation, or these By-Laws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.9. Inspectors of Elections; Opening and Closing the Polls.

The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector(s) shall have the duties prescribed by law.

The Chairman or the Secretary of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 2.10. No Stockholder Action by Written Consent.

Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

**ARTICLE III
BOARD OF DIRECTORS**

SECTION 3.1. General Powers.

The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders. The Board of Directors may, in its discretion, appoint a Non-Executive Chairman of the Board of Directors; and, if a Non-Executive Chairman has been appointed, the Non-Executive Chairman shall, when present, preside at all meetings of the Board of Directors and shall have such other powers as the Board of Directors may prescribe.

SECTION 3.2. Number, Tenure, and Qualifications.

Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, at each annual meeting of stockholders, (i) each director shall stand for election and shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

SECTION 3.3. Regular Meetings.

A regular meeting of the Board of Directors shall be held immediately after the annual meeting of stockholders without other notice than this By-Law. Regular meetings of the directors may be held without notice at such place and times as shall be determined from time to time by the Board of Directors.

SECTION 3.4. Special Meetings.

Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President, or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.5. Notice.

Notice of any special meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram or facsimile transmission, electronic mail, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail, or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph corporation or the notice is delivered to the overnight mail or courier service corporation at least twenty-four (24) hours before such meeting. If by facsimile transmission or electronic mail, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 7.4 of these By-Laws.

SECTION 3.6. Action by Consent of Board of Directors.

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 3.7. Conference Telephone Meetings.

Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.8. Quorum.

Subject to Section 3.9, a whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 3.9. Vacancies.

Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders and until any such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

SECTION 3.10. Executive and Other Committees.

The Board of Directors may, by resolution adopted by a majority of the Whole Board, designate an Executive Committee to exercise, subject to applicable provisions of law, all the powers of the Board in the management of the business and affairs of the Corporation when the Board is not in session, including without limitation the power to declare dividends, to authorize the issuance of the Corporation's capital stock and to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law of the State of Delaware, and may, by resolution similarly adopted, designate one or more other committees. The Executive Committee and each such other committee shall consist of two or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, other than the Executive Committee (the powers of which are expressly provided for herein), may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.5 of these

By-Laws. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

SECTION 3.11. Removal.

Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time by the affirmative vote of the holders of at least a majority of the voting power of all of the then outstanding shares of Voting Stock, voting together as a single class.

SECTION 3.12. Records.

The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

SECTION 3.13. Advisory Directors.

The Board of Directors may elect one or more advisory directors who shall have such powers and shall perform such duties as the directors shall assign to them. Advisory directors shall, upon election, serve until the next annual meeting of stockholders. Advisory directors shall receive notices of all meetings of the Board of Directors in the same manner and at the same time as the directors. They shall attend said meetings referred to in said notices in an advisory capacity, but will not cast a vote or be counted to determine a quorum. Any advisory directors may be removed either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board of Directors.

Nothing herein contained shall be construed to preclude any advisory director from serving the Corporation in any other capacity as an officer, agent, or otherwise.

ARTICLE IV OFFICERS

SECTION 4.1. Officers.

The officers of the Corporation shall consist of a Chief Executive Officer, a Secretary, a Treasurer, and, if deemed necessary, expedient, or desirable by the Board of Directors, a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Chief Operating Officers, one or more Vice Presidents (one or more of whom may be designated Executive or Senior Vice President), one or more Assistant Secretaries, and one or more Assistant Treasurers. Except as may otherwise be provided in the resolution

of the Board of Directors choosing him or her, no officer other than the Chairman or Vice Chairman of the Board, if any, need be a director. The Board of Directors may appoint a Chairman of the Board who is also an officer of the Corporation only if it has not appointed a Non-Executive Chairman of the Board pursuant to Section 3.1 of these By-Laws. Except as may be limited by law, any number of offices may be held by the same person, as the directors may determine.

Unless otherwise provided for in the resolution choosing him or her, each officer shall be chosen for a term that shall continue until the meeting of the Board of Directors following the next annual meeting of stockholders and until his or her successor shall have been chosen and qualified.

All officers of the Corporation shall have such authority and perform such duties as shall be prescribed in the By-Laws or in the resolutions of the Board of Directors designating and choosing such officers and shall have such additional authority and duties as are incident to their office except to the extent that such resolutions may be inconsistent therewith. Any officer may be removed, with or without cause, by the Board of Directors. Any vacancy in any office may be filled by the Board of Directors.

SECTION 4.2. Other Officers and Agents.

The Board of Directors may appoint such other officers and agents as it may deem advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The Chief Executive Officer may appoint key executives to the position of staff vice president. Such staff vice presidents shall not be corporate officers and shall exercise such powers and perform such duties as are assigned to them by the Chief Executive Officer or the President, if any, or by any other officer of the Corporation designated for such purpose by the Chief Executive Officer or President, if any.

ARTICLE V CAPITAL STOCK

SECTION 5.1. Shares.

The shares of the capital stock of the Corporation shall be represented by certificates or shall be uncertificated. Each registered holder of shares of capital stock, upon request to the Corporation, shall be provided with a stock certificate, representing the number of shares owned by such holder. Absent specific request for such a certificate by the registered owner or transferee thereof, all shares shall be uncertificated upon the original issuance thereof by the Corporation or upon the surrender for transfer of the certificate representing such shares to the Corporation or its transfer agent.

SECTION 5.2. Certificates for Shares of Stock.

The certificates for shares of stock of the Corporation shall be in such form, not inconsistent with the Certificate of Incorporation, as shall be approved by the Board of

Directors. All certificates shall be signed, countersigned, and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit any of all of the signatures on such certificates to be in facsimile.

In case any officer, transfer agent, or registrar who shall have signed or whose facsimile signature has been placed upon any such certificate or certificates shall cease to be such officer, transfer agent, or registrar of the Corporation, whether because of death, resignation, or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates had not ceased to be such officer, transfer agent, or registrar of the Corporation.

All certificates for shares of stock shall be consecutively numbered as the same are issued. The name of the person owning the shares represented thereby with the number of such shares and the date of issue thereof shall be entered on the books of the corporation.

Except as hereinafter provided, all certificates surrendered to the Corporation for transfer shall be canceled and no new certificates or uncertificated shares shall be issued until former certificates for the same number of shares have been surrendered and canceled.

SECTION 5.3. Lost, Stolen, or Destroyed Certificates.

No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed, or stolen, except on production of such evidence of such loss, destruction, or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms, and secured by such surety, as the Board of Directors or the Secretary of the Corporation may in its, his, or her discretion require.

SECTION 5.4. Transfer of Shares.

Upon surrender to the Corporation or to the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation, or authority to transfer, the Corporation shall issue or cause to be issued uncertificated shares or, if requested by the appropriate person, a new certificate to the person entitled thereto, cancel the surrendered certificate, and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

SECTION 5.5. Regulations.

The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer, and registration of uncertificated shares or certificates for shares of stock of the Corporation.

SECTION 5.6. Statements Relating to Uncertificated Securities.

Within two business days after an issuance, transfer, pledge, or release from a pledge of uncertificated shares has been registered, the Corporation shall send to the registered owner thereof and, if shares are or were subject to a registered pledge, to the registered pledgee, a written notice, signed in such manner as the Board of Directors may prescribe stating (a) that the Corporation shall furnish to such person(s) upon request and without charge a full statement of the designation, relative rights, preferences and limitations of the shares of each class of the Corporation's stock authorized to be issued and the designation, relative rights, preferences and limitations of each series of preferred stock so far as the same has been fixed and the authority of the Board of Directors to designate and fix the relative rights, preferences and limitations of other series; (b) the number of shares and a description of the issue of which such shares are a part including the class of shares, and the designation of the series, if any, which have been issued, transferred, pledged or released from a pledge, as the case may be; (c) the name, address, and taxpayer identification number, if any, of the person or persons to which such shares have been issued or transferred, and, in the case of registration of a pledge or a release from a pledge, of the registered owner and the registered pledgee whose interest is being granted or released, (d) any liens or restrictions of the Corporation, and any adverse claims (i) which are embodied in a restraining order, injunction, or other legal process served upon the Corporation at a time and in a manner which afforded it a reasonable opportunity to act on it in accordance with applicable law, (ii) of which the Corporation has received written notification from the registered owner or the registered pledgee at a time and in a manner which afforded it a reasonable opportunity to act on it in accordance with applicable law, (iii) to which the registration of transfer to the present registered owner was subject and so noted in a statement sent to such person under this paragraph including restrictions on transfer not imposed by the Corporation, and (iv) of which the Corporation is charged with notice from a controlling instrument which the Corporation has elected to require as assurance that a necessary endorsement or instruction is genuine and effective, to which the shares are subject or a statement that there are no such liens, restrictions, or adverse claims; and (e) the date the issuance, transfer, pledge, or release from a pledge, as the case may be, was registered. The Corporation shall maintain a printed copy of the most recent statement sent to a person with respect to uncertificated shares pursuant to this paragraph.

Within two business days after a transfer of uncertificated shares has been registered, the Corporation shall send to the former registered owner and the former registered pledgee, if any, a written notice stating (a) the number of shares and a description of the issue of which such shares are a part, including the class of shares, and the designation of the series, if any, which have been transferred; (b) the name, address and taxpayer identification number, if any, of the former registered owner and of the former registered pledgee, if any; and (c) the date the transfer was registered.

The Corporation shall send to each registered holder and registered pledgee of uncertificated shares, no less frequently than annually, and at any time upon the written request of any such person, a dated written notice stating (a) if such notice is to the registered owner, the number of shares and a description of the issue of which such shares

are a part, including the class of shares, and the designation of the series, if any, registered in the name of such registered owner on the date of the statement; (b) the name, address, and taxpayer identification number, if any, of the registered owner; (c) the name, address and taxpayer identification number, if any, of any registered pledgee and the number of shares subject to the pledge; and (d) any liens or restrictions of the Corporation and any adverse claims (i) which are embodied in a restraining order, injunction, or other legal process served upon the Corporation at a time and in a manner which afforded it a reasonable opportunity to act on it in accordance with applicable law, (ii) of which the Corporation has received written notification from the registered owner or the registered pledgee at a time and in a manner which afforded it a reasonable opportunity to act on it in accordance with applicable law, (iii) to which the registration of transfer to the present registered owner was subject and so noted in a statement sent to such person under this paragraph, including restrictions on transfer not imposed by the Corporation, and (iv) of which the Corporation is charged with notice from a controlling instrument which the Corporation has elected to require as assurance that a necessary endorsement or instruction is genuine and effective, to which the shares are subject or a statement that there are no such liens, restrictions or adverse claims.

Each notice sent pursuant to this Section 5.6 shall bear a legend substantially as follows: This statement is merely a record of the rights of the addressee as of the time of its issuance. Delivery of the statement, of itself, confers no rights upon the recipient. This statement is neither a negotiable instrument nor a security.

ARTICLE VI INDEMNIFICATION; ADVANCE OF EXPENSES

SECTION 6.1. Right to Indemnification.

A. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a “proceeding”) by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director, officer, employee, or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability, and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of his or

her heirs, executors, and administrators; provided, however, that except as provided in Section 6.2.B. of this Article VI, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors.

B. Each person referred to in Section 6.1.A. of this Article VI shall be paid by the Corporation the expenses incurred in connection with any proceeding in advance of its final disposition, such advances to be paid by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the advancement of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) prior to the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article VI or otherwise.

C. The right to indemnification conferred in this Article VI and the right to be paid by the Corporation the expenses incurred in connection with any such proceeding in advance of its final disposition conferred in this Article VI each shall be a contract right.

SECTION 6.2. Procedure to Obtain Indemnification.

A. To obtain indemnification under this Article VI, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 6.2.A., a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined) or (2) if no request is made by the claimant for a determination by Independent Counsel, (a) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined) or (b) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (c) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within six years prior to the date of the commencement of the action, suit, or proceeding for which indemnification is claimed a "Change of Control" as defined in the Corporation's 1997 Stock Incentive Plan, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to

indemnification, payment to the claimant shall be made within 10 days after such determination.

B. If a claim under Section 6.1 of this Article VI is not paid in full by the Corporation within 30 days after a written claim pursuant to Section 6.2.A. of this Article VI has been received by the Corporation or, in the case of a claim pursuant to Section 6.1.B., within the 20-day period provided therein, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount of the claims, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counsel, or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel, or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

C. If a determination shall have been made pursuant to Section 6.2.A. of this Article VI that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 6.2.B. of this Article VI.

D. The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 6.2.B. of this Article VI that the procedures and presumptions of this Article VI are not valid, binding, and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article VI.

SECTION 6.3. No Diminution of Rights.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of stockholders or Disinterested Directors, or otherwise. No repeal or modification of this Article VI shall in any way diminish or adversely affect the rights of any director, officer, employee, or agent of the Corporation hereunder in respect of any occurrence of matter arising prior to any such repeal or modification.

SECTION 6.4. Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of the Corporation or any person serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability, or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in Section 6.5 of this Article VI, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee, or agent.

SECTION 6.5. Discretionary Indemnification.

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation and the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 6.6. Enforceability.

If any provision or provisions of this Article VI shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any section of this Article VI containing any such provision held to be invalid, illegal, or unenforceable, that is not itself held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion of any section of this Article VI containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

SECTION 6.7. Certain Definitions.

For purposes of this Article VI:

- (a) “Disinterested Director” means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.
- (b) “Independent Counsel” means a law firm that is nationally recognized for its experience in matters of Delaware corporation law and shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a

conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Article VI.

SECTION 6.8. Notices.

Any notice, request, or other communication required or permitted to be given to the Corporation under this Article VI shall be in writing and either delivered in person or sent by telecopy, telex, telegram, electronic mail, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

SECTION 7.1. Fiscal Year.

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

SECTION 7.2. Dividends.

The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 7.3. Seal.

The corporate seal shall have inscribed thereon the words "Corporate Seal," the year of incorporation and around the margin thereof the words "Intermec, Inc. - Delaware."

SECTION 7.4. Waiver of Notice.

Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 7.5. Audits.

The accounts, books, and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 7.6. Resignations.

Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the President, if any, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President, if any, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

SECTION 7.7. Proxies.

Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President, if any, or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

ARTICLE VIII AMENDMENTS

SECTION 8.1. Amendments.

These By-Laws may be altered, amended, or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given not less than two days prior to the meeting; provided, however, that, in the case of amendments by stockholders, notwithstanding any other provisions of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, the Certificate of Incorporation or these By-Laws, the affirmative vote of the holders of at least 80 percent of the voting power of all the then outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend, or repeal any provision of these By-Laws.

**INTERMEC, INC.
2002 DIRECTOR STOCK OPTION AND FEE PLAN**

As Amended Effective July 19, 2007

1. Purpose. The Intermec, Inc. 2002 Director Stock Option and Fee Plan (the **“Plan”**) is intended to provide an incentive to members of the board of directors of Intermec, Inc., a Delaware corporation (the **“Company”**), who are neither officers nor employees of the Company, to remain in the service of the Company and increase their efforts for the success of the Company and to encourage such directors to own shares of the Company’s stock, thereby aligning their interests more closely with the interests of the Company’s shareholders. The Plan is also intended to assist the Company in attracting experienced and qualified candidates to become members of the Board.

2. Definitions.

“1997 Plan” means the UNOVA, Inc. Director Stock Option and Fee Plan, adopted September 24, 1997, and amended July 27, 1999.

“Adverse Tax Consequences under Section 409A” means the accelerated inclusion, 20 percent additional tax rate, and associated interest charge that will apply to any deferred compensation included in taxable income of a Director under Section 409A(a)(1)(B) of the Code.

“Annual Grant” means the annual grant of Options, if any, made to Directors under Section 7(a) of the Plan.

“Average Quarterly Price” means the average of the Fair Market Value of Common Stock on each trading date of a calendar quarter.

“Board” means the Board of Directors of the Company.

“Cash Account” means the bookkeeping account established by the Company for the deferral of Fees by Directors which will be credited with interest pursuant to Section 6(d) hereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” means the common stock, par value \$.01 per share, of the Company.

“Deferral Election” means an election pursuant to Section 6 hereof to defer receipt of Fees into a Share Account or Cash Account.

“Deferred Amounts” mean the amounts credited to a Director’s Share Account or Cash Account pursuant to a Deferral Election or otherwise pursuant to Section 6(h).

“Director” means a member of the Board who is neither an officer nor an employee of the Company. A director of the Company shall not be deemed to be an employee of the Company solely by reason of the existence of a consulting contract between such director and the Company or any subsidiary thereof pursuant to which the director agrees to provide consulting services as an independent consultant to the Company or its subsidiaries on a regular or occasional basis for a stated consideration. The term “Director” as used in this Plan shall include any person who may hereafter become an advisory director of the Company, as that term is used in the Company’s By-Laws.

PROPRIETARY AND CONFIDENTIAL

“Effective Date” means January 1, 2002, subject to approval by the Company’s shareholders as provided in Section 12 hereof.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, as of any given date, the average of the highest and lowest reported sales price of the Common Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Common Stock is listed or on NASDAQ. If there is no regular public trading market for such Common Stock, the Fair Market Value of the Common Stock shall be determined by the Board in good faith.

“Fees” means Retainer Fees and Meeting Fees.

“Meeting Fees” means fees scheduled to be paid to a Director for attendance at Board or committee meetings.

“Options” means the options to purchase Common Stock granted to a Director under Section 7(a) as an Annual Grant.

“Retainer Fees” means the annual retainer scheduled to be paid to a Director for the calendar year and additional annual fees scheduled to be paid to a Director for serving as Chairman of the Board or as Chair of a Board committee.

“Share Account” means the bookkeeping account established by the Company for the deferrals of Fees by Directors, which will be credited with Share Units pursuant to Section 6(a) hereof.

“Share Election” means the election by a Director to receive shares of Common Stock in lieu of Meeting Fees as set forth in Section 5(b) hereof.

“Share Unit” means a share of Common Stock credited as a bookkeeping entry to a Director’s Share Account. Each Share Unit shall represent the right to receive one share of Common Stock.

3. Administration of the Plan. Subject to the express provisions of the Plan, the Board will have complete authority to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the respective option agreements (which need not be identical); and to make all other determinations necessary or advisable for the administration of the Plan. The Board shall have the right to delegate its authority to administer the Plan to the Governance and Nominating Committee or another Board committee consisting solely of independent Directors. The Board’s or such committee’s determination on the matters referred to in this Section 3 shall be conclusive.

4. Stock Reserved for the Plan. The number of shares of Common Stock authorized for issuance under this Plan is 500,000 plus (i) the number of shares reserved and available for issuance under the 1997 Plan on the Effective Date of this Plan and (ii) any shares subject to grants made under the 1997 Plan, but which subsequently expire or are canceled, forfeited, or terminated. The number of shares of Common Stock issuable under this Plan shall be subject to adjustment pursuant to Section 10 hereof. Shares of Common Stock delivered hereunder may be either authorized but unissued shares or previously issued shares reacquired and held by the Company as treasury shares.

5. ***Terms and Conditions of Payment of Fees.***

(a) **Fees.**

(i) ***Retainer Fees.*** Each Director shall receive in the form of Common Stock (subject to a Deferral Election) all, or such lesser amount as the Board may determine from time to time in the exercise of its judgment, of his or her Retainer Fees earned in each calendar year. The shares of Common Stock (and cash in lieu of fractional shares) issuable under this Section 5(a) shall be issued quarterly in accordance with Section 5(c) hereof; provided, however, that the issuance of Common Stock in payment of Retainer Fees to a Director with respect to his or her service as Chairman of the Board shall be conditioned upon a mandatory Deferral Election under Section 6 with respect to such shares.

(ii) ***Meeting Fees.*** Unless a Director makes a Share Election in accordance with Section 5(c) hereof, each Director shall receive Meeting Fees to be paid in the form of cash, after the end of the quarter in which earned.

(iii) ***Fee Amounts.*** The amount of Retainer Fees shall be set from time-to-time by the Board. The amount of Meeting Fees shall be set from time-to-time by the Board, in any manner reasonably intended to reflect and compensate the Directors' duty to attend meetings of the Board and its committees. If at a time other than at the beginning of the year (A) any person becomes a Director, (B) a Director ceases to be a Director, (C) a Director joins or leaves a committee of the Board, or (D) a Director is appointed or ceases to be Chairman of the Board or Chair of a Board committee, an adjustment shall be made to the calculation of the applicable Retainer Fee and Meeting Fee, as the case may be, based upon the time remaining in such year.

(b) ***Share Election.*** Each Director may make an annual election (the "**Share Election**") to receive in the form of Common Stock (subject to a Deferral Election) all of his or her Meeting Fees earned in each calendar year. The shares of Common Stock (and cash in lieu of fractional shares) issuable pursuant to a Share Election shall be issued quarterly in accordance with Section 5(c) hereof. The Share Election must be in writing and delivered to the Secretary of the Company on or prior to December 31 of the calendar year preceding the calendar year in which the applicable Meeting Fees are to be earned; *provided, however*, that any Director who commences service on the Board on or subsequent to January 1 of a calendar year may make a Share Election during the thirty-day period immediately following the commencement of his or her directorship. A Share Election, once made, shall be irrevocable for the calendar year with respect to which it is made and shall remain in effect for future calendar years unless revoked in writing or modified by a subsequent Share Election with respect to future calendar years on or prior to December 31 of the calendar year preceding the calendar year in which such revocation shall take effect and in accordance with the provisions hereof.

(c) ***Issuance of Shares.*** Shares of Common Stock issuable to a Director pursuant to Sections 5(a) and 5(b) shall be issued to such Director on the first business day following the end of each calendar quarter. The total number of shares of Common Stock to be so issued shall be determined by dividing (x) the dollar amount of the Director's Retainer Fees for the preceding calendar quarter and any Meeting Fees for the preceding calendar quarter to which a Share Election applies, by (y) the Average Quarterly Price for the preceding quarter. In no event shall the Company be required to issue fractional shares. In the event that a fractional share of Common Stock would otherwise be required to be issued, an amount in lieu thereof shall be paid in cash based upon the Fair Market Value of such fractional share on the last business day of the preceding calendar quarter.

6. Terms and Conditions of Deferral Elections.

(a) In General. Each Director may irrevocably elect annually to defer receiving all or a portion of (i) the shares of Common Stock that would otherwise be issued in connection with such Director's Retainer Fees in respect of a calendar year, (ii) the shares of Common Stock that would otherwise be issued upon a Share Election, or (iii) such Director's Meeting Fees in respect of a calendar year that are not subject to a Share Election (a "**Deferral Election**"). A Director who has made a Deferral Election with respect to shares of Common Stock shall have the number of shares of Common Stock that are the subject of the Deferral Election credited to a Share Account in the form of Share Units. A Director who has made a Deferral Election with respect to Meeting Fees that are not subject to a Share Election shall have the amount of deferred fees credited to a Cash Account.

(b) Timing of Deferral Election. The Deferral Election shall be in writing and delivered to the Secretary of the Company on or prior to December 31 of the calendar year preceding the calendar year in which the applicable Fees are to be earned; *provided, however*, that a Director who commences service on the Board on or subsequent to January 1 of a calendar year may make a prospective Deferral Election during the thirty-day period immediately following the commencement of his or her directorship, and, accordingly, such Deferral Election shall apply only with respect to compensation paid for services to be performed subsequent to the Deferral Election. A Deferral Election, once made, shall be irrevocable for the calendar year with respect to which it is made and shall remain in effect for future calendar years unless revoked or modified by a subsequent Deferral Election with respect to future calendar years on or prior to December 31 of the calendar year preceding the calendar year in which such revocation shall take effect and in accordance with the provisions hereof. No subsequent Deferral Election may be made with respect to Fees earned during the current calendar year or prior calendar years.

(c) Share Accounts. Each Share Account shall be deemed to be invested in shares of Common Stock. Whenever regular cash dividends are paid by the Company on outstanding Common Stock, there shall be credited to the Director's Share Account additional Share Units equal to (i) the aggregate dividend that would be payable on outstanding shares of Common Stock equal to the number of Share Units in such Share Account on the record date for the dividend, divided by (ii) the Fair Market Value of the Common Stock on the payment date of the dividend.

(d) Cash Accounts. Each Director's Cash Account shall be credited with interest on the last day of each calendar quarter calculated on the basis of the average daily balance in the Cash Account during the calendar quarter. The interest rate for any calendar quarter shall be the prime rate of interest as reported in the *Wall Street Journal* as the prevailing prime rate of interest on the first business day of the calendar quarter.

(e) Commencement of Payment. Except as otherwise provided in Section 6(g) hereof, a Director's Deferred Amounts shall become payable in the January following the year in which the Director terminates service as a Director. Payments from a Share Account shall be made by converting Share Units into Common Stock on a one-for-one basis, with payment of fractional shares to be made in cash based upon the Fair Market Value of such fractional share on the last business day of the preceding calendar quarter.

(f) Timing of Payments. Subject to Section 6(g) hereof, each Director shall elect in his or her Deferral Election to receive payment of his or her Deferred Amounts either in a lump sum or in two to fifteen substantially equal annual installments.

(g) *Distributions Upon Death, Disability or Unforeseeable Emergency.* In the event of a Director's death, payment of the remaining portion of the Director's Deferred Amounts will be made to the Director's beneficiary (or, if no beneficiary has been designated, to the Director's estate or other legal representative) in a lump sum. Payment shall be made to a Director in a lump sum in the event of disability (as defined in Section 409A(a)(2)(C) of the Code and the Treasury Regulations thereunder) or upon the occurrence of an unforeseeable emergency (as defined in Section 409A(a)(2)(B)(ii) of the Code and the Treasury Regulations, and subject to the limitations therein). If a Director desires to receive a payment as a result of a disability or the occurrence of an unforeseeable emergency, the Director (or his or her personal representative, as applicable) shall submit such request in writing to the Secretary of the Corporation and shall specify date of the occurrence of such disability or unforeseeable emergency and the amount of the payment requested. Payment under this Section 6(g) shall be made on or before the 90th day immediately following the event that triggers such payment.

(h) *No Account Transfers.* A Director may not transfer or convert a Share Account to a Cash Account, or vice versa.

(i) *Status of Accounts.* The Share and Cash Accounts shall not be funded, and all Deferred Amounts shall be held in the general assets of the Company and be subject to the general creditors of the Company.

7. *Annual Grants of Stock Options.*

(a) *Annual Grants.* Commencing in 2005, Options to purchase 10,000 shares of Common Stock shall be granted to each Director automatically on the first business day of January in each year. In addition, the Board shall have the right to make an automatic annual grant of additional Options to purchase Common Stock effective on the first business day of January in each year to a Director for serving as Chairman of the Board or as Chair of a Board committee. Any person who becomes a Director, Chairman of the Board, or Chair of a Board committee at any other time of the year shall receive a pro-rata portion of the Annual Grant, based upon the time remaining in such year, such grant to be effective on the date he or she becomes a Director, Chairman of the Board, or Chair of a Board committee, as applicable. The Board shall have the right to increase or decrease the number of shares of Common Stock subject to the Annual Grant as the Board may determine is necessary or appropriate to attract and retain persons to serve as members of the Board, Chairman of the Board, or Chairs of Board committees, it being understood that all such grants and changes in the number of Options granted shall comply with Section 16 of the Exchange Act and the rules promulgated thereunder and the Code.

(b) *Option Price Per Share.* Options granted pursuant to this Section 7 shall be exercisable at a price per share equal to the Fair Market Value of the Common Stock on the date of the grant of the Option.

(c) *Period of Option.*

(i) Options granted on the first business day of January pursuant to this Section 7 shall vest and become exercisable in four equal installments (subject to adjustment for fractional shares) on the first business day of each fiscal quarter of the Company, beginning on the date of grant, and shall remain exercisable until the tenth anniversary of the date of grant, at which time they shall expire.

(ii) Options granted on a day other than the first business day of January pursuant to this Section 7 shall vest and become exercisable in equal installments (subject to adjustment for fractional shares) on the date of grant and the first business day of each fiscal quarter of the Company remaining in the year of grant, and shall remain exercisable until the tenth anniversary of the date of grant, at which time they shall expire.

(d) Exercise of Options. Options may be exercised only by written notice to the Company at its corporate office accompanied by payment of the full consideration for the shares as to which they are exercised. The purchase price is to be paid in full to the Company upon the exercise of the option (i) by cash, including a personal check payable to the order of the Company, or (ii) by delivering Common Stock already owned by the optionee for a period of at least six months (valued at Fair Market Value as of the date of delivery), or (iii) any combination of cash and Common Stock so valued.

(e) Nonstatutory Options. No option granted hereunder shall constitute an “incentive stock option” as that term is defined in the Code.

8. Modification, Extension, and Renewal of Options. The Board shall have the power to modify, extend, or renew outstanding options and authorize the grant of new options in substitution therefor, provided that such power may not be exercised in a manner which would (i) alter or impair any rights or obligations of any option previously granted without the written consent of the optionee, (ii) adversely affect the qualification of the Plan or any other stock-related plan of the Company under Rule 16b-3 under the Exchange Act, (iii) lower the exercise price of existing options, (iv) substitute new options for previously granted options having a higher exercise price, or (v) cause an option to become subject to Section 409A of the Code.

9. Limitation of Rights.

(a) No Right to Continue as a Director. Neither the Plan, nor the granting of an option or the making of a Share Election or Deferral Election, or any other action taken pursuant to the Plan, shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain a Director for any period of time, or at any particular rate of compensation.

(b) No Shareholder's Rights. An optionee or a Director who has made a Share Election or Deferral Election (or his or her representative) shall have no rights as a shareholder with respect to the shares covered by his or her Options or Share Election or to any Share Units with respect to a Deferral Election until the date of the actual issuance to him or her (or such representative) of shares of Common Stock (either through the Company's Direct Registration System or by certification) and, subject to Sections 6(c) and 10 hereof, no adjustment will be made for dividends or other rights for which the record date is prior to the date such shares are issued.

10. Effect of Certain Changes in Capitalization. In the event of any change in corporate capitalization (such as a stock split), any corporate transaction (such as any merger, consolidation or separation (including a spinoff)), any other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, the Board shall equitably adjust the Share Account to reflect any such transaction and shall make such substitution or adjustments in the aggregate number and kind of shares reserved for issuance under the Plan, in the number, kind and option price of shares subject to outstanding Options, in the number and kind of shares subject to Annual

Grants pursuant to Section 7 and/or such other equitable substitution or adjustments in the terms of Options as it may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to any Option shall always be a whole number.

11. Change in Control.

(a) **Definition.** For purposes of the Plan, a “**Change in Control**” shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company as provided in Section 409A(2)(A)(v) of the Code and the regulations thereunder and interpretations thereof, as the same may be applicable from time to time.

(b) **Consequences of Change in Control.** Notwithstanding anything in the Plan to the contrary, upon the occurrence of a Change in Control:

(i) all Share Units credited to a Share Account shall be converted into Common Stock and together with all Deferred Amounts credited to a Cash Account shall be transferred as soon as practicable to each Director;

(ii) Fees earned in respect of the calendar quarter in which the Change in Control occurs shall be paid in cash as soon as practicable; and

(iii) all Options shall immediately vest and become exercisable in full.

(c) **Definition Modified to Extent Required by Section 409A of the Code.**

Notwithstanding the foregoing, to the extent necessary to comply with Section 409A of the Code, in the case of any payment hereunder that in the determination of the Company would be considered “nonqualified deferred compensation” subject to Section 409A and as to which, in the determination of the Company, the requirements of Section 409A(a)(2)(A)(v) of the Code would apply, an event or occurrence described above shall be considered a “Change of Control” only if it also constitutes a change of ownership or effective control of the Company, or a change in ownership of the Company’s assets, described in Section 409A(a)(2)(A)(v) of the Code.

12. Term of Plan. This Plan shall be effective as of the Effective Date, subject to approval of the Plan by the shareholders of the Company at the first annual meeting of shareholders after the Effective Date. The Plan shall terminate on December 31, 2011, unless earlier terminated by the Board. Notwithstanding the Plan’s termination, amounts shall be delivered pursuant to any Deferral Election made prior to the Plan’s termination in accordance with such election. Options may be granted under the Plan at any time prior to the termination of the Plan. Deferral Elections and Share Elections may not be made for any Fees which would be paid following the date of the termination of the Plan. If the shareholders of the Company do not approve this Plan, then this Plan shall be void, all Share Elections and Deferral Elections made with respect to this Plan shall be deemed to be Share Elections and Deferral Elections under the 1997 Plan, and all shares of Common Stock issued, Share Units credited to a Director’s Share Account, and Fees credited to a Director’s Cash Account under this Plan shall be deemed to have been issued and credited under the 1997 Plan.

13. Amendment; Termination. The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; *provided, however*, that no amendment which is required by any regulation, law or stock exchange rule to be approved by shareholders shall be effective unless it is approved by the shareholders of the Company entitled to vote thereon. Notwithstanding the foregoing, no amendment shall affect adversely any of the rights of any Director, under any option or under any election theretofore in effect under the Plan, or with respect to Deferred Amounts, without such

Director's consent.

14. *Nontransferability.* No Option, or right or interest of any Director in Deferred Amounts, shall be transferable by a Director other than (i) by will or by the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order (as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended), or (iii) in the case of an Option, as otherwise expressly permitted under the applicable option agreement including, if so permitted, pursuant to a gift to such optionee's family, whether directly or indirectly or by means of a trust or partnership or otherwise. All Options or rights with respect to Deferred Amounts shall be exercisable, during the Director's lifetime, only by the Director or by the guardian or legal representative of the Director or an alternate payee pursuant to a qualified domestic relations order or, in the case of an Option, by any person to whom such Option is transferred pursuant to the preceding sentence. Under the Plan, it is understood that the term "optionee" includes the guardian and legal representative of the Director named in the option agreement and any person to whom an Option is transferred by will or the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise described above.

15. *Beneficiaries.* The Board shall establish such procedures as it deems appropriate for a Director to designate a beneficiary to whom any amounts payable in the event of a Director's death are to be paid or by whom any Options held by a Director may be exercised following his or her death. Directors shall make a beneficiary election with respect to Deferred Amounts at the same time that a Deferral Election is made.

16. *Compliance with Law, Etc.* Notwithstanding any other provision of the Plan or agreements made pursuant hereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Common Stock under the Plan prior to fulfillment of all of the following conditions:

(a) the listing, or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange or such other securities exchange or NASDAQ as may at the time be the principal market for Common Stock;

(b) any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Board shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(c) the obtaining of any other consent, approval, or permit from any state or federal governmental agency, which the Board shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

17. *Notice.* Any written notice to the Company required by any of the provisions of the Plan shall be addressed to the Secretary of the Company and shall become effective when it is received.

18. *Governing Law.* The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware, without reference to principles of conflict of laws, and shall be construed accordingly.

19. *Headings.* The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

20. *Termination of the 1997 Plan.* If the shareholders of the Company approve this Plan as provided in Section 12 hereof, the 1997 Plan shall terminate in accordance with Section 12 thereof as of the date of such approval. In that case, Share Accounts and Cash Accounts maintained under the 1997 Plan shall be converted to and maintained as Share Accounts and Cash Accounts under this Plan. If the shareholders of the Company do not approve this Plan, then the 1997 Plan shall continue in full force and effect until terminated in accordance with the provisions thereof, all grants of options made pursuant to Sections 5(d) and 5(e) shall be null and void, and all Share Elections and Deferral Elections made under this Plan shall be deemed to have been made under the 1997 Plan.

21. *Savings Clause.* This Plan is intended to comply in all respects with Section 409A of the Code and will be administered and interpreted consistent with that intent.

AMENDED AND RESTATED

CHANGE OF CONTROL EMPLOYMENT AGREEMENT

This **AGREEMENT** is made in duplication by and between **Intermec, Inc.**, a Delaware corporation, and _____ (the “**Executive**”) as of the _____ day of _____, 20____ (the “Effective Date”).

WHEREAS, the Board of Directors of Intermec, Inc. has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below);

WHEREAS, the Board of Directors of Intermec, Inc. believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations;

WHEREAS, the Company and the Executive are parties to a Change of Control Employment Agreement dated as of _____, _____ (the “**Original Agreement**”);

WHEREAS, the Company and the Executive desire to amend and restate the Original Agreement so that this Agreement will replace the Original Agreement in its entirety;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Definitions.

1.1 “Accounting Firm” means (i) the independent certified public accounting firm serving the Company immediately prior to the Change of Control Date or (ii) an independent certified public accounting firm selected by the Executive pursuant to Section 7(c) of this Agreement.

1.2 “Accrued Obligations” has the meaning set forth in Section 6(a)(i) of this Agreement.

1.3 “Affiliate” means a Person that Controls or is Controlled by or is under common Control with Intermec, Inc.

1.4 “Agreement” means this Amended and Restated Change of Control and Employment Agreement.

1.5 “Annual Base Salary” has the meaning set forth in Section 4(b)(i) of this Agreement.

1.6 “Annual Bonus” has the meaning set forth in Section 4(b)(ii) of this Agreement.

1.7 “Benefits” means Fringe Benefits, Retirement Benefits, and/or Welfare Benefits.

1.8 “Board” means the Board of Directors of Intermec, Inc. and its Successors.

1.9 “Business Combination” means a reorganization, merger, or consolidation or sale or other disposition of all or substantially all of the assets of the Company.

1.10 “Cause” has the meaning set forth in Section 5(b) of this Agreement.

1.11 “Change of Control” has the meaning set forth in Section 2 of this Agreement.

1.12 “Change of Control Date” means (i) the effective date of a Change of Control or (ii) if, the Company terminates the Executive’s employment or reduces Executive’s Annual Base Salary, Annual Bonus, Opportunities or Benefits without Cause prior to the effective date of a Change of Control and if it is reasonably demonstrated by the Executive that such termination or reduction (A) was at the request of a third party who had taken steps reasonably calculated to effect a Change of Control or (B) otherwise arose in connection with or in anticipation of a Change of Control, then “Change of Control Date” means the date immediately prior to the date of such termination or reduction.

1.13 “Company” means Intermec, Inc., its Successors and its Affiliates.

1.14 “Control” means (i) beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act), directly or indirectly, of 30% or more of a Person’s then outstanding voting equity generally entitled to vote in the election of directors (or other participants of the managing authority) or (ii) acquisition of actual control of the operations of a Person whether by means of contract or otherwise or (iii) acquisition of control of a Person through a merger or consolidation or (iv) acquisition of all or substantially all of a Person’s assets.

1.15 “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination, and (iii) if the Executive’s employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be; provided, however, that, when the event of termination occurs in the fourth calendar quarter of the year, the Date of Termination is January 1 of the following year.

1.16 “Disability” means the absence of the Executive from the Executive’s duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive’s legal representative.

1.17 “Disability Effective Date” means the 30th day after the Executive’s receipt of the Company’s notice of intent to terminate the Executive’s employment pursuant to Section 5(a) of this Agreement.

1.18 “Dispute” means disagreement, dispute, controversy, suit, action, proceeding or claim arising out of or relating to this Agreement or the interpretation of this Agreement.

1.19 “Effective Date” has the meaning set forth in the first sentence of this Agreement.

1.20 “Employment Period” means the period beginning on the Change of Control Date and ending on the second anniversary of such Change of Control Date.

1.21 “ERISA Sections 601-608” means Sections 601-608 of the Employee Retirement Income Security Act of 1974, as amended.

1.22 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.23 “Excess Parachute Payment” means an excess parachute payment within the meaning of IRC Section 280G.

1.24 “Excise Tax” means the excise tax imposed by IRC Section 4999.

1.25 “Executive” has the meaning set forth in the first sentence of this Agreement.

1.26 “Executive’s Principal Location” means the location where the Executive was employed on the business day immediately preceding the Change of Control Date.

1.27 “Fringe Benefit Plan” means any plan, practice, program or policy maintained by the Company with respect to fringe benefits, including, without limitation, tax and financial planning services and payment of related expenses.

1.28 “Good Reason” has the meaning set forth in Section 5(c) of this Agreement.

1.29 “Incentive Compensation Plans” means incentive (including stock option or similar incentive plans), savings and retirement plans, practices, policies and programs maintained by the Company, including, without limitation, the Management Incentive Compensation Plan.

1.30 “Incumbent Board” has the meaning set forth in Section 2(b) of this Agreement.

1.31 “IRC” means the Internal Revenue Code of 1986 as amended.

1.32 “IRC Section 1274(b)(2)(B)” means Section 1274(b)(2)(B) of the IRC.

1.33 “IRC Section 1274 (d)” means Section 1274(d) of the IRC.

1.34 “IRC Section 409A” means Section 409A of the IRC.

1.35 “IRC Section 4980B means Section 4980B of the IRC.

1.36 “IRC Section 4999” means Section 4999 of the IRC.

1.37 “IRC Interest Rate” means the applicable federal interest rate provided for delayed payment in Section 7872(f)(2)(A) of the IRC.

1.38 “IRS” means the U.S. Internal Revenue Service.

1.39 “Management Incentive Compensation Plan” means the Intermec, Inc. Management Incentive Compensation Plan (effective for the 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or

other short-term cash incentive awards during the last three full fiscal years prior to the Change of Control Date.

1.40 “Net After-Tax Benefit” has the meaning set forth in Section 7(a) of this Agreement.

1.41 “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date will be not more than thirty days after the giving of such notice).

1.42 “Opportunities” means the opportunity to (i) obtain regular or special incentive compensation under the Company’s Incentive Compensation Plans, (ii) obtain regular or special retirement benefits under the Company’s Retirement Plans, (iii) save through the Company’s Savings Plans and/or (iv) obtain regular or special benefits under the Company’s Welfare Benefit Plans.

1.43 “Other Benefits” has the meaning set forth in Section 6(a)(iv) of this Agreement.

1.44 “Outstanding Company Common Stock” has the meaning set forth in Section 2(a)(i) of this Agreement.

1.45 “Outstanding Company Voting Securities” has the meaning set forth in Section 2(a)(ii) of this Agreement.

1.46 “Parachute Payment” means “parachute payment” within the meaning of IRC Section 280G.

1.47 “Parachute Value” means the present value as of the date of the Change of Control of the portion of the Payment that constitutes a “parachute payment” under IRC Section 280G(b)(2), as determined by the Accounting Firm in accordance with IRC Section 280G(b)(2).

1.48 “Payment” has the meaning set forth in Section 7(a) of this Agreement.

1.49 “Person” has the meaning set forth in Section 2(a) of this Agreement.

1.50 “Plan” means Fringe Benefit Plan, Incentive Compensation Plan, Retirement Plan, Savings Plan, Severance Plan, Vacation Plan and/or Welfare Benefit Plan.

1.51 “Reduced Amount” means an amount expressed in present value which maximizes the aggregate present value of Payments without causing any Payment to be subject to Excise Tax.

1.52 “Repayment Amount” has the meaning set forth in Section 7(c) of this Agreement.

1.53 “Retirement Benefits” means any compensation a retiree is eligible to receive under a Retirement Plan.

1.54 “Retirement Plan” means any qualified or non-qualified defined benefit retirement plan maintained by the Company, including but not limited to the Intermec, Inc. Pension Plan,

the Intermec, Inc. Supplemental Executive Retirement Plan and the Intermec, Inc. Restoration Plan.

1.55 “Safe Harbor Amount” means the maximum dollar amount of Payments in the nature of compensation that are contingent on a Section 280G Change of Control and may be paid or distributed to the Executive without imposition of the Excise Tax.

1.56 “Savings Plan” means any qualified or non-qualified savings program maintained by the Company, including but not limited to the Intermec, Inc. Financial Security and Savings Program.

1.57 “Section 280G Change of Control” means a change of control within the meaning of IRC Section 280G.

1.58 “Section 280G Compensation” means compensation within the meaning of IRC Section 280G.

1.59 “SERP” means any excess or supplemental retirement plan maintained by the Company.

1.60 “Severance Plan” means any plan, practice, policy or program under which the Company provides benefits to employees following the Company’s termination of their employment.

1.61 “Successor” means a Person that acquires Control of the Company.

1.62 “Vacation Plan” means any plan, practice, policy or program maintained by the Company with respect to employee vacations.

1.63 “Welfare Benefit Plan” means any welfare benefit plan, practice, policy or program provided by the Company to its employees (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs)

1.64 “Willful” has the meaning set forth in Section 5(b) of this Agreement.

2. Change of Control. For the purpose of this Agreement, the term “**Change of Control**” means:

(a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust)

sponsored or maintained by the Company, or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the Effective Date whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“**Business Combination**”); excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The consummation of a complete liquidation or dissolution of the Company.

3. Employment Period. Subject to the terms and conditions of this Agreement, the Company agrees to continue the Executive in its employ, and the Executive agrees to remain in the employ of the Company for the duration of the Employment Period.

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive’s position (including status, offices, titles, and reporting requirements), authority, duties, and responsibilities will be at least

commensurate in all material respects with the most significant of those held, exercised, and assigned at any time during the 120-day period immediately preceding the Change of Control Date and (B) the Executive's services will be performed at the Executive's Principal Location or at any office or location that is 25 miles or less from the Executive's Principal Location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it will not be a violation of this Agreement for the Executive to (A) serve on corporate, civic, or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements, or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Change of Control Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Change of Control Date will not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive will receive from the Company an annual base salary ("**Annual Base Salary**"), (which will be paid at a monthly rate) at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company in the 12-month period immediately preceding the Change of Control Date. During the Employment Period, the Annual Base Salary will be reviewed by the Company no more than 12 months after the last salary increase awarded to the Executive prior to the Change of Control Date and thereafter at least annually. Any increase in the Executive's Annual Base Salary will not limit or reduce any of the Company's other obligations to the Executive under this Agreement. The Annual Base Salary will not be reduced after any such increase and, as used in this Agreement, the term "**Annual Base Salary**" means the Annual Base Salary as so increased.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive will be awarded, for each fiscal year ending during the Employment Period, an annual bonus in cash equal to the Target Bonus (as that term is defined in the Management Incentive Compensation Plan) applicable to the Executive for the fiscal year, or if the Management Incentive Compensation Plan is not in effect for such fiscal year, the target bonus or award which the Executive would earn for such year under any incentive plan or arrangement in which the Executive participates or is eligible to participate pursuant to Section 4(b)(iii) assuming the attainment of any performance goals or similar criteria to the extent necessary for the Executive to qualify to receive the target award thereunder. The amount which described in the preceding sentence is hereinafter called the "**Annual Bonus**."

(iii) Incentive, Savings, and Retirement Plans. During the Employment Period, the Executive will be entitled to participate in all Incentive Compensation Plans applicable generally to other peer executives of the Company, but in no event will such plans provide the Executive with Incentive Compensation Plan Opportunities, Savings Plan Opportunities and Retirement Plan Opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company for the Executive under such plans as in effect at

any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, those provided generally at any time on or after the Change of Control Date to other peer executives of the Company.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, will be eligible for participation in and will receive all benefits under the Company's Welfare Benefit Plans to the extent applicable generally to other peer executives of the Company, but in no event will such plans, practices, policies, and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies, and programs in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, those provided generally at any time on or after the Change of Control Date to other peer executives of the Company.

(v) Expenses. During the Employment Period, the Executive will be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices, and procedures of the Company in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, on or after the Change of Control Date with respect to other peer executives of the Company.

(vi) Fringe Benefits. During the Employment Period, the Executive will be entitled to fringe benefits, including, without limitation, if applicable, tax and financial planning services in accordance with the most favorable Plans of the Company in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

(vii) Office and Support Staff. During the Employment Period, the Executive will be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as provided generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

(viii) Vacation. During the Employment Period, the Executive will be entitled to paid vacation in accordance with the most favorable Plan of the Company as in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

5. Termination of Employment.

(a) Death or Disability. Subject to Section 5(d) of this Agreement, the Executive's employment will terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period, it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company will terminate

effective on the Disability Effective Date, unless, prior to such date, the Executive has returned to the full-time performance of his or her duties.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "**Cause**" means:

(i) the Willful and continued failure of the Executive to perform substantially the Executive's duties with 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 or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the Willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, will be considered "**Willful**" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive will not be deemed to be for Cause unless and until there will have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. During the Employment Period, the Executive may terminate his or her employment with the Company (by resignation or retirement) for Good Reason. For purposes of this Agreement, "**Good Reason**" means

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles, and reporting requirements), authority, duties, or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties, or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) the Company's failure to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial, and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's reduction of the Executive's Annual Base Salary, Annual Bonus, Opportunities, Retirement Benefits or Welfare Benefits without Cause;

(iv) the Company's failure to continue in effect any Incentive Compensation Plan (other than equity-based plans), Retirement Plan or Savings Plan in which Executive was eligible to participate on the Change of Control Date, unless an equitable on-going substitute or alternative plan applicable to the Executive was previously adopted by the Company;

(v) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Change of Control Date;

(vi) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(vii) any failure by the Company to comply with and satisfy Section 14(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of Good Reason made by the Executive will be conclusive. Notwithstanding any other provision of this Agreement, the Executive's resignation or termination for any reason whatsoever during the 12-month period following the Change of Control Date will be deemed to be a termination for Good Reason for all purposes of this Agreement.

The Executive's continued employment during the Employment Period will not constitute and will not be deemed to be consent to or a waiver of rights with respect to any fact or circumstance constituting grounds for the Executive's termination of his or her employment pursuant to this Section 5(c).

(d) Executive's Right To Terminate During Disability. The Executive's Disability during the Employment Period will not end or otherwise impair his or her right to terminate his or her employment with the Company based on any fact or circumstance constituting grounds for such termination pursuant to Section 5(c).

(e) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, will be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause will not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

6. Obligations of the Company Upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company terminates the Executive's employment other than for Cause or Disability or the Executive terminates employment for Good Reason:

(i) the Company will pay to the Executive the sum of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Annual Bonus, and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, in each case to the extent not

theretofore paid and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), any awards under the Management Incentive Compensation Plan or any comparable or successor plan and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. The lump sum cash amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Annual Bonus, or if higher, any bonus paid with respect to any fiscal year during the Employment Period; and

C. Utilizing actuarial assumptions no less favorable to the Executive than those in effect immediately prior to the Change of Control Date, a lump sum cash amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's Retirement Plan and SERP which the Executive would receive if the Executive's employment continued for two years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the two years is that required by Section 4(b)(i) and Section 4(b)(ii), over (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of Termination;

(ii) for two years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate Welfare Benefit Plan, the Company will continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the Welfare Benefit Plans described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and their families, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer's plan, the Welfare Benefits described in this Section 6(c)(ii) will be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for Retirement Benefits, the Executive will be considered to have remained employed by the Company until two years after the Date of Termination and to have retired on the last day of such period. At the termination of the medical and dental benefits described in this Section 4.2(b)(ii), the Executive and his or her family will be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Sections 601-608 and under any other applicable law as if the Termination Date was the date on which such medical and dental benefits expired. In the event you are ineligible under the terms of such benefit plans or programs to continue to be so covered, the Company will provide you with substantially equivalent coverage through other sources or will provide you with a lump-sum payment in such amount that, after all income taxes on that amount, will be equal to the cost of providing yourself such benefit coverage. The lump sum will be determined on a present value basis using the interest rate provided in IRC Section 1274(b)(2)(B) as of the Date of Termination.

(iii) the Company will, at its sole expense and up to the end of the second calendar year after the calendar year containing the Date of Termination, provide the Executive with reasonable outplacement services the scope and provider of which will be selected by the Executive in his or her sole discretion; and

(iv) subject to Section 9(b), the Company will pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible

to receive under any plan, program, policy, or practice or contract or agreement of the Company (such other amounts and benefits will be hereinafter referred to as the “**Other Benefits**”).

(b) Death. If the Executive’s employment is terminated by reason of the Executive’s death during the Employment Period, this Agreement will terminate without further obligations to the Executive’s legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations will be paid to the Executive’s estate or beneficiary, as applicable, in a lump sum in cash. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) will include, without limitation, and the Executive’s estate and/or beneficiaries will be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices, and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive’s estate and/or the Executive’s beneficiaries, as in effect on the date of the Executive’s death with respect to other peer executives of the Company and their beneficiaries.

(c) Disability. If the Executive’s employment is terminated by reason of the Executive’s Disability during the Employment Period, this Agreement will terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations will be paid to the Executive in a lump sum in cash. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) will include, and the Executive will be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company to disabled executives and/or their families in accordance with such plans, programs, practices, and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive and/or the Executive’s family, as in effect at any time thereafter generally with respect to other peer executives of the Company and their families.

(d) Cause; Other than for Good Reason. If the Executive’s employment is terminated for Cause during the Employment Period or if the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement will terminate without further obligations to the Executive other than the obligation to pay to the Executive the sum of (x) his or her Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. In such case, all Accrued Obligations will be paid to the Executive in a lump sum in cash.

7. Conditional Cap On Payments.

(a) Subject to Section 7(b), if it is determined that any payment or distribution in the nature of Section 280G Compensation by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 7) (a “**Payment**”) would constitute an **Excess Parachute Payment** and, but for this Section 7, would be subject to Excise Tax, then such Payments will be reduced to the Reduced Amount but only if, by reason of such reduction, the net after-tax benefit to the Executive

exceeds the net after-tax benefit which would be received by the Executive if no such reduction was made. For the purposes of this Section 7, the term “**net after-tax benefit**” means (i) the total Payments the Executive receives or is entitled to receive that would constitute Parachute Payments less (ii) the amount of all federal, state and local income and employment taxes payable by the Executive with respect to the total Payments calculated at the highest marginal income tax rate for each year in which the Payments will be paid to the Executive (based on the rate in effect for such year as set forth in the IRC as in effect at the time of the first Payment), less (iii) the Excise Taxes imposed by IRC Section 4999 with respect to the Payments. Unless the Executive elects another reduction method by giving written notice thereof to the Company prior to the Change of Control Date, the Company will reduce the Payments to the Reduced Amount by first reducing Payments that are not payable in cash and then by reducing cash Payments. Only amounts payable under this Agreement that are Section 280G Compensation and are contingent on a Section 280G Change of Control will be reduced pursuant to this Section 7(a).

(b) All determinations required to be made under this Section 7, including whether and when Payments will be reduced to the Reduced Amount and the amount of such reduction and the assumptions to be utilized in arriving at such determination, will be made by the Accounting Firm which will provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company that there will be a Payment, or at such earlier time as the Company may request. 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 Executive will appoint another independent certified accounting firm to make the determinations required hereunder. All fees and expenses of the Accounting Firm will be borne solely by the Company. Subject to Section 7(c), the Accounting Firm’s determination will be conclusive and binding upon the Company and the Executive.

(c) If the IRS determines that Executive is liable for Excise Tax as a result of receipt of a Payment, Executive will be obligated to pay to the Company the smallest such amount, if any, as is required to be paid to the Company so that the Executive’s net proceeds with respect to any Payments (after taking the payment of the Excise Tax on such Payments) is maximized (the “**Repayment Amount**”); provided, however, that the Repayment Amount will be zero if a Repayment Amount greater than zero would not eliminate the Excise Tax imposed on such Payment. If the Repayment Amount is greater than zero, the Executive will pay that amount within 30 days of the date that the Executive enters into a binding agreement with the IRS as to the amount of the Executive’s Excise Tax liability or within 30 days of receiving a final determination by the IRS or a court of competent jurisdiction requiring the Executive to pay the Excise Tax with respect to a Payment from which no appeal is available or is timely taken. If the Excise Tax is not eliminated through the payment of the Repayment Amount, the Executive will pay the Excise Tax.

8. Timing of Payments Due To Executive; Taxes.

(a) Subject to Section 8(b) of this Agreement, payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary under Section 6(a)(i) of this Agreement will be made not later than 30 days after the Date of Termination. All other payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary pursuant to this Agreement will be made at the time and in the manner specified herein or in the applicable Plan.

(b) Notwithstanding anything to the contrary in this Agreement, any cash payments (other than Accrued Obligations) due to the Executive under this

Agreement on or within the 6-month period following the Executive's separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations promulgated thereunder) will accrue during such 6-month period and will become payable in a lump sum payment on the first day of the seventh month following such separation from service.

(c) If, for any reason, the taxes described in IRC Section 409A are imposed with respect to payments due to the Executive or his or her legal representative, estate or beneficiaries, the Executive and his or her legal representative, estate and beneficiary are solely responsible for payment of such taxes and any interest or penalties related thereto. Subject to Section 7, all federal, state, local and foreign taxes are the sole responsibility of the Executive and his or her legal representative, estate or beneficiaries.

(d) The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as are required to be withheld pursuant to applicable laws and regulations.

9. Non-exclusivity of Rights; No Double Benefits.

(a) Subject to Section 9(b), nothing in this Agreement prevents or limits the Executive's continuing or future participation in any Plan maintained by the Company and for which the Executive may qualify, nor will anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any the Company at or subsequent to the Date of Termination will be payable in accordance with the applicable Plan unless this Agreement provides otherwise.

(b) If, in addition to this Agreement, another agreement requires the Company to make payments or provide other benefits to the Executive as a result of a Change of Control or, if a Severance Plan requires the Company to make payments or provide other benefits to the Executive on termination of the Executive's employment for reasons other than Cause, the Executive will receive the benefits of this Agreement if and only the Executive waives in writing all rights to the benefits of such other agreement or Severance Plan. The Company shall also have the right to offset the benefits of this Agreement in the absence of such a waiver.

10. No Offsets. Excepted as provided under Section 9(b), the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder will not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action which the Company may have against the Executive or others.

11. Mitigation Not Required. In no event will the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts will not be reduced whether or not the Executive obtains other employment.

12. Compensation During Dispute; Legal Fees.

(a) Subject to Section 8(b), in the event of a Dispute, the Company will pay the Executive fifty percent (50%) of the amounts payable under Section 6 and will provide the Executive with all of the benefits specified in Section 6 if, but only if, the Executive agrees in writing that, if the Dispute is resolved in the Company's favor, the Executive will promptly

reimburse the Company for the excess payments and benefits together with interest thereon at the rate specified in IRC Section 1274(d). If the Dispute is resolved in the Executive's favor, the Company will promptly pay the Executive the amount that was withheld during the Dispute together with interest thereon at the rate specified in IRC Section 1274(d).

(b) The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable rate set forth in IRC Section 7872(f)(2)(A).

13. At Will Employment; Termination. The Executive and the Company acknowledge and agree that the employment of the Executive by the Company is "at will" and the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Change of Control Date, in which case the Executive will have no further rights under this Agreement.

14. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company cannot be assigned or otherwise transferred by the Executive except by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by the Executive's legal representatives, estate and beneficiaries.

(b) This Agreement will inure to the benefit of and be binding upon the Company, its Successors and assigns.

(c) The Company will require any Successor 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 Change of Control had occurred.

15. Confidential Information. The Executive will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge, or data relating to the Company, and their respective businesses, which will have been obtained by the Executive during the Executive's employment by the Company and which will not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive will not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge, or data to anyone other than the Company and those designated by it. In no event will an asserted violation of the provisions of this Section 15 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

16. Miscellaneous.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

(b) No suit, action, proceeding or claim arising under or by reason of this Agreement may be brought by any party or any third party in any place other than the state or federal

courts located in Seattle, Washington. The parties irrevocably consent to the jurisdiction and venue of such courts in connection with any such suit, action, proceeding or claim.

(c) The captions of this Agreement are not part of the provisions hereof and will have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(d) All notices and other communications hereunder will be in writing and will be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company: Intermec, Inc.
Attention: SVP and Chief Financial Officer
6001 36th Avenue West
Everett, WA 98203-1264

With a copy to: Intermec, Inc.
Attention: SVP, General Counsel and Secretary
6001 36th Avenue West
Everett, WA 98203-1264

or to such other address as either party will have furnished to the other in writing in accordance herewith. Notice and communications will be effective when actually received by the addressee.

(e) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vii) of this Agreement, will not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) This Agreement supercedes the Original Agreement in its entirety. Furthermore, this Agreement constitutes a single, integrated contract expressing the entire agreement of the parties with respect to the subject matter hereof and supercedes all prior or contemporaneous oral and written agreements and discussions with respect to the subject matter hereof and, except as explicitly set forth herein, there are no other agreements, written or oral, express or implied between the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

[Executive]

Intermec, Inc.

By _____
Lanny H. Michael
Senior Vice President and
Chief Financial Officer

AMENDED AND RESTATED

CHANGE OF CONTROL EMPLOYMENT AGREEMENT

This **AGREEMENT** is made in duplicate by and between **Intermec, Inc.**, a Delaware corporation, and _____ (the "**Executive**") as of the _____ day of _____, 20____ (the "**Effective Date**").

WHEREAS, the Board of Directors of Intermec, Inc. has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below);

WHEREAS, the Board of Directors of Intermec, Inc. believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations;

WHEREAS, the Company and the Executive are parties to a Change of Control Employment Agreement dated as of _____, _____ (the "**Original Agreement**");

WHEREAS, the Company and the Executive desire to amend and restate the Original Agreement so that this Agreement will replace the Original Agreement in its entirety;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Definitions.

1.1 "Accounting Firm" means (i) the independent certified public accounting firm serving the Company immediately prior to the Change of Control Date or (ii) an independent certified public accounting firm selected by the Executive pursuant to Section 7(c) of this Agreement.

1.2 "Accrued Obligations" has the meaning set forth in Section 6(a)(i) of this Agreement.

1.3 "Affiliate" means a Person that Controls or is Controlled by or is under common Control with Intermec, Inc.

1.4 "Agreement" means this Amended and Restated Change of Control and Employment Agreement.

1.5 "Annual Base Salary" has the meaning set forth in Section 4(b)(i) of this Agreement.

1.6 "Annual Bonus" has the meaning set forth in Section 4(b)(ii) of this Agreement.

1.7 "Benefits" means Fringe Benefits, Retirement Benefits, and/or Welfare Benefits.

1.8 "Board" means the Board of Directors of Intermec, Inc. and its Successors.

1.9 “Business Combination” means a reorganization, merger, or consolidation or sale or other disposition of all or substantially all of the assets of the Company.

1.10 “Cause” has the meaning set forth in Section 5(b) of this Agreement.

1.11 “Change of Control” has the meaning set forth in Section 2 of this Agreement.

1.12 “Change of Control Date” means (i) the effective date of a Change of Control or (ii) if, the Company terminates the Executive’s employment or reduces Executive’s Annual Base Salary, Annual Bonus, Opportunities or Benefits without Cause prior to the effective date of a Change of Control and if it is reasonably demonstrated by the Executive that such termination or reduction (A) was at the request of a third party who had taken steps reasonably calculated to effect a Change of Control or (B) otherwise arose in connection with or in anticipation of a Change of Control, then “Change of Control Date” means the date immediately prior to the date of such termination or reduction.

1.13 “Company” means Intermec, Inc., its Successors and its Affiliates.

1.14 “Control” means (i) beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act), directly or indirectly, of 30% or more of a Person’s then outstanding voting equity generally entitled to vote in the election of directors (or other participants of the managing authority) or (ii) acquisition of actual control of the operations of a Person whether by means of contract or otherwise or (iii) acquisition of control of a Person through a merger or consolidation or (iv) acquisition of all or substantially all of a Person’s assets.

1.15 “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination, and (iii) if the Executive’s employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be; provided, however, that, when the event of termination occurs in the fourth calendar quarter of the year, the Date of Termination is January 1 of the following year.

1.16 “Disability” means the absence of the Executive from the Executive’s duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive’s legal representative.

1.17 “Disability Effective Date” means the 30th day after the Executive’s receipt of the Company’s notice of intent to terminate the Executive’s employment pursuant to Section 5(a) of this Agreement.

1.18 “Dispute” means disagreement, dispute, controversy, suit, action, proceeding or claim arising out of or relating to this Agreement or the interpretation of this Agreement.

1.19 “Effective Date” has the meaning set forth in the first sentence of this Agreement.

1.20 “Employment Period” means the period beginning on the Change of Control Date and ending on the second anniversary of such Change of Control Date.

1.21 “ERISA Sections 601-608” means Sections 601-608 of the Employee Retirement Income Security Act of 1974, as amended.

1.22 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.23 “Excess Parachute Payment” means an excess parachute payment within the meaning of IRC Section 280G.

1.24 “Excise Tax” means the excise tax imposed by IRC Section 4999.

1.25 “Executive” has the meaning set forth in the first sentence of this Agreement.

1.26 “Executive’s Principal Location” means the location where the Executive was employed on the business day immediately preceding the Change of Control Date.

1.27 “Fringe Benefit Plan” means any plan, practice, program or policy maintained by the Company with respect to fringe benefits, including, without limitation, tax and financial planning services and payment of related expenses.

1.28 “Good Reason” has the meaning set forth in Section 5(c) of this Agreement.

1.29 “Incentive Compensation Plans” means incentive (including stock option or similar incentive plans), savings and retirement plans, practices, policies and programs maintained by the Company, including, without limitation, the Management Incentive Compensation Plan.

1.30 “Incumbent Board” has the meaning set forth in Section 2(b) of this Agreement.

1.31 “IRC” means the Internal Revenue Code of 1986 as amended.

1.32 “IRC Section 1274(b)(2)(B)” means Section 1274(b)(2)(B) of the IRC.

1.33 “IRC Section 1274 (d)” means Section 1274(d) of the IRC.

1.34 “IRC Section 409A” means Section 409A of the IRC.

1.35 “IRC Section 4980B means Section 4980B of the IRC.

1.36 “IRC Section 4999” means Section 4999 of the IRC.

1.37 “IRC Interest Rate” means the applicable federal interest rate provided for delayed payment in Section 7872(f)(2)(A) of the IRC.

1.38 “IRS” means the U.S. Internal Revenue Service.

1.39 “Management Incentive Compensation Plan” means the Intermec, Inc. Management Incentive Compensation Plan (effective for the 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or other short-term cash incentive awards during the last three full fiscal years prior to the Change of Control Date.

1.40 “Net After-Tax Benefit” has the meaning set forth in Section 7(a) of this Agreement.

1.41 “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date will be not more than thirty days after the giving of such notice).

1.42 “Opportunities” means the opportunity to (i) obtain regular or special incentive compensation under the Company’s Incentive Compensation Plans, (ii) obtain regular or special retirement benefits under the Company’s Retirement Plans, (iii) save through the Company’s Savings Plans and/or (iv) obtain regular or special benefits under the Company’s Welfare Benefit Plans.

1.43 “Other Benefits” has the meaning set forth in Section 6(a)(iv) of this Agreement.

1.44 “Outstanding Company Common Stock” has the meaning set forth in Section 2(a)(i) of this Agreement.

1.45 “Outstanding Company Voting Securities” has the meaning set forth in Section 2(a)(ii) of this Agreement.

1.46 “Parachute Payment” means “parachute payment” within the meaning of IRC Section 280G.

1.47 “Parachute Value” means the present value as of the date of the Change of Control of the portion of the Payment that constitutes a “parachute payment” under IRC Section 280G(b)(2), as determined by the Accounting Firm in accordance with IRC Section 280G(b)(2).

1.48 “Payment” has the meaning set forth in Section 7(a) of this Agreement.

1.49 “Person” has the meaning set forth in Section 2(a) of this Agreement.

1.50 “Plan” means Fringe Benefit Plan, Incentive Compensation Plan, Retirement Plan, Savings Plan, Severance Plan, Vacation Plan and/or Welfare Benefit Plan.

1.51 “Reduced Amount” means an amount expressed in present value which maximizes the aggregate present value of Payments without causing any Payment to be subject to Excise Tax.

1.52 “Repayment Amount” has the meaning set forth in Section 7(c) of this Agreement.

1.53 “Retirement Benefits” means any compensation a retiree is eligible to receive under a Retirement Plan.

1.54 “Retirement Plan” means any qualified or non-qualified defined benefit retirement plan maintained by the Company, including but not limited to the Intermec, Inc. Pension Plan, the Intermec, Inc. Supplemental Executive Retirement Plan and the Intermec, Inc. Restoration Plan.

1.55 “Safe Harbor Amount” means the maximum dollar amount of Payments in the nature of compensation that are contingent on a Section 280G Change of Control and may be paid or distributed to the Executive without imposition of the Excise Tax.

1.56 “Savings Plan” means any qualified or non-qualified savings program maintained by the Company, including but not limited to the Intermed, Inc. Financial Security and Savings Program.

1.57 “Section 280G Change of Control” means a change of control within the meaning of IRC Section 280G.

1.58 “Section 280G Compensation” means compensation within the meaning of IRC Section 280G.

1.59 “SERP” means any excess or supplemental retirement plan maintained by the Company.

1.60 “Severance Plan” means any plan, practice, policy or program under which the Company provides benefits to employees following the Company’s termination of their employment.

1.61 “Successor” means a Person that acquires Control of the Company.

1.62 “Vacation Plan” means any plan, practice, policy or program maintained by the Company with respect to employee vacations.

1.63 “Welfare Benefit Plan” means any welfare benefit plan, practice, policy or program provided by the Company to its employees (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs)

1.64 “Willful” has the meaning set forth in Section 5(b) of this Agreement.

2. Change of Control. For the purpose of this Agreement, the term “**Change of Control**” means:

(a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company, or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the Effective Date

whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Business Combination"); excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The consummation of a complete liquidation or dissolution of the Company.

3. Employment Period. Subject to the terms and conditions of this Agreement, the Company agrees to continue the Executive in its employ, and the Executive agrees to remain in the employ of the Company for the duration of the Employment Period.

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles, and reporting requirements), authority, duties, and responsibilities will be at least commensurate in all material respects with the most significant of those held, exercised, and assigned at any time during the 120-day period immediately preceding the Change of Control Date and (B) the Executive's services will be performed at the Executive's Principal Location or at any office or location that is 25 miles or less from the Executive's Principal Location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable

attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it will not be a violation of this Agreement for the Executive to (A) serve on corporate, civic, or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements, or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Change of Control Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Change of Control Date will not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive will receive from the Company an annual base salary ("**Annual Base Salary**"), (which will be paid at a monthly rate) at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company in the 12-month period immediately preceding the Change of Control Date. During the Employment Period, the Annual Base Salary will be reviewed by the Company no more than 12 months after the last salary increase awarded to the Executive prior to the Change of Control Date and thereafter at least annually. Any increase in the Executive's Annual Base Salary will not limit or reduce any of the Company's other obligations to the Executive under this Agreement. The Annual Base Salary will not be reduced after any such increase and, as used in this Agreement, the term "**Annual Base Salary**" means the Annual Base Salary as so increased.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive will be awarded, for each fiscal year ending during the Employment Period, an annual bonus in cash equal to the Target Bonus (as that term is defined in the Management Incentive Compensation Plan) applicable to the Executive for the fiscal year, or if the Management Incentive Compensation Plan is not in effect for such fiscal year, the target bonus or award which the Executive would earn for such year under any incentive plan or arrangement in which the Executive participates or is eligible to participate pursuant to Section 4(b)(iii) assuming the attainment of any performance goals or similar criteria to the extent necessary for the Executive to qualify to receive the target award thereunder. The amount described in preceding sentence is hereinafter called the "**Annual Bonus.**"

(iii) Incentive, Savings, and Retirement Plans. During the Employment Period, the Executive will be entitled to participate in all Incentive Compensation Plans applicable generally to other peer executives of the Company, but in no event will such plans provide the Executive with Incentive Compensation Plan Opportunities, Savings Plan Opportunities and Retirement Plan Opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company for the Executive under such plans as in effect at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, those provided generally at any time on or after the Change of Control Date to other peer executives of the Company.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, will be eligible for participation in and will receive all benefits under the Company's Welfare Benefit Plans to the extent applicable generally to other peer executives of the Company, but in no event will such plans, practices, policies, and

programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies, and programs in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, those provided generally at any time on or after the Change of Control Date to other peer executives of the Company.

(v) Expenses. During the Employment Period, the Executive will be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices, and procedures of the Company in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, on or after the Change of Control Date with respect to other peer executives of the Company.

(vi) Fringe Benefits. During the Employment Period, the Executive will be entitled to fringe benefits, including, without limitation, if applicable, tax and financial planning services in accordance with the most favorable Plans of the Company in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

(vii) Office and Support Staff. During the Employment Period, the Executive will be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as provided generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

(viii) Vacation. During the Employment Period, the Executive will be entitled to paid vacation in accordance with the most favorable Plan of the Company as in effect for the Executive at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect generally at any time on or after the Change of Control Date with respect to other peer executives of the Company.

5. Termination of Employment.

(a) Death or Disability. Subject to Section 5(d) of this Agreement, the Executive's employment will terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period, it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company will terminate effective on the Disability Effective Date, unless, prior to such date, the Executive has returned to the full-time performance of his or her duties.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "**Cause**" means:

(i) the Willful and continued failure of the Executive to perform substantially the Executive's duties with 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 or the Chief Executive Officer of the Company which specifically

identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the Willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, will be considered "**Willful**" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive will not be deemed to be for Cause unless and until there will have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. During the Employment Period, the Executive may terminate his or her employment with the Company (by resignation or retirement) for Good Reason. For purposes of this Agreement, "**Good Reason**" means "good reason" within the meaning of the safe harbor under Section 1.409A-1(n)(2)(ii) of the Treasury Regulations promulgated under Code Section 409A, providing that:

- (i) Separation from service must occur within two years following the initial existence of one or more of the following conditions arising without the consent of the Executive:
 - (a) A material diminution in the Executive's base compensation.
 - (b) A material diminution in the Executive's authority, duties, or responsibilities.
 - (c) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report, including a requirement that an Executive report to a corporate officer or employee instead of reporting directly to the board of directors of a corporation (or similar governing body with respect to an entity other than a corporation).
 - (d) A material diminution in the budget over which the Executive retains authority.
 - (e) A material change in the geographic location at which the Executive must perform the services.
 - (f) Any other action or inaction that constitutes a material breach by the Company of the agreement under which the Executive provides services.

- (ii) The Executive must be required to provide notice to the Company of the existence of the condition described in (i) above within a period not to exceed 90 days of the initial existence of the condition, upon the notice of which the Company must be provided a period of at least 30 days during which it may remedy the condition and not be required to pay the amount.

(d) Executive's Right To Terminate During Disability. The Executive's Disability during the Employment Period will not end or otherwise impair his or her right to terminate his or her employment with the Company based on any fact or circumstance constituting grounds for such termination pursuant to Section 5(c).

(e) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, will be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause will not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

6. Obligations of the Company Upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company terminates the Executive's employment other than for Cause or Disability or the Executive terminates employment for Good Reason:

- (i) the Company will pay to the Executive the sum of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Annual Bonus, and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, in each case to the extent not theretofore paid and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), any awards under the Management Incentive Compensation Plan or any comparable or successor plan and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. The lump sum cash amount equal to the product of (1) two and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Annual Bonus, or if higher, any bonus paid with respect to any fiscal year during the Employment Period; and

C. Utilizing actuarial assumptions no less favorable to the Executive than those in effect immediately prior to the Change of Control Date, a lump sum cash amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's Retirement Plan and SERP which the Executive would receive if the Executive's employment continued for two years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the two years is that required by Section 4(b)(i) and Section 4(b)(ii), over (b) the actuarial

equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of Termination;

(ii) for two years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate Welfare Benefit Plan, the Company will continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the Welfare Benefit Plans described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and their families, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer's plan, the Welfare Benefits described in this Section 6(c)(ii) will be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for Retirement Benefits, the Executive will be considered to have remained employed by the Company until two years after the Date of Termination and to have retired on the last day of such period. At the termination of the medical and dental benefits described in this Section 4.2(b)(ii), the Executive and his or her family will be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Sections 601-608 and under any other applicable law as if the Termination Date was the date on which such medical and dental benefits expired. In the event you are ineligible under the terms of such benefit plans or programs to continue to be so covered, the Company will provide you with substantially equivalent coverage through other sources or will provide you with a lump-sum payment in such amount that, after all income taxes on that amount, will be equal to the cost of providing yourself such benefit coverage. The lump sum will be determined on a present value basis using the interest rate provided in IRC Section 1274(b)(2)(B) as of the Date of Termination.

(iii) the Company will, at its sole expense and up to the end of the second calendar year after the calendar year containing the Date of Termination, provide the Executive with reasonable outplacement services the scope and provider of which will be selected by the Executive in his or her sole discretion; and

(iv) subject to Section 9(b), the Company will pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy, or practice or contract or agreement of the Company (such other amounts and benefits will be hereinafter referred to as the "**Other Benefits**").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement will terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations will be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) will include, without limitation, and the Executive's estate and/or beneficiaries will be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices, and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date

of the Executive's death with respect to other peer executives of the Company and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement will terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations will be paid to the Executive in a lump sum in cash. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) will include, and the Executive will be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company to disabled executives and/or their families in accordance with such plans, programs, practices, and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Change of Control Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment is terminated for Cause during the Employment Period or if the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement will terminate without further obligations to the Executive other than the obligation to pay to the Executive the sum of (x) his or her Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. In such case, all Accrued Obligations will be paid to the Executive in a lump sum in cash.

7. Conditional Cap On Payments.

(a) Subject to Section 7(b), if it is determined that any payment or distribution in the nature of Section 280G Compensation by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 7) (a "**Payment**") would constitute an **Excess Parachute Payment** and, but for this Section 7, would be subject to Excise Tax, then such Payments will be reduced to the Reduced Amount but only if, by reason of such reduction, the net after-tax benefit to the Executive exceeds the net after-tax benefit which would be received by the Executive if no such reduction was made. For the purposes of this Section 7, the term "**net after-tax benefit**" means (i) the total Payments the Executive receives or is entitled to receive that would constitute Parachute Payments less (ii) the amount of all federal, state and local income and employment taxes payable by the Executive with respect to the total Payments calculated at the highest marginal income tax rate for each year in which the Payments will be paid to the Executive (based on the rate in effect for such year as set forth in the IRC as in effect at the time of the first Payment), less (iii) the Excise Taxes imposed by IRC Section 4999 with respect to the Payments. Unless the Executive elects another reduction method by giving written notice thereof to the Company prior to the Change of Control Date, the Company will reduce the Payments to the Reduced Amount by first reducing Payments that are not payable in cash and then by reducing cash Payments. Only amounts payable under this Agreement that are Section 280G Compensation and are contingent on a Section 280G Change of Control will be reduced pursuant to this Section 7(a).

(b) All determinations required to be made under this Section 7, including whether and when Payments will be reduced to the Reduced Amount and the amount of such reduction and the assumptions to be utilized in arriving at such determination, will be made by the

Accounting Firm which will provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company that there will be a Payment, or at such earlier time as the Company may request. 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 Executive will appoint another independent certified accounting firm to make the determinations required hereunder. All fees and expenses of the Accounting Firm will be borne solely by the Company. Subject to Section 7(c), the Accounting Firm's determination will be conclusive and binding upon the Company and the Executive.

(c) If the IRS determines that Executive is liable for Excise Tax as a result of receipt of a Payment, Executive will be obligated to pay to the Company the smallest such amount, if any, as is required to be paid to the Company so that the Executive's net proceeds with respect to any Payments (after taking the payment of the Excise Tax on such Payments) is maximized (the "**Repayment Amount**"); provided, however, that the Repayment Amount will be zero if a Repayment Amount greater than zero would not eliminate the Excise Tax imposed on such Payment. If the Repayment Amount is greater than zero, the Executive will pay that amount within 30 days of the date that the Executive enters into a binding agreement with the IRS as to the amount of the Executive's Excise Tax liability or within 30 days of receiving a final determination by the IRS or a court of competent jurisdiction requiring the Executive to pay the Excise Tax with respect to a Payment from which no appeal is available or is timely taken. If the Excise Tax is not eliminated through the payment of the Repayment Amount, the Executive will pay the Excise Tax.

8. Timing of Payments Due To Executive; Taxes.

(a) Subject to Section 8(b) of this Agreement, payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary under Section 6(a)(i) of this Agreement will be made not later than 30 days after the Date of Termination. All other payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary pursuant to this Agreement will be made at the time and in the manner specified herein or in the applicable Plan.

(b) Subject to Section 7, all federal, state, local and foreign taxes are the sole responsibility of the Executive and his or her legal representative, estate or beneficiaries.

(c) The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as are required to be withheld pursuant to applicable laws and regulations.

9. Non-exclusivity of Rights; No Double Benefits.

(a) Subject to Section 9(b), nothing in this Agreement prevents or limits the Executive's continuing or future participation in any Plan maintained by the Company and for which the Executive may qualify, nor will anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any the Company at or subsequent to the Date of Termination will be payable in accordance with the applicable Plan unless this Agreement provides otherwise.

(b) If, in addition to this Agreement, another agreement requires the Company to make payments or provide other benefits to the Executive as a result of a Change of Control

or, if a Severance Plan requires the Company to make payments or provide other benefits to the Executive on termination of the Executive's employment for reasons other than Cause, the Executive will receive the benefits of this Agreement if and only if the Executive waives in writing all rights to the benefits of such other agreement or Severance Plan. The Company shall also have the right to offset the benefits of this Agreement in the absence of such a waiver.

10. No Offsets. Excepted as provided under Section 9(b), the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder will not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action which the Company may have against the Executive or others.

11. Mitigation Not Required. In no event will the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts will not be reduced whether or not the Executive obtains other employment.

12. Compensation During Dispute; Legal Fees.

(a) Subject to Section 8(b), in the event of a Dispute, the Company will pay the Executive fifty percent (50%) of the amounts payable under Section 6 and will provide the Executive with all of the benefits specified in Section 6 if, but only if, the Executive agrees in writing that, if the Dispute is resolved in the Company's favor, the Executive will promptly reimburse the Company for the excess payments and benefits together with interest thereon at the rate specified in IRC Section 1274(d). If the Dispute is resolved in the Executive's favor, the Company will promptly pay the Executive the amount that was withheld during the Dispute together with interest thereon at the rate specified in IRC Section 1274(d).

(b) The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable rate set forth in IRC Section 7872(f)(2)(A).

13. At Will Employment; Termination. The Executive and the Company acknowledge and agree that the employment of the Executive by the Company is "at will" and the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Change of Control Date, in which case the Executive will have no further rights under this Agreement.

14. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company cannot be assigned or otherwise transferred by the Executive except by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by the Executive's legal representatives, estate and beneficiaries.

(b) This Agreement will inure to the benefit of and be binding upon the Company, its Successors and assigns.

(c) The Company will require any Successor 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 Change of Control had occurred.

15. Confidential Information. The Executive will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge, or data relating to the Company, and their respective businesses, which will have been obtained by the Executive during the Executive's employment by the Company and which will not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive will not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge, or data to anyone other than the Company and those designated by it. In no event will an asserted violation of the provisions of this Section 15 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

16. Miscellaneous.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

(b) No suit, action, proceeding or claim arising under or by reason of this Agreement may be brought by any party or any third party in any place other than the state or federal courts located in Seattle, Washington. The parties irrevocably consent to the jurisdiction and venue of such courts in connection with any such suit, action, proceeding or claim.

(c) The captions of this Agreement are not part of the provisions hereof and will have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(d) All notices and other communications hereunder will be in writing and will be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company: Intermec, Inc.
Attention: SVP and Chief Financial Officer
6001 36th Avenue West
Everett, WA 98203-1264

With a copy to: Intermec, Inc.
Attention: SVP, General Counsel and Secretary
6001 36th Avenue West
Everett, WA 98203-1264

or to such other address as either party will have furnished to the other in writing in accordance herewith. Notice and communications will be effective when actually received by the addressee.

(e) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vii) of this Agreement, will not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) This Agreement supercedes the Original Agreement in its entirety. Furthermore, this Agreement constitutes a single, integrated contract expressing the entire agreement of the parties with respect to the subject matter hereof and supercedes all prior or contemporaneous oral and written agreements and discussions with respect to the subject matter hereof and, except as explicitly set forth herein, there are no other agreements, written or oral, express or implied between the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

[Executive]

Intermec, Inc.

By _____
Lanny H. Michael
Senior Vice President and
Chief Financial Officer

Executive Severance Plan
Chief Executive Officer - Intermec, Inc.

1. Introduction. This policy is effective as of January 1, 2008 and applies to the Chief Executive Officer of Intermec, Inc. Capitalized terms have the meanings set forth in paragraph 8.

2. Obligations of the Company on Termination.

(a) Termination in connection with a Change of Control. Subject to paragraph 4(b), if the Company terminates the Executive's employment in connection with a Change of Control but not for Cause, death or Disability the Company will

- (i) Pay to the Executive the sum of (x) the Accrued Obligations and (y) the product of two (2) and the Executive's Annual Base Salary; and
- (ii) Pay to the Executive the product of two (2) and the Applicable Bonus; and
- (iii) Satisfy any obligations it may have to the Executive under the terms and conditions of the Plans.

The Executive will also be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Section 601-608 and under any other law applicable to the Executive as of the Date of Termination.

(b) Termination other than for Cause, Death or Disability. Subject to paragraph 4(b), if the Company terminates the Executive's employment other than in connection with a Change of Control and other than for Cause, death or Disability the Company will:

- (i) Pay to the Executive the sum of (x) the Accrued Obligations and (y) the product of two (2) and the Executive's Annual Base Salary; and
- (ii) Satisfy any obligations it may have to the Executive under the terms and conditions of the Plans.

The Executive will also be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Section 601-608 and under any other law applicable to the Executive as of the Date of Termination.

(c) Termination Due To Death. If the Executive's employment is terminated by reason of the Executive's death, the Company will have no obligation to the Executive's legal representatives, estate or beneficiaries, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the Executive, and (ii) satisfaction of any obligations the Company may have to the Executive's legal representatives, estate or beneficiaries under the terms and conditions of the Plans.

(d) Termination Due To Disability. If the Executive's employment is terminated by reason of the Executive's Disability, the Company will have no obligation to the Executive or his or her legal representatives, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the Executive, and (ii) satisfaction of any obligations the Company may have to the Executive or the Executive's legal representatives under the terms and conditions of the Plans.

(e) Termination For Cause. If the Executive's employment will be terminated for Cause, the Company will have no obligation to the Executive, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the Executive, and (ii) satisfaction of any obligations the Company may have to the Executive under the terms and conditions of the Plans.

3. Conditional Cap On Payments.

(a) Subject to paragraph 3(b), if it is determined that any payment or distribution in the nature of Section 280G Compensation by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Severance Plan or otherwise (a "**Payment**")), would constitute an **Excess Parachute Payment** and, but for this paragraph 3, would be subject to Excise Tax, then such Payments will be reduced to the Reduced Amount. Unless the Executive elects another reduction method by giving written notice thereof to the Company prior to the Date of Termination, the Company will reduce the Payments to the Reduced Amount by first reducing Payments that are not payable in cash and then by reducing cash Payments. Only amounts payable under this Severance Plan that are Section 280G Compensation and are contingent on a Section 280G Change of Control will be reduced pursuant to this paragraph 3(a) but only if, by reason of such reduction, the net after-tax benefit to the Executive exceeds the net after-tax benefit which would be received by the Executive if no such reduction was made. For the purposes of this paragraph 3, the term "**net after-tax benefit**" means (i) the total Payments the Executive receives or is entitled to receive that would constitute Parachute Payments less (ii) the amount of all federal, state and local income and employment taxes payable by the Executive with respect to the total Payments calculated at the highest marginal income tax rate for each year in which the Payments will be paid to the Executive (based on the rate in effect for such year as set forth in the IRC as in effect at the time of the first Payment), less (iii) the Excise Taxes imposed by IRC Section 4999 with respect to the Payments.

(b) All determinations required to be made under this paragraph 3 and the assumptions to be utilized in arriving at such determination, will be made by the Accounting Firm which will provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company that there has been a Payment, or at such earlier time as the Company may request. All fees and expenses of the Accounting Firm will be borne solely by the Company. Subject to paragraph 3(c), the Accounting Firm's determination will be conclusive and binding upon the Company and the Executive.

(c) If the IRS determines that Executive is liable for Excise Tax as a result of receipt of a Payment, Executive will be obligated to pay to the Company the smallest such amount, if any, as is required to be paid to the Company so that the Executive's net proceeds with respect to any Payments (after taking the payment of the Excise Tax on such Payments) is maximized (the "**Repayment Amount**"); provided, however, that the Repayment Amount will be zero if a Repayment Amount greater than zero would not eliminate the Excise Tax imposed on such Payment. If the Repayment Amount is greater than zero, the Executive will pay that amount within 30 days of the date that the Executive enters into a binding agreement with the IRS as to the amount of the Executive's Excise Tax liability or within 30 days of receiving a final determination by the IRS or a court of competent jurisdiction requiring the Executive to pay the Excise Tax with respect to a Payment from which no appeal is available or is timely taken. If the Excise Tax is not eliminated through the payment of the Repayment Amount, the Executive will pay the Excise Tax.

4. Timing of Payments Due To Executive; Taxes.

(a) Subject to paragraph 4(b) of this Severance Plan, payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary will be made not later than 30 days after the Date of Termination plus any applicable notice period required by law. All other payments to be made by the Company (if any) to the Executive or his or her legal representative, estate or beneficiary will be made at the time and in the manner specified in the applicable Plan.

(b) All federal, state, local and foreign taxes are the sole responsibility of the Executive and his or her legal representative, estate or beneficiaries.

(c) The Company may withhold from any amounts payable under this Severance Plan such federal, state, local or foreign taxes as are required to be withheld pursuant to applicable laws and regulations.

5. No Double Benefits, Offsets or Mitigation.

(a) If, in addition to this Severance Plan, another Severance Plan or an agreement requires the Company to make payments to the Executive as a result of the Company's termination of the Executive's employment, the Executive will receive the benefits of this Severance Plan if and only if the Executive waives in writing all rights to the benefits of such other Severance Plans or agreements. In the absence of such a waiver, the Company shall have the right to offset the benefits of such other Severance Plans or agreements against the benefits of this Severance Plan and vice versa.

(b) Except as provided in Section 5(a), the Company's obligation to make the payments or perform the obligations specified in this Severance Plan will not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action which the Company may have against the Executive or others.

(c) In no event will the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of any Plan and such amounts will not be reduced whether or not the Executive obtains other employment.

6. Amendment or Termination of Severance Plan.

(a) Subject to paragraph 6(b), the Company may amend or terminate this Severance Plan at any time prior to the Date of Termination, in which case the Executive will have no further rights under this Severance Plan.

(b) During the one-year period following a Change of Control, the Company and its Successors may not amend or terminate the Plan with respect to any Executive employed by the Company on the Change of Control Date.

7. Successors.

(a) The Company will require any Successor to expressly assume and agree to perform this Severance Plan in the same manner and to the same extent that the Company would be required to perform it if no Change of Control had occurred.

(b) This Plan will inure to the benefit of and be binding upon the Company, its Successors and assigns and upon the Executive and his or her legal representatives, estate and beneficiaries.

8. Definitions.

8.1 “Accounting Firm” means the independent certified public accounting firm serving the Company immediately prior to the Date of Termination.

8.2 “Accrued Obligations” means the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Applicable Bonus, and (y) a fraction, the numerator of which is the number of days in the Company’s current fiscal year through the Date of Termination, and the denominator of which is 365, in each case to the extent not theretofore paid and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), any awards under the Management Incentive Compensation Plan or any comparable or successor plan and any accrued vacation pay, in each case to the extent not theretofore paid.

8.3 “Annual Base Salary” means the Executive’s annual base salary as of the Date of Termination.

8.4 “Applicable Bonus” means the Target Annual Bonus for the Company fiscal year which includes the Date of Termination.

8.5 “Business Combination” means a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company.

8.6 “Cause” means (i) the failure of the Executive to perform substantially the Executive’s duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness) or (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

8.7 “Change of Control” means:

(a) An acquisition by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) (the “Exchange Act”) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company, or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii), and (iii) of subsection (c) of this Section 8.7; or

(b) Individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the Effective Date whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election

contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) The approval consummation of a Business Combination; excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The consummation of a complete liquidation or dissolution of the Company.

8.8 "Change of Control Date" means the effective date of a Change of Control.

8.9 "Company" means Intermec, Inc. and/or Intermec Technologies Corporation.

8.10 "Control" means (i) beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act), directly or indirectly, of 30% or more of a Person's then outstanding voting equity generally entitled to vote in the election of directors (or other participants of the managing authority) or (ii) acquisition of actual control of the operations of a Person whether by means of contract or otherwise or (iii) acquisition of control of a Person through a merger or consolidation or (iv) acquisition of all or substantially all of a Person's assets.

8.11 "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, the date of receipt of the Notice of Termination or any later date specified therein, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be; provided, however, that, when the event of termination occurs in the fourth calendar quarter of the year, the Date of Termination is January 1 of the following year.

8.12 "Disability" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected

by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

8.13 "ERISA Sections 601-608" means Sections 601-608 of the Employee Retirement Income Security Act of 1974, as amended.

8.14 "Excess Parachute Payment" means an excess parachute payment within the meaning of IRC Section 280G.

8.15 "Executive" means the Chief Executive Officer of the Company or Intermec Technologies Corporation.

8.16 "Excise Tax" means the excise tax imposed by IRC Section 4999.

8.17 "Fringe Benefit Plan" means any plan, practice, program or policy maintained by the Company with respect to fringe benefits.

8.18 "Incentive Compensation Plan" means incentive plans, practices, policies and programs (including stock option or similar incentive plans) maintained by the Company, including, without limitation, the Management Incentive Compensation Plan.

8.19 "IRC" means the Internal Revenue Code of 1986 as amended.

8.20 "IRC Section 409A" means Section 409A of the IRC.

8.21 "IRC Section 4980B" means Section 4980B of the IRC.

8.22 "IRS" means the U.S. Internal Revenue Service.

8.23 "Management Incentive Compensation Plan" means the Intermec, Inc. Management Incentive Compensation Plan (effective for the Company's 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or other short-term cash incentives during the Company's last three fiscal years prior to the Date of Termination.

8.24 "net after-tax benefit" has the meaning set forth in paragraph 3(a) of this Severance Plan.

8.25 "Parachute Payment" means "parachute payment" within the meaning of IRC Section 280G.

8.26 "Payment" has the meaning set forth in paragraph 3(a) of this Severance Plan.

8.27 "Person" has the meaning set forth in paragraph 8.7(a) of this Severance Plan.

8.28 "Plan" means Fringe Benefit Plan, Incentive Compensation Plan, Retirement Plan, Savings Plan, Severance Plan, Vacation Plan and/or Welfare Benefit Plan.

8.29 "Repayment Amount" has the meaning set forth in paragraph 3(c) of this Severance Plan.

8.30 "Reduced Amount" means an amount expressed in present value which maximizes the aggregate present value of Payments without causing any Payment to be subject to Excise Tax.

8.31 “Retirement Plan” means any qualified or non-qualified defined benefit retirement plan maintained by the Company, including but not limited to, the Intermec, Inc. Pension Plan, the Intermec, Inc. Supplemental Executive Retirement Plan and the Intermec, Inc. Restoration Plan.

8.32 “Savings Plan” means any qualified or non-qualified savings plan, practice, program or policy maintained by the Company, including, but not limited to, the Intermec, Inc. Financial Security and Savings Program.

8.33 “Section 280G Change of Control” means a change of control within the meaning of IRC Section 280G.

8.34 “Section 280G Compensation” means compensation within the meaning of IRC Section 280G.

8.35 “Severance Plan” means any plan, practice, program or policy under which the Company provides benefits to employees following the Company’s termination of their employment with the Company.

8.36 “Successor” means a Person that acquires Control of the Company.

8.37 “Target Bonus” means the target annual cash bonus applicable to the Executive under the Intermec, Inc. Management Incentive Compensation Plan (effective for the Company’s 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or other short-term cash incentive awards.

8.38 “Vacation Plan” means any plan, practice, program or policy maintained by the Company with respect to employee vacations.

8.39 “Welfare Benefit Plan” means any welfare benefit plan, practice, program or policy provided by the Company to its employees, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans.

Executive Severance Plan
Senior Vice Presidents and Elected Vice Presidents – Intermec, Inc.

1. Introduction. This policy is effective as of January 1, 2008 and applies to Senior Vice Presidents and elected Vice Presidents of Intermec, Inc. Capitalized terms have the meanings set forth in paragraph 8.

2. Obligations of the Company on Termination.

(a) Termination in connection with a Change of Control. Subject to paragraph 4(b), if the Company terminates the Executive's employment in connection with a Change of Control but not for Cause, death or Disability the Company will

- (i) Pay to the Executive the sum of (x) the Accrued Obligations and (y) the product of one (1) and the Executive's Annual Base Salary; and
- (ii) Pay to the Executive the product of one (1) and the Applicable Bonus; and
- (iii) Satisfy any obligations it may have to the Executive under the terms and conditions of the Plans.

The Executive will also be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Section 601-608 and under any other law applicable to the Executive as of the Date of Termination.

(b) Termination other than for Cause, Death or Disability. Subject to paragraph 4(b), if the Company terminates the Executive's employment other than in connection with a Change of Control and other than for Cause, death or Disability the Company will:

- (i) Pay to the Executive the sum of (x) the Accrued Obligations and (y) the product of one (1) and the Executive's Annual Base Salary; and
- (ii) Satisfy any obligations it may have to the Executive under the terms and conditions of the Plans.

The Executive will also be entitled to continuation coverage pursuant to IRC Section 4980B, ERISA Section 601-608 and under any other law applicable to the Executive as of the Date of Termination.

(c) Termination Due To Death. If the Executive's employment is terminated by reason of the Executive's death, the Company will have no obligation to the Executive's legal representatives, estate or beneficiaries, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the Executive, and (ii) satisfaction of any obligations the Company may have to the Executive's legal representatives, estate or beneficiaries under the terms and conditions of the Plans.

(d) Termination Due To Disability. If the Executive's employment is terminated by reason of the Executive's Disability, the Company will have no obligation to the Executive or his or her legal representatives, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the

Executive, and (ii) satisfaction of any obligations the Company may have to the Executive or the Executive's legal representatives under the terms and conditions of the Plans.

(e) Termination For Cause. If the Executive's employment will be terminated for Cause, the Company will have no obligation to the Executive, other than (i) payment of the sum of (x) his or her Annual Base Salary through the Date of Termination, and (y) the amount of any compensation previously deferred by the Executive, and (ii) satisfaction of any obligations the Company may have to the Executive under the terms and conditions of the Plans.

3. Conditional Cap On Payments.

(a) Subject to paragraph 3(b), if it is determined that any payment or distribution in the nature of Section 280G Compensation by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Severance Plan or otherwise (a "**Payment**")), would constitute an **Excess Parachute Payment** and, but for this paragraph 3, would be subject to Excise Tax, then such Payments will be reduced to the Reduced Amount. Unless the Executive elects another reduction method by giving written notice thereof to the Company prior to the Date of Termination, the Company will reduce the Payments to the Reduced Amount by first reducing Payments that are not payable in cash and then by reducing cash Payments. Only amounts payable under this Severance Plan that are Section 280G Compensation and are contingent on a Section 280G Change of Control will be reduced pursuant to this paragraph 3(a) but only if, by reason of such reduction, the net after-tax benefit to the Executive exceeds the net after-tax benefit which would be received by the Executive if no such reduction was made. For the purposes of this paragraph 3, the term "**net after-tax benefit**" means (i) the total Payments the Executive receives or is entitled to receive that would constitute Parachute Payments less (ii) the amount of all federal, state and local income and employment taxes payable by the Executive with respect to the total Payments calculated at the highest marginal income tax rate for each year in which the Payments will be paid to the Executive (based on the rate in effect for such year as set forth in the IRC as in effect at the time of the first Payment), less (iii) the Excise Taxes imposed by IRC Section 4999 with respect to the Payments.

(b) All determinations required to be made under this paragraph 3 and the assumptions to be utilized in arriving at such determination, will be made by the Accounting Firm which will provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Company that there has been a Payment, or at such earlier time as the Company may request. All fees and expenses of the Accounting Firm will be borne solely by the Company. Subject to paragraph 3(c), the Accounting Firm's determination will be conclusive and binding upon the Company and the Executive.

(c) If the IRS determines that Executive is liable for Excise Tax as a result of receipt of a Payment, Executive will be obligated to pay to the Company the smallest such amount, if any, as is required to be paid to the Company so that the Executive's net proceeds with respect to any Payments (after taking the payment of the Excise Tax on such Payments) is maximized (the "**Repayment Amount**"); provided, however, that the Repayment Amount will be zero if a Repayment Amount greater than zero would not eliminate the Excise Tax imposed on such Payment. If the Repayment Amount is greater than zero, the Executive will pay that amount within 30 days of the date that the Executive enters into a binding agreement with the IRS as to the amount of the Executive's Excise Tax liability or within 30 days of receiving a final determination by the IRS or a court of competent jurisdiction requiring the Executive to pay the Excise Tax with respect to a Payment from which no appeal is available or is timely taken. If the Excise Tax is not eliminated through the payment of the Repayment Amount, the Executive will pay the Excise Tax.

4. Timing of Payments Due To Executive; Taxes.

(a) Subject to paragraph 4(b) of this Severance Plan, payments to be made by the Company to the Executive or his or her legal representative, estate or beneficiary will be made not later than 30 days after the Date of Termination plus any applicable notice period required by law. All other payments to be made by the Company (if any) to the Executive or his or her legal representative, estate or beneficiary will be made at the time and in the manner specified in the applicable Plan.

(b) All federal, state, local and foreign taxes are the sole responsibility of the Executive and his or her legal representative, estate or beneficiaries.

(c) The Company may withhold from any amounts payable under this Severance Plan such federal, state, local or foreign taxes as are required to be withheld pursuant to applicable laws and regulations.

5. No Double Benefits, Offsets or Mitigation.

(a) If, in addition to this Severance Plan, another Severance Plan or an agreement requires the Company to make payments to the Executive as a result of the Company's termination of the Executive's employment, the Executive will receive the benefits of this Severance Plan if and only if the Executive waives in writing all rights to the benefits of such other Severance Plans or agreements. In the absence of such a waiver, the Company shall have the right to offset the benefits of such other Severance Plans or agreements against the benefits of this Severance Plan and vice versa.

(b) Except as provided in Section 5(a), the Company's obligation to make the payments or perform the obligations specified in this Severance Plan will not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action which the Company may have against the Executive or others.

(c) In no event will the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of any Plan and such amounts will not be reduced whether or not the Executive obtains other employment.

6. Amendment or Termination of Severance Plan.

(a) Subject to paragraph 6(b), the Company may amend or terminate this Severance Plan at any time prior to the Date of Termination, in which case the Executive will have no further rights under this Severance Plan.

(b) During the one-year period following a Change of Control, the Company and its Successors may not amend or terminate the Plan with respect to any Executive employed by the Company on the Change of Control Date.

7. Successors.

(a) The Company will require any Successor to expressly assume and agree to perform this Severance Plan in the same manner and to the same extent that the Company would be required to perform it if no Change of Control had occurred.

(b) This Plan will inure to the benefit of and be binding upon the Company, its Successors and assigns and upon the Executive and his or her legal representatives, estate and beneficiaries.

8. Definitions.

8.1 “Accounting Firm” means the independent certified public accounting firm serving the Company immediately prior to the Date of Termination.

8.2 “Accrued Obligations” means the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Applicable Bonus, and (y) a fraction, the numerator of which is the number of days in the Company’s current fiscal year through the Date of Termination, and the denominator of which is 365, in each case to the extent not theretofore paid and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), any awards under the Management Incentive Compensation Plan or any comparable or successor plan and any accrued vacation pay, in each case to the extent not theretofore paid.

8.3 “Annual Base Salary” means the Executive’s annual base salary as of the Date of Termination.

8.4 “Applicable Bonus” means the Target Annual Bonus for the Company fiscal year which includes the Date of Termination.

8.5 “Business Combination” means a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company.

8.6 “Cause” means (i) the failure of the Executive to perform substantially the Executive’s duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness) or (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

8.7 “Change of Control” means:

(a) An acquisition by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) (the “Exchange Act”) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30 % or more of either (i) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company, or (iv) any acquisition by any Person pursuant to a transaction which complies with clauses (i), (ii), and (iii) of this subsection (c) of this Section 8.7; or

(b) Individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the Effective Date whose election,

or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) The consummation of a Business Combination; excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The consummation of a complete liquidation or dissolution of the Company.

8.8 "Change of Control Date" means the effective date of a Change of Control.

8.9 "Company" means Intermec, Inc. and/or Intermec Technologies Corporation.

8.10 "Control" means (i) beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act), directly or indirectly, of 30% or more of a Person's then outstanding voting equity generally entitled to vote in the election of directors (or other participants of the managing authority) or (ii) acquisition of actual control of the operations of a Person whether by means of contract or otherwise or (iii) acquisition of control of a Person through a merger or consolidation or (iv) acquisition of all or substantially all of a Person's assets.

8.11 "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, the date of receipt of the Notice of Termination or any later date specified therein, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be; provided, however, that, when the event of termination occurs in the fourth calendar quarter of the year, the Date of Termination is January 1 of the following year.

8.12 “Disability” means the absence of the Executive from the Executive’s duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive’s legal representative.

8.13 “ERISA Sections 601-608” means Sections 601-608 of the Employee Retirement Income Security Act of 1974, as amended.

8.14 “Excess Parachute Payment” means an excess parachute payment within the meaning of IRC Section 280G.

8.15 “Executive” means a Senior Vice President or elected Vice President of the Company or Intermec Technologies Corporation.

8.16 “Excise Tax” means the excise tax imposed by IRC Section 4999.

8.17 “Fringe Benefit Plan” means any plan, practice, program or policy maintained by the Company with respect to fringe benefits.

8.18 “Incentive Compensation Plan” means incentive plans, practices, policies and programs (including stock option or similar incentive plans) maintained by the Company, including, without limitation, the Management Incentive Compensation Plan.

8.19 “IRC” means the Internal Revenue Code of 1986 as amended.

8.20 “IRC Section 409A” means Section 409A of the IRC.

8.21 “IRC Section 4980B” means Section 4980B of the IRC.

8.22 “IRS” means the U.S. Internal Revenue Service.

8.23 “Management Incentive Compensation Plan” means the Intermec, Inc. Management Incentive Compensation Plan (effective for the Company’s 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or other short-term cash incentives during the Company’s last three fiscal years prior to the Date of Termination.

8.24 “net after-tax benefit” has the meaning set forth in paragraph 3(a) of this Severance Plan.

8.25 “Parachute Payment” means “parachute payment” within the meaning of IRC Section 280G.

8.26 “Payment” has the meaning set forth in paragraph 3(a) of this Severance Plan.

8.27 “Person” has the meaning set forth in paragraph 8.7(a) of this Severance Plan.

8.28 “Plan” means Fringe Benefit Plan, Incentive Compensation Plan, Retirement Plan, Savings Plan, Severance Plan, Vacation Plan and/or Welfare Benefit Plan.

8.29 “Repayment Amount” has the meaning set forth in paragraph 3(c) of this Severance Plan.

8.30 “Reduced Amount” means an amount expressed in present value which maximizes the aggregate present value of Payments without causing any Payment to be subject to Excise Tax.

8.31 “Retirement Plan” means any qualified or non-qualified defined benefit retirement plan maintained by the Company, including but not limited to, the Intermec, Inc. Pension Plan, the Intermec, Inc. Supplemental Executive Retirement Plan and the Intermec, Inc. Restoration Plan.

8.32 “Savings Plan” means any qualified or non-qualified savings plan, practice, program or policy maintained by the Company, including, but not limited to, the Intermec, Inc. Financial Security and Savings Program.

8.33 “Section 280G Change of Control” means a change of control within the meaning of IRC Section 280G.

8.34 “Section 280G Compensation” means compensation within the meaning of IRC Section 280G.

8.35 “Severance Plan” means any plan, practice, program or policy under which the Company provides benefits to employees following the Company’s termination of their employment with the Company.

8.36 “Successor” means a Person that acquires Control of the Company.

8.37 “Target Bonus” means the target annual cash bonus applicable to the Executive under the Intermec, Inc. Management Incentive Compensation Plan (effective for the Company’s 1999 fiscal year and thereafter) and any predecessor or successor plans which provide for the grant of annual cash bonuses or other short-term cash incentive awards.

8.38 “Vacation Plan” means any plan, practice, program or policy maintained by the Company with respect to employee vacations.

8.39 “Welfare Benefit Plan” means any welfare benefit plan, practice, program or policy provided by the Company to its employees, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans).

INTERMEC, INC. RESTORATION PLAN

Amended and Restated as of January 1, 2008

INTERMEC, INC. RESTORATION PLAN

TABLE OF CONTENTS

<u>Section 1 — General</u>	1
1.1 Purpose	1
1.2 Coverage	1
<u>Section 2 — Participating Divisions and Subsidiaries</u>	1
2.1 Participating Divisions or Subsidiaries	1
<u>Section 3 — Definitions</u>	1
3.1 Actuarial Equivalent	2
3.2 Affected Employee	2
3.3 Affiliate Company	2
3.4 Annual Benefit	2
3.5 Annual Benefit Statement	2
3.6 Annual Compensation	2
3.7 Board	3
3.8 Break in Credited Service	3
3.9 Change of Control	3
3.10 Code	4
3.11 Committee	4
3.12 Coverage Date	4
3.13 Credited Service	5
3.14 Designated Foreign Corporation	5
3.15 Distribution Date	5
3.16 FSSP	5
3.17 Interest	5
3.18 Litton	5
3.19 Litton Restoration Plan Benefit	5
3.20 Part I Restricted Amount	5
3.21 Part II Restricted Amount	6
3.22 Plan	6
3.23 Plan Administrator	6
3.24 Plan Year	6
3.25 Restricted Amount	6
3.26 Retirement	6
3.27 Rule of 70 Employee	6
3.28 Spouse	6
3.29 Separation from Service	6
3.30 Termination of Employment	7
3.31 Western Atlas	7
3.32 Western Atlas Inc. Restoration Plan Benefit	7
<u>Section 4 — Participation</u>	7
4.1 Participation	7

<u>Section 5 — Retirement Dates</u>	7
5.1 Normal Retirement Date	7
5.2 Early Retirement Date	7
5.2A Early Retirement Date for Benefits Earned and Vested After December 31, 2004	7
5.3 Disability Retirement Date	8
<u>Section 6 — Amount of Retirement Income</u>	8
6.1 Normal Retirement Benefit	8
6.2 Early Retirement Benefit	9
6.3 Disability Retirement Benefit	9
6.4 Vesting Schedule	9
6.5 Initial and Subsequent Payment Dates for Benefits Earned and Vested Prior to January 1, 2005	10
6.5A Initial and Subsequent Payment Dates for Benefits Earned and Vested after December 31, 2004	10
6.6 Benefit Freeze for Affected Employees other than Rule of 70 Employees	11
<u>Section 7 — Death Benefits</u>	11
7.1 Pre-Retirement Spouse Benefit	11
7.2 Death After Retirement	11
7.3 Benefits Earned and Vested after December 31, 2004	11
<u>Section 8 — Termination of Employment</u>	12
8.1 Rights of Affected Employees	12
8.2 Transfer of Employment	12
<u>Section 9 — Forms of Retirement Income</u>	12
9.1 Joint and Survivor Income Annuity	12
9.2 Straight Life Annuity Form of Benefit on Change of Control	12
9.3 Form of Benefit on Change of Control	13
<u>Section 10 — Miscellaneous</u>	13
10.1 Receipt and Release for Payments	13
10.2 Dispute as to Benefit Payments	13
10.3 No Contract of Employment	13
10.4 Commutation of Benefit	13
10.5 Assignment	13
10.6 Applicable Law	13
10.7 Terms	14
10.8 Waiver	14
10.9 Severability	14
10.10 Unfunded Top Hat	14
10.11 Compliance with Section 409A of the Code	14

<u>Section 11 — Amendment or Discontinuance, Assumption of Liabilities and Coordination of Benefits</u>	14
11.1 Amendment of Plan	14
11.2 Freezing Plan Benefits	15
11.3 Termination of Plan	15
11.4 Merger or Consolidation	15
11.5 Assumption of Liabilities	15
11.6 Coordination of Benefits	15
<u>Section 12 — Plan Administration</u>	16
12.1 Plan Administrator	16
<u>Supplement A</u>	17

Section 1 — General

- 1.1 Purpose - UNOVA, Inc. originally established this Restoration Plan (the “Plan”) in 1997. The purpose of the Plan is to provide for Annual Benefits to the Affected Employees of the Participating Divisions of Intermec, Inc., a Delaware corporation, and any unit thereof, enumerated in Section 2 and hereinafter referred to collectively as the “Company.” An additional purpose of the Plan is to provide for the satisfaction of any Western Atlas Inc. Restoration Plan Benefit and Litton Restoration Plan Benefit previously earned by an employee under the Litton Restoration Plan and the Western Atlas Inc. Restoration Plan, to the extent the obligation for payment of such benefit has been transferred to and assumed by Intermec, Inc. The Plan is intended to provide benefits solely for a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(I) of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Payments under the Plan shall be made either from general assets of the Company or from the assets of a trust which may be established hereunder. It is intended that the Plan remain at all times an unfunded plan for purposes of ERISA and that the trust, if established, shall constitute a grantor trust under Sections 671 through 679 of the Code. It is intended that the Plan comply with Section 409A of the Code. Amounts earned and vested under this Plan prior to January 1, 2005, are intended to be grandfathered for purposes of Section 409A of the Code. Whether an amount was earned and vested prior to January 1, 2005 shall be determined under Treasury Regulations promulgated by the Internal Revenue Service.

1.2 Coverage

- A. Unless otherwise provided, the provisions of the Plan shall apply to any Affected Employee who incurs a Termination of Employment on or after the Distribution Date.
- B. Any subsequent amendment to this Plan shall apply only to an Affected Employee who incurs a Termination of Employment on or after the effective date of said amendment, unless said amendment provides otherwise.

Section 2 - Participating Divisions and Subsidiaries

- 2.1 Participating Divisions or Subsidiaries - The Participating Divisions and Subsidiaries and their respective participation dates are as set forth in the FSSP. When the name or status of a Participating, Division or Subsidiary is changed, such change shall also be effective for Plan purposes.

Section 3 - Definitions

As used in the Plan, the following terms shall have the meanings defined below:

- 3.1 Actuarial Equivalent - The definition of such term under the Intermec, Inc. Pension Plan, as amended.
- 3.2 Affected Employee - An Affected Employee, for any particular Plan Year, is an individual employed as a common law employee by the Company (except that the Chief Executive Officer of the Company for such Plan Year shall, notwithstanding any other provision of the Plan, be deemed to have a Part I Restricted Amount of zero for such Plan Year) 8% of whose Annual Compensation for that particular Plan Year exceeds the maximum amount of elective deferrals available to such Affected Employee under a Code section 401(k) plan for such Plan Year and who was a participant in the FSSP, as amended from time to time, for such Plan Year and who contributed his or her legally permissible maximum amount to the FSSP for such Plan Year.
- 3.3 Affiliate Company - Each company fifty percent (50%) or more of whose voting stock is owned directly or indirectly by Intermec, Inc., its successors or assigns, and which company is not a Participating Division or Subsidiary of the Company participating in the Plan.
- 3.4 Annual Benefit - The portion of the total annual retirement benefit that an Affected Employee is entitled to with respect to a particular Plan Year, determined in accordance with Section 6.1, Section 6.2, or Section 6.3, whichever is applicable.
- 3.5 Annual Benefit Statement - The statement given to an Affected Employee for each Plan Year such Affected Employee is entitled to an Annual Benefit under the Plan. All such Annual Benefit Statements shall be in the form prescribed by the Plan Administrator.
- 3.6 Annual Compensation - An Affected Employee's wages paid by the Company (limited, however, to wages paid by the Company on or after the date the Participating Division by which the Affected Employee is employed became a Participating Division), as determined under section 3121 of the Code without regard to the dollar limitation of section 3121(a)(1) of the Code, plus any amounts treated as excluded from gross income by reason of Code sections 125 and 401(k), excluding therefrom any amount so paid which represents (a) reimbursed expenses, (b) wages not paid in cash, (c) cash received pursuant to the exercise of a stock option or a stock appreciation right, or (d) certain other wage items as may be agreed to from time to time between the Company and one or more Affected Employees; provided, however, that for the Plan Year ending December 31, 1997, wages paid by Western Atlas Inc. shall be taken into account for all purposes under the Plan. Notwithstanding the foregoing, and solely for purposes of the 2002 calendar year, Annual Compensation shall also include all amounts of cash compensation payable in the 2002 calendar year, whether as base salary or bonus amounts, that an Affected Employee elects to forgo in order to receive stock options pursuant to a Board resolution granting stock options to officers of UNOVA, Inc. in lieu of cash compensation.

- 3.7 Board - The Board of Directors of Intermec, Inc., a Delaware corporation.
- 3.8 Break in Credited Service - The definition of such term under the Intermec, Inc. Pension Plan, as amended from time to time.
- 3.9 Change of Control —
- (a). An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended [the “Exchange Act”] (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30 percent or more of either (1) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (A) any acquisition directly from the Company other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company; (B) any acquisition by the Company; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (D) any acquisition by any Person pursuant to a transaction which complies with clauses (1), (2), and (3) of paragraph (c) below of this Section 3.9; or
 - (b). Individuals who, as of the effective date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the effective date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but provided further that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or
 - (c). The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“Business Combination”); excluding, however, such Business Combination pursuant to which: (1) all or substantially all of the

individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination, will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; (2) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination; and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- (d) Consummation of a complete liquidation or dissolution of the Company.

To the extent necessary to comply with Section 409A of the Code, including (but not limited to) Section 9.3, an event or occurrence described above shall be considered a "Change of Control" only if it also constitutes a change in ownership or effective control of the Company, or a change in ownership of the Company's assets, described in Section 409A(a)(2)(A)(v) of the Code and the Treasury Regulations promulgated thereunder.

- 3.10 Code — The Internal Revenue Code of 1986, as amended.
- 3.11 Committee — The Compensation Committee of the Board, unless at the time no Compensation Committee has been constituted, in which case the Committee shall mean the Board.
- 3.12 Coverage Date - The Distribution Date, or the date an employee of the Company first becomes an Affected Employee, if later.

- 3.13 Credited Service - The definition of such term under the Intermec, Inc. Pension Plan, as amended.
- 3.14 Designated Foreign Corporation - An entity: (a) created under the laws of a country other than the United States; (b) of which a majority of the voting shares are owned directly or indirectly by Intermec, Inc., and (c) with respect to which the Company has entered into an agreement under section 3121(1) of the Code, and has satisfied the provisions of section 406 of the Code.
- 3.15 Distribution Date - The date determined by the Board of Directors of Western Atlas on which the shares of UNOVA, Inc. are distributed by Western Atlas to the holders of Western Atlas common stock.
- 3.16 FSSP - The Intermec, Inc. Financial Security and Savings Program, as amended, or the Western Atlas Inc. Financial Security and Savings Program, prior to The Distribution Date.
- 3.17 Interest - The amount of interest (based on a stated rate of interest, compounded annually, as determined by the Board or its delegate) with respect to the Parts I and II Restricted Amounts of all Affected Employees for a particular Plan Year with such rate of interest to be fixed for both of such Restricted Amounts and to commence on the first day of the Plan Year succeeding such particular Plan Year and to continue for all Plan Years thereafter; but such interest shall cease with respect to the Part I and Part II Restricted Amounts of any particular Affected Employee upon the later of: (i) the last day of the month such Affected Employee is projected to attain his or her Normal Retirement Date for purposes of determining the amount of such Affected Employee's annual retirement benefit pursuant to Section 6.1; or (ii) if such Affected Employee attains Retirement after his or her Normal Retirement Date, the last day of the month such Affected Employee attains Retirement.
- 3.18 Litton - Litton Industries, Inc., a Delaware corporation.
- 3.19 Litton Restoration Plan Benefit - The annual benefit earned by an Affected Employee while a participant in the Litton Industries, Inc. Restoration Plan, the obligation for payment of which was assumed by Western Atlas Inc. and, if it has been assumed by Intermec, Inc., then for purposes of this Plan it shall be treated as a Western Atlas Restoration Plan Benefit.
- 3.20 Part I Restricted Amount - As applied for any particular Plan Year to a particular Affected Employee, the Part I Restricted Amount, if any, shall be that portion of such Affected Employee's Restricted Amount for such Plan Year which is equal to the excess, if any, of 4% of such Affected Employee's Annual Compensation for such Plan Year over the maximum amount of elective deferrals available to such Affected Employee under Part I of the FSSP for such Plan Year.

- 3.21 Part II Restricted Amount - As applied for any particular Plan Year to a particular Affected Employee, the Part II Restricted Amount of such Affected Employee shall be equal to 2% of such Affected Employee's Annual Compensation for such Plan Year reduced by one-half (1/2) of the actual amount of elective deferrals made by such Affected Employee to Part II of the FSSP for such Plan Year.
- 3.22 Plan - Intermec, Inc. Restoration Plan.
- 3.23 Plan Administrator - The person appointed to administer the Plan pursuant to Section 12.
- 3.24 Plan Year - The Distribution Date to December 31, 1997 and each calendar year thereafter.
- 3.25 Restricted Amount - As applied for any particular Plan Year to a particular Affected Employee, the Restricted Amount of such Affected Employee shall be the amount, if any, by which 8% of such Affected Employee's Annual Compensation for the particular Plan Year under consideration exceeds the maximum amount of elective deferrals available to such Affected Employee under a Code section 401(k) plan for such Plan Year.
- 3.26 Retirement - With respect to benefits earned and vested prior to January 1, 2005, an Affected Employee who incurs a Termination of Employment attains Retirement under the Plan when he or she is eligible to and elects to receive his or her annual retirement benefit under the Plan except that any Affected Employee who continues to be employed by the Company after his or her Normal Retirement Date shall attain Retirement immediately upon his or her Termination of Employment. With respect to benefits earned and vested after December 31, 2004, an Affected Employee attains Retirement under the Plan upon the earlier of (a) becoming Disabled (within the meaning of Section 409A(a)(2)(C) of the Code and the Treasury Regulations promulgated thereunder) while employed with the Company or (b) the later of age 62 and Separation from Service.
- 3.27 Rule of 70 Employee — The term Rule of 70 Employee shall have the same meaning as under Section 3.35 of the Intermec Pension Plan, except that, for purposes of this Plan, such individual must also be an Affected Employee.
- 3.28 Separation from Service — Separation from Service shall have the meaning provided in Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations promulgated thereunder.
- 3.29 Spouse - A person who has been married to the Affected Employee throughout the one-year period ending on the earlier of the date the Affected Employee's annual retirement benefit commences under the Plan, or the date of the Affected Employee's death.

- 3.30 Termination of Employment - When an Affected Employee is discharged or quits from the Company; provided, however, that such term shall not include an authorized leave of absence from the Company.
- 3.31 Western Atlas - Western Atlas Inc., a Delaware corporation.
- 3.32 Western Atlas Inc. Restoration Plan Benefit - The benefit earned by an employee of the Company while a participant in the Western Atlas Inc. Restoration Plan prior to the Distribution Date, the obligation for payment of which has been assumed by Intermec, Inc. Provided, however, that such benefit shall be taken into account only if the individual who earned the benefit becomes an employee of the Company on or before 90 days following the Distribution Date and had not retired, become disabled or terminated employment pursuant to the Western Atlas Restoration Plan prior to the Distribution Date.

Section 4 — Participation

- 4.1 Participation - Effective as of the Distribution Date, each Affected Employee of the Company shall be a participant in the Plan.

Notwithstanding the preceding sentence, any Affected Employee who, on or after July 1, 2006, commences employment with, or is re-hired by, the Company shall not be eligible to participate in the Plan.

Section 5 - Retirement Date for Benefits Earned and Vested Prior to January 1, 2005

- 5.1 Normal Retirement Date - An Affected Employee's sixty-fifth (65th) birthday or the completion of five (5) years of Credited Service, if later.
- 5.2 Early Retirement Date — With respect to benefits earned and vested prior to January 1, 2005, the date that an eligible Affected Employee elects to retire and receive an early retirement benefit prior to his or her Normal Retirement Date. Except as otherwise provided in the following sentence with respect to the surviving Spouse of a deceased Affected Employee, an Affected Employee may not elect to receive an early retirement benefit unless he or she is age sixty-two (62) or older and is one hundred percent (100%) vested pursuant to Section 6.4. In the case of determining whether a Pre-Retirement Spouse benefit is payable in accordance with Section 7.1 of the Plan, the Early Retirement Date of the deceased Affected Employee shall be the date on which such Affected Employee would have attained age fifty-five (55) or older had he or she lived.
- 5.2A Early Retirement Date for Benefits Earned and Vested After December 31, 2004 — With respect to benefits earned and vested after December 31, 2004, the date prior to the Normal Retirement Date in Section 5.1 that an eligible Affected Employee Separates from Service, provided that he or she is age sixty-two (62) or older and

is one hundred percent (100%) vested pursuant to Section 6.4. Notwithstanding the preceding sentence, in the case of determining whether a Pre-Retirement Spouse benefit is payable in accordance with Section 7.1 of the Plan, the Early Retirement Date of the deceased Affected Employee shall be the date on which such Affected Employee would have attained age fifty-five (55) or older had he or she lived.

- 5.3 Disability Retirement Date — The date that an eligible Affected Employee becomes Disabled within the meaning of Section 409A(a)(2)(C) of the Code and the Treasury Regulations promulgated thereunder; provided, however, that an Affected Employee may not receive a disability retirement benefit unless he or she is an Affected Employee who becomes Disabled while employed by the Company and has attained age fifty-five (55).

Section 6 - Amount of Retirement Income

6.1 Normal Retirement Benefit

- (a) Any employee of the Company who was an Affected Employee with respect to one or more Plan Years and who attains Retirement on or after his or her Normal Retirement Date and/or who is entitled to a Western Atlas Restoration Plan Benefit, shall be entitled to receive an annual retirement benefit, payable by the Company, which will be equal to $[(i) \text{ plus } (ii)] \text{ multiplied by } (iii)$, wherein: (i) is equal to the aggregate amount of such Affected Employee's Annual Benefit amounts with respect to all Plan Years during which such Affected Employee was an Affected Employee with each such amount being computed for each such Plan Year in accordance with paragraphs (b) below; wherein (ii) is equal to the aggregate Western Atlas Restoration Plan Benefit, if any, of such employee; and wherein (iii) is equal to the vested percentage of such Affected Employee, determined in accordance with Section 6.4, in his or her annual retirement benefit.
- (b) (1) For any particular Plan Year, an Affected Employee's Annual Benefit attributable to his or her Part I Restricted Amount, if any, for such Plan Year shall be equal to eighty-five percent (85%) of the Part I Restricted Amount of such Affected Employee for such Plan Year reduced by $[(\text{the sum of } (i) \text{ plus } (ii))] \text{ multiplied by } (iii)$, wherein: (i) is equal to the Part I Restricted Amount of such Affected Employee for such Plan Year; wherein (ii) is equal to the amount of Interest with respect to (1) above; and wherein (iii) is equal to either: (a) the Actuarial Equivalent factor for such Plan Year, applicable under the Intermec, Inc. Pension Plan, as amended, with respect to such Affected Employee's projected age at his or her Normal Retirement Date, or (b) if such Affected Employee attains Retirement after his or her Normal Retirement Date, the Actuarial Equivalent factor for such

Plan Year, under the Intermec, Inc. Pension Plan, as amended, with respect to such Affected Employee's age when he or she attains Retirement.

- (2) For any particular Plan Year, an Affected Employee's Annual Benefit attributable to his or her Part II Restricted Amount shall be equal to ([the sum of (i) plus (ii)] multiplied by (iii)), wherein: (i) is equal to the Part II Restricted Amount of such Affected Employee for such Plan Year; wherein (ii) is equal to the amount of Interest with respect to (1) above; and wherein (iii) is equal to either: (a) the Actuarial Equivalent factor for such Plan Year, applicable under the Intermec, Inc. Pension Plan, as amended, with respect to such Affected Employee's projected age at his or her Normal Retirement Date, or (b) if such Affected Employee attains Retirement after his or her Normal Retirement Date, the Actuarial Equivalent factor for such Plan Year, under the Intermec, Inc. Pension Plan, as amended, with respect to such Affected Employee's age when he or she attains Retirement.
- (3) With respect to the Plan Year ending December 31, 1997, the Annual Benefit of an Affected Employee who was a participant in the Western Atlas Restoration Plan shall not exceed the benefit to which the Affected Employee would have been entitled under the Western Atlas Restoration Plan for such year had such Affected Employee been a participant in such plan until the earlier of his Retirement, death, Termination of Employment or December 31, 1997, offset by the amount actually payable to such Affected Employee under the Western Atlas Inc. Restoration Plan for such Plan Year.

- 6.2 Early Retirement Benefit - At his or her Early Retirement Date an Affected Employee who attains Retirement, or his or her surviving spouse if a benefit is payable pursuant to Section 7.1 of the Plan, shall be entitled to an annual early retirement benefit which will be equal to the annual retirement benefit amount calculated pursuant to Section 6.1(a) above for such Affected Employee reduced by one-half percent (1/2%) for each full month by which his or her Early Retirement Date precedes his or her Normal Retirement Date.
- 6.3 Disability Retirement Benefit - At his or her Disability Retirement Date an Affected Employee who attains Retirement, shall be entitled to an annual disability retirement benefit which will be equal to the normal retirement benefit amount calculated pursuant to Section 6.1(a) above for such Affected Employee reduced by one-half percent (1/2%) for each full month by which his or her Disability Retirement Date precedes his or her Normal Retirement Date.
- 6.4 Vesting Schedule - An Affected Employee shall be vested in his or her annual retirement benefit under the Plan according to the Company-purchased

retirement benefit vesting schedule under the Intermec, Inc. Pension Plan, as amended from time to time, except that: (i) for purposes of this Plan only, on the Disability Retirement Date of any Affected Employee, such Affected Employee shall become one hundred percent (100%) vested in his or her annual disability retirement benefit, notwithstanding his actual number of years of Credited Service; (ii) for purposes of this Plan only, if an Affected Employee should die prior to incurring a Termination of Employment, such Affected Employee's Spouse, if any, shall become one hundred percent (100%) vested in his or her annual retirement benefit, notwithstanding, such Affected Employee's actual number of years of Credited Service at the time of his or her death; (iii) for purposes of this Plan only, upon Change of Control, unless the Committee decides otherwise prior to said Change of Control, such Affected Employee shall become one hundred percent (100%) vested in his or her annual retirement benefit.

Notwithstanding the above, effective June 30, 2006, each Affected Employee who is actively employed on such date who is not a Rule of 70 Employee will be 100% vested in his annual retirement benefit under the Plan.

- 6.5 Initial and Subsequent Payment Dates for Benefits Earned and Vested Prior to January 1, 2005 - With respect to benefits earned and vested prior to January 1, 2005, an Affected Employee's annual retirement benefit shall be payable in twelve (12) equal monthly installments commencing effective the first of the month following the month the Affected Employee attains Retirement and the first payment shall be made no later than sixty (60) days following the end of the Plan Year in which the Affected Employee attains Retirement, except that no payment shall be made until the date that an Affected Employee files with the Company a request for payment of an annual retirement benefit on a form prescribed by the Plan Administrator.
- 6.5A Initial and Subsequent Payment Dates for Benefits Earned and Vested after December 31, 2004 — With respect to benefits earned and vested after December 31, 2004, an Affected Employee's annual retirement benefit shall be payable in twelve (12) equal monthly installments commencing effective the first of the month following the month the Affected Employee attains Retirement, and the first payment shall be made on or before the 90th day immediately following Retirement. Pursuant to transition relief provided by the Internal Revenue Service under Section 409A of the Code, the Company may (but shall not be required to) allow one or more Affected Employees to elect an alternative payment date that is later than the applicable date in the preceding sentence; provided, however, such election shall be made under procedures established by the Company, shall not apply to benefits payable upon Disability, and shall be made no later than December 31, 2007. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code and the Treasury Regulations promulgated thereunder), payment of benefits under this Subsection 6.5A (other than benefits payable upon Disability) shall not be made sooner than six months following the Affected Employee's Separation from Service.

- 6.6 Benefit Freeze for Affected Employees other than Rule of 70 Employees — Notwithstanding the above, effective July 1, 2006, no further benefits shall accrue under Section 6.1, 6.2 or 6.3 of the Plan with regard to any Affected Employee who is not a Rule of 70 Employee.

Section 7 - Death Benefits

- 7.1 Pre-Retirement Spouse Benefit - If a married Affected Employee dies after becoming either wholly or partially vested under this Plan and before commencing to receive an annual retirement benefit, his or her surviving Spouse shall be entitled to receive an annual benefit, payable by the Company, commencing on the first day of the month following the later of the date of death of the Affected Employee or the date the Affected Employee would have attained his or her Early Retirement Date, and terminating with the last monthly payment preceding the surviving Spouse's death. In the case of an Affected Employee who dies before commencing to receive an annual retirement benefit, but after he or she has attained his or her Early Retirement Date, the amount of annual benefit to which such Affected Employee's surviving Spouse shall be entitled shall be equal to the amount which would have been payable to the surviving Spouse had the Affected Employee commenced receiving an annual retirement benefit pursuant to Section 6.1 or Section 6.2, whichever is applicable, on the day before his or her death, in the form of a joint and survivor income annuity computed in accordance with Section 9.1. In the case of an Affected Employee who dies before commencing to receive an annual retirement benefit and before he or she has attained his or her Early Retirement Date, the amount of such annual benefit to which such Affected Employee's surviving Spouse shall be entitled shall be equal to the amount which would have been payable had the Affected Employee incurred a Termination of Employment on the date of his or her death, (or the date of his or her actual Termination of Employment, if earlier) survived to his or her Normal Retirement Date under Section 5.1 or to his or her Early Retirement Date under Section 5.2, if applicable, and commenced receiving his or her annual retirement benefit in the form of a joint and survivor income annuity computed in accordance with Section 9.1 on his or her Normal Retirement Date or his or her Early Retirement Date, whichever is applicable, and died immediately thereafter.
- 7.2 Death After Retirement - Upon the death of an Affected Employee after he or she has attained Retirement, his or her surviving Spouse shall be entitled to an annual benefit, payable by the Company, and determined in accordance with Section 9.1.
- 7.3 Benefits Earned and Vested after December 31, 2004 — Any benefits payable under this Section 7 with respect to benefits earned and vested after December 31, 2004,

shall begin on or before the 90th day immediately following the date of death of the Affected Employee.

Section 8 - Termination of Employment

- 8.1 Rights of Affected Employees - In the event that an Affected Employee incurs a Termination of Employment, any part of his or her accrued benefit which is not then vested in accordance with Section 6.4 shall be forfeited. Such amount forfeited shall not be restored unless such Affected Employee is reemployed by the Company and has not incurred a Break in Credited Service prior to such reemployment by the Company.
- 8.2 Transfer of Employment - If an Affected Employee transfers from a category of employment covered by the Plan to a category of employment not covered by the Plan but who continues to be employed either with Intermed, Inc., with any Affiliate Company or with a Designated Foreign Corporation, said Affected Employee shall not be deemed to have incurred a Termination of Employment.

Section 9 - Forms of Retirement Income

- 9.1 Joint and Survivor Income Annuity - The annual retirement benefit of an Affected Employee who is married at the time he or she attains Retirement shall be payable by the Company, to the Affected Employee in twelve (12) equal monthly payments commencing with the first calendar month after the Affected Employee attains Retirement and shall be payable for his or her life, and shall continue to be payable monthly to his or her surviving Spouse, following the death of the Affected Employee, for the life of the surviving Spouse. Payments will cease with the last payment made prior to the date of the death of the surviving Spouse. Such annual retirement benefit shall be the Actuarial Equivalent of a straight life annuity computed in accordance with Section 6.1, Section 6.2, or Section 6.3, whichever is applicable, payable for the life of the Affected Employee. Any such survivor benefit shall be equal to one hundred percent (100%) of the annual retirement benefit payable during the joint lives of the Affected Employee and his or her surviving Spouse.
- 9.2 Straight Life Annuity - If an Affected Employee does not have a Spouse at the time he or she attains Retirement, his or her annual retirement benefit shall be payable by the Company, in the form of a straight life annuity for the life of the Affected Employee and shall be payable in twelve (12) equal monthly payments commencing with the first calendar month after the Affected Employee attains Retirement. Payments will cease with the last payment made prior to the date of death of the Affected Employee. The amount of the annual retirement benefit will be computed in accordance with Section 6.1, Section 6.2, or Section 6.3, whichever is applicable.

- 9.3 Form of Benefit on Change of Control - Notwithstanding the other provisions of this Section, upon a Change of Control, benefits payable to an Affected Employee who remains employed by the Company, shall be paid in a lump sum payment equal to the Actuarial Equivalent at the age of the Affected Employee as of the date of Change of Control of a single life annuity payable at the later of age 65 or, if the Affected Employee had remained in continuous employment with the Company after attaining age 65, the age of the Affected Employee at the date of Change of Control or at the date Affected Employee's employment terminated, whichever is earlier, unless the Committee decides otherwise prior to said Change of Control. Any benefits payable as a lump sum under this Section 9.3 shall be paid on or before the 90th day immediately following the Change of Control.

Section 10 — Miscellaneous

- 10.1 Receipt and Release for Payments - Any payment to any Affected Employee, his or her surviving Spouse or to his or her legal representative or to any committee appointed for such Affected Employee or surviving Spouse in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of such benefit claim under the Plan. As a condition precedent to the payment, such Affected Employee, surviving Spouse, legal representative or committee may be required to execute a receipt and release therefor in such form as shall be determined by the Plan Administrator.
- 10.2 Dispute as to Benefit Payments - Upon written notice to the Plan Administrator that there is a dispute as to the proper recipient of any benefits not yet distributed under the Plan, the Plan Administrator may in his or her sole discretion enter into any arrangement necessary to prevent the benefits from being paid to the wrong party until the dispute shall have been determined by a court of competent jurisdiction or settled by the claimants concerned.
- 10.3 No Contract of Employment - Nothing herein contained shall be construed as giving any Affected Employee the right to be retained in the service of the Company, nor upon dismissal or upon his or her voluntary Termination of Employment, to have any right or interest in this Plan other than as provided herein.
- 10.4 Commutation of Benefit - If the amount of the annual retirement benefit payable hereunder to any Affected Employee or to his or her surviving Spouse is less than one hundred dollars (\$100.00) per month, payment of the Actuarial Equivalent of such payments may be made in a lump sum in full settlement of all sums payable hereunder.
- 10.5 Assignment - The benefits payable under the Plan may not be assigned or alienated.
- 10.6 Applicable Law - The Plan shall be governed by the laws of Delaware.

- 10.7 Terms - Except as required otherwise by the context, capitalized terms that are used in the Plan shall have the meaning assigned to them in Article II or elsewhere in the Plan. Feminine or neuter pronouns shall be substituted for those of the masculine form and the plural shall be substituted for the singular, in any place or places herein where the context may require such substitution or substitutions. The title and headings of the Sections of this Plan are for convenience only, and are not intended to be a part of or to affect the meaning or interpretation of the Plan.
- 10.8 Waiver - Any waiver of or failure to enforce any provision of this Plan in any instance shall not be deemed a waiver of such provision as to any other or subsequent instance.
- 10.9 Severability - In the event that any provision of this Plan shall be declared illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan but shall be fully severable, and this Plan shall be construed and enforced as if said illegal or invalid provision had never been inserted herein.
- 10.10 Unfunded Top Hat Plan - It is the Company's intention that this Plan be a Top Hat Plan, defined as an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, as provided in Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended from time to time. The Company may establish and fund one or more trusts for the purpose of paying some or all of the benefits promised to Affected Employees under the Plan; provided, however, that (i) any such trust(s) shall at all times be subject to the claims of the Company's general creditors in the event of the insolvency or bankruptcy of the Company, and (ii) notwithstanding the creation or funding of any such trust(s), the Company shall remain primarily liable for any obligation hereunder. Notwithstanding the establishment of any such trust(s), the Affected Employees shall have no preferred claim on, or any beneficial ownership interest in, any assets of any such trust or of the Company.
- 10.11 Compliance with Section 409A of the Code — To the extent benefits under the Plan are not grandfathered, it is intended that the Plan will comply with Section 409A and the Plan will be administered and interpreted consistent with that intent. Whenever payment is called for under the Plan on or before the 90th day immediately following a specified event, the Company shall retain the sole discretion to determine the actual payment date within that period.

Section 11 - Amendment or Discontinuance, Assumption of Liabilities and Coordination of Benefits

- 11.1 Amendment of Plan - Unless otherwise stated in a particular amendment, Intermec, Inc., or its corporate successor, is designated the agent for the Company to alter, amend or change the Plan on behalf of all the Participating Divisions enumerated in Section 2; and each Participating Division agrees, so long as it shall be a

Participating Division under the Plan, to be governed by the resolutions of the agent acting on behalf of the Participating Divisions. The Company may amend the Plan in its sole discretion in any manner or at any time. No amendment to the Plan shall retroactively adversely affect benefits to which the Affected Employees are entitled.

- 11.2 Freezing Plan Benefits - The Company intends and expects to continue the Plan indefinitely, but necessarily reserves the right at any time to discontinue, in whole or part, future benefits under the Plan. No Affected Employee shall have any rights to benefits beyond the freeze date. Solely for purposes of computing the Affected Employee's vesting under Section 6.4, Credited Service, if any, with the Company after the freeze date shall be taken into account.
- 11.3 Termination of Plan - The Company intends and expects to continue the Plan indefinitely, but necessarily reserves the right at any time or times to terminate the Plan (including the partial termination of the Plan). If the Plan is so terminated and is not continued by a successor employer or merged into another plan of the Company or a successor employer, each Affected Employee who is employed by the Company at such time shall be vested one hundred percent (100%) in his or her annual retirement benefit, notwithstanding the actual number of his or her years of Credited Service.
- 11.4 Merger or Consolidation - In the event of any merger or consolidation of the Plan with any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Affected Employees of this Plan, each Affected Employee shall (if either this Plan or the other Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).
- 11.5 Assumption of Liabilities - If as a result of the spin-off of the Company from Western Atlas, the parties agree that the Company will assume the benefit obligations under the Western Atlas Inc. Restoration Plan with respect to certain individuals who are on pay status under the Western Atlas Inc. Restoration Plan, such benefit obligations shall be provided hereunder as if such benefit accrued under the Plan, as amended from time to time.
- 11.6 Coordination of Benefits - In the event an Affected Employee is or was also a participant in a similar restoration plan for highly compensated employees within the meaning of Section 201(2), 301(a) and 401(a) of the Title I of ERISA and maintained by the Company or Western Atlas (a "Subsidiary Plan"), the Plan Administrator shall have the power and authority to reduce or modify the benefits payable under this Plan in order to integrate the benefits with the benefits payable under the Subsidiary Plan.

Section 12 - Plan Administration

12.1 Plan Administrator

- A. General - A Plan Administrator appointed by and serving at the pleasure of the Board of Directors of the Company shall be responsible for the supervision and control of the operation and administration of the Plan. The Plan Administrator shall not have the right to alter or change any terms of the Plan, such right being retained solely by the Board of Directors of the Company and any Committee thereof to which the Board of Directors may have delegated such right.
- B. Specific Powers and Duties - The Plan Administrator shall have all powers and duties, express and implied, necessary to carry out the supervision and control of the Plan, as provided above, which shall include, but not by way of limitation, the following:
- (1) To interpret the Plan and to decide any and all matters arising hereunder; including the right to remedy possible ambiguities, inconsistencies or omissions; provided, however, that all such interpretations and decisions shall be applied in a uniform manner to all Affected Employees similarly situated;
 - (2) To compute the amount of retirement benefit which shall be payable to any Affected Employee or Spouse in accordance with the provisions of the Plan;
 - (3) To authorize payments under the Plan; and
 - (4) To establish a claims procedure to provide each Affected Employee or Spouse a full and fair review of any denial, in whole or part, of a claim for benefits.

Supplement A — Open Windows and Other Special Benefits

- A.1. Corporate Office Open Windows — Effective for years beginning on or after January 1, 2000, and notwithstanding anything to the contrary in the Plan, the Board may, by resolution, extend to certain Affected Employees a package of benefits, including certain enhancements of existing benefits under the Plan, as well as under other pension and retirement plans and arrangements sponsored by the Company, as an inducement to make a decision to retire from the Company. Eligibility criteria for such benefits shall be set forth in such resolution. If specified in such resolution, such enhancements shall include (a) deeming an eligible Affected Employee to have satisfied the vesting requirement of Section 6.4, and (b) calculating and distributing to such Affected Employee the Annual Benefit as described under Section 6.1 without the reduction otherwise described in Section 6.2. As a result, the Annual Benefit in such case would commence as soon as is practicable after the Termination of Employment of such Affected Employee.
- A.2. Special Benefit Relating to Daniel S. Bishop

Effective July 30, 2004, the Annual Benefit payable to Daniel S. Bishop shall be calculated and distributed as described under Section 6.1 without the reduction otherwise described in Section 6.2. As a result, the Annual benefit payable to Mr. Bishop shall commence as soon as is practicable after such date.

INTERMEC, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(Amended and Restated as of January 1, 2008)

THIS PLAN CONTAINS ARBITRATION CLAUSES

INTERMEC, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(Amended and Restated as of January 1, 2008)

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I INTRODUCTION AND PURPOSE	1
ARTICLE II DEFINITIONS	1
Section 2.1 Active Participant	1
2.2 Actuarial Equivalent	1
2.3 Average Earnings	2
2.4 Base Compensation Amount	3
2.5 Beneficiary or Beneficiaries	3
2.6 Board	4
2.7 Bonus or Bonuses	4
2.8 Business Combination	4
2.9 Change of Control	4
2.10 Chief Executive Officer	5
2.11 Chief Financial Officer	6
2.12 Code	6
2.13 Committee	6
2.14 Company	6
2.15 Death Benefit	6
2.16 Dependent Children	6
2.17 Director	6
2.18 Disability or Disabled	7
2.19 Disability Benefit	7
2.20 Distribution Date	7
2.21 Employee Benefits Agreement	7
2.22 ERISA	7
2.23 Exchange Act	7
2.24 Litton	7
2.25 Leave of Absence	7
2.26 Normal Form	7
2.27 Offset Amount	7
2.28 Outstanding Company Common Stock	8
2.29 Participant	8
2.30 Person	8
2.31 Qualified Plan	8
2.32 Retired Participant	8
2.33 Retirement Benefit	8
2.34 Rule of 70 Employee	9
2.35 Special Administrators	9
2.36 Successor or Successors	9
2.37 Supplemental Plan	9
2.38 Trust	9
2.39 Trustee	9

	2.40	Trust Agreement	9
	2.41	Western Atlas	9
	2.42	Western Atlas Plan	9
	2.43	Years of Service	9
ARTICLE III	PARTICIPATION		10
Section	3.1	General	10
	3.2	Entry and Continuing Participation	10
	3.3	Supplemental Plan Closed to New Participants	10
ARTICLE IV	RETIREMENT BENEFITS		10
Section	4.1	Eligibility for Retirement Benefits Earned and Vested Prior to January 1, 2005	10
	4.1A	Eligibility for Retirement Benefits Earned and Vested Prior to January 1, 2005	11
	4.2	Retirement Benefit Formula	13
	4.3	Vesting in Retirement Benefit	13
	4.4	Retirement Benefit Forms	13
	4.5	Normal Form of Retirement Benefit	13
	4.6	Alternative Forms for Benefits Earned and Vested Prior to January 1, 2005	14
	4.6A	Alternative Forms for Benefits Earned and Vested After December 31, 2004	14
	4.7	Benefit Freeze for Employees other than Rule of 70 Employees	15
ARTICLE V	BENEFITS UPON PARTICIPANT'S DEATH		15
Section	5.1	Eligibility for Death Benefit	15
	5.2	Death Benefit	15
	5.3	Spouse Retirement Benefit	16
	5.4	Change of Control	16
ARTICLE VI	BENEFITS OF DISABLED PARTICIPANTS		16
Section	6.1	Eligibility for Disability Benefit	16
	6.2	Disability Formula	16
	6.3	Vesting Disability Benefit	16
	6.4	Disabled Participant's Retirement Benefit	17
ARTICLE VII	ELECTIONS, CLAIMS, COMMENCEMENT OF PAYMENTS AND BENEFICIARY DESIGNATIONS		17
Section	7.1	General	17

	7.2	Commencement of Payment for Benefits Earned and Vested Prior to January 1, 2005	17
	7.2A	Commencement of Payment for Benefits Earned and Vested After December 31, 2004	18
	7.3	Form of Benefit Elections	18
	7.4	Beneficiaries	18
	7.5	Failure to Claim	18
ARTICLE VIII		ADMINISTRATION	19
ARTICLE IX		SOURCE OF PAYMENTS	19
Section	9.1	General Assets of Company	19
ARTICLE X		CLAIMS AND ENFORCEMENT	19
Section	10.1	Administrative Procedures	19
	10.2	Enforcement	20
	10.3	Arbitration	21
ARTICLE XI		AMENDMENT AND TERMINATION	22
Section	11.1	Amendment and Termination of the Plan	22
	11.2	Contractual Obligation	23
ARTICLE XII		MISCELLANEOUS	23
Section	12.1	Employment Rights	23
	12.2	Rights of the Committee	23
	12.3	Benefit Statements	23
	12.4	Assignment	23
	12.5	Applicable Law	23
	12.6	Effective Date	23
	12.7	Entire Plan	23
	12.8	Terms	23
	12.9	Waiver	23
ARTICLE XIII		BENEFITS FOR RETIRED WESTERN EMPLOYEES	24
Section	13.1	Benefit Payments	24
SUPPLEMENT A			25

INTERMEC, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(Amended and Restated as of January 1, 2008)

Article I—Introduction and Purpose

UNOVA, Inc. originally established this Supplemental Executive Retirement Plan (the “Supplemental Plan”) in 1997. The purpose of the Supplemental Plan is to provide for supplemental retirement benefits to selected key employees of the Company (as that term is defined in Section 2.14 and as used hereinafter such term shall have such defined meaning), and thereby encourage those employees to continue providing services to the Company until retirement. The Supplemental Plan is intended to provide benefits solely for a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Payments under the Supplemental Plan shall be made either from general assets of the Company or from the assets of a trust which may be established hereunder. It is intended that the Supplemental Plan remain at all times an unfunded plan for purposes of ERISA and that the trust, if established, shall constitute a grantor trust under Sections 671 through 679 of the Internal Revenue Code of 1986, as amended (the “Code”). It is intended that the Supplemental Plan comply with Section 409A of the Code. Amounts earned and vested under this Supplemental Plan prior to January 1, 2005, are intended to be grandfathered for purposes of Section 409A of the Code. Whether an amount was earned and vested prior to January 1, 2005 shall be determined under Treasury Regulations promulgated by the Internal Revenue Service.

Article II—Definitions

Section 2.1 “Active Participant” shall mean a person who has been designated as a Participant in the Supplemental Plan pursuant to Article III, and who continues to be employed by the Company continuously from such designation, except as provided for in Section 3.2. A Participant (other than a Disabled Participant during the period of Disability) shall be treated as having terminated from employment during any period of Leave of Absence, unless the Committee, in its sole and absolute discretion, and subject to such terms and conditions as the Committee may specify, decides otherwise. However, a Disabled or deceased Participant shall continue to be treated as an Active Participant and, thus, continue to accrue additional Years of Service until the earlier of the date that the Participant attains (or, if deceased, would have attained) age 65, or the date that the Participant is no longer Disabled. A Disabled Participant who returns to active employment with the Company when Disability ends shall thereafter be an Active Participant, so long as such employment continues, without further designation pursuant to Article III. An Active Participant who terminates employment with the Company (other than for Disability) and is subsequently re-employed with the Company shall not be treated as an Active Participant unless such individual is redesignated as an Active Participant pursuant to Article III.

Section 2.2 “Actuarial Equivalent” shall mean the adjustment of an amount or amounts using actuarial methods and factors identical with those actuarial methods and factors then being used, at the time such calculations are to be made hereunder, under the Intermec Pension Plan adopted by Intermec, Inc. as of the Distribution Date and intended to be qualified under Section 401(a) of the Code, as such Plan may be amended from time to time and any retirement plan intended to replace such Plan (the “Qualified Plan”).

Section 2.3 “Average Earnings” shall mean the average of gross base salary payments plus Bonuses as defined in Section 2.7 (except, for a Retired Participant receiving a Retirement Benefit as of the Distribution Date, Bonuses shall mean gross cash payments of Bonuses) from the Company to the Participant in the three twelve consecutive month periods (with no overlap), in which such Participant’s gross base salary payments plus gross Bonuses are the highest, in the Participant’s final 120 months of employment. For all purposes of calculating “Average Earnings” under this Supplemental Plan “gross base salary” shall include (i) any amounts deferred pursuant to Section 401(k) or Section 125 of the Code, (ii) any amounts deferred at the election of the Participant pursuant to any plan of the Company which permits such deferral, and (iii) cash payments, during the relevant period, of commissions payable to a Participant as a regular part of the Participant’s compensation, e.g. to a person engaged in sales or marketing; however, commissions not payable as a regular part of a Participant’s compensation shall not be included in the calculation of Average Earnings. Commissions or portions thereof otherwise included in the calculation of Average Earnings pursuant to the preceding sentence which are deferred (other than at the election of a Participant) shall be included in the calculation of Average Earnings in the relevant period in which cash payments are made. For purposes of calculating Average Earnings under this Supplemental Plan salary (including relevant commission payments and bonuses) paid in a non-U.S. currency shall be converted to U.S. dollar equivalents using the quarterly Intermerc, Inc. official rates of exchange, as determined by the Chief Financial Officer and as utilized generally for corporate purposes.

(a). Average Earnings for purposes of calculating a Disability or Death Benefit for or with respect to a Disabled Participant shall be calculated using the 120 months that include and precede the month that his or her Disability commenced. If a formerly Disabled Participant who has returned to active employment with the Company does not have a minimum of 36 consecutive calendar months of employment with the Company after such return to active employment, then Average Earnings shall be calculated by the Committee in accordance with subparagraph (e).

(b). Average Earnings in the case of an Active Participant who dies prior to attaining age 65 shall be calculated using the 120 months that include and precede the month of the Participant’s death (or Disability, in the case of a Disabled Participant who dies). For purposes of calculating a lump sum payment pursuant to Section 4.1(d) in the event of a Change of Control, with respect to a person (other than a Disabled or deceased Participant) who is an Active Participant as of the date of such calculation, Average Earnings shall be calculated as if the person’s employment with the Company ended on such date.

(c). For purposes of calculating Average Earnings, the Participant’s gross base salary plus gross Bonuses received while employed by Western Atlas (beginning on or after March 17, 1994) or Litton (prior to such date), if and to the extent such Western Atlas or Litton employment is included within the period of 120 months to be used in such calculation, shall be taken into account, provided that the Participant’s benefits under the Western Atlas retirement plans were transferred to the Company pursuant to the Employee Benefits Agreement between Western Atlas and UNOVA, Inc. (the “Employee Benefits Agreement”).

(d). If a Participant is eligible to receive payments under the Supplemental Plan but does not have 36 consecutive months of employment with Western Atlas and the Company, then Average Earnings shall be calculated by the Committee in accordance with subparagraph (e).

(e). Notwithstanding the foregoing, the Committee may determine Average Earnings for the purposes of this Section by another methodology which it determines to be more appropriate under the facts and circumstances; provided, however, that, following a Change of Control, the authority of the Committee under this subparagraph (e) shall be limited to matters referred to in the last sentence of subparagraph (a) above and the matters referred to in subparagraph (d) above unless the methodology for determining Average Earnings selected by the Committee is more advantageous to the Participant.

(f). Notwithstanding the foregoing, and pursuant to a Board resolution granting stock options to officers of Intermec, Inc. in lieu of cash compensation, (1) any amounts of base salary that a Participant elects to forego during the 2002 fiscal year in order to receive stock options shall be regarded as part of the Participant's "gross base salary" for 2002, and (2) any amounts of a bonus award with respect to the 2001 fiscal year but payable during 2002 that a Participant elects to forego in order to receive stock options shall be regarded as part of the Participant's "Bonus" and shall be deemed to have been paid to the Participant in equal monthly installments during the 2001 fiscal year.

Section 2.4 "Base Compensation Amount" shall mean the applicable dollar amount on the date that the Active Participant terminates from employment with the Company, calculated as follows:

(a). The Base Compensation Amount, as defined under the Western Plan, for the 12-month period ending on December 31, 1997;

(b). For each 12-month period following the period described above in Section 2.4(a), the Base Compensation Amount shall be the dollar amount applicable for the immediately preceding 12-month period increased by a percentage, which shall be the sum of: (1) the percentage increase in the U.S. Department of Labor consumer price index for all urban consumers from the index amount in effect at the beginning of the immediately preceding 12-month period to the index amount in effect at the beginning of the current 12-month period, and; (2) one percent.

(c). In the case of an Active Participant who dies, the Base Compensation Amount shall be the dollar amount in effect under Section 2.4(a) or (b) for the month in which the Participant died and, in the case of a Disabled Participant (who does not return to active employment with the Company), the Base Compensation Amount shall be the dollar amount in effect under Section 2.4(a) or (b) for the month in which the Disabled Participant becomes disabled. For purposes of calculating a lump sum payment pursuant to Section 4.1(d) in the event of a Change of Control, with respect to a person (other than a Disabled or deceased Participant) who is an Active Participant as of the date of such calculation, the Base Compensation Amount shall be the Base Compensation amount in effect as of the date of such calculation.

Section 2.5 "Beneficiary" or "Beneficiaries" shall mean those who are designated under the Supplemental Plan to receive payment of a benefit on account of a Participant's death. If and to the extent the spouse of a deceased Participant is living at the time of the Participant's death, only the spouse may be the Beneficiary. Upon the death of the spouse of a deceased Participant prior to commencement of Retirement Benefit payments, the Dependent Children of the Participant may be Beneficiaries, but only of the Death Benefit.

Section 2.6 “Board” shall mean the Board of Directors of Intermec, Inc. or of its Successor, as of the time in question, the succession of which did not result from or constitute or follow a Change of Control (“Successor” or “Successors”).

Section 2.7 “Bonus” or “Bonuses” shall mean the full amount of the bonus or similar cash incentive determined and awarded by the Committee (or any other body or individual having authority to award such Bonus) to a Participant with respect to any given fiscal year or portion thereof and shall be deemed, for purposes of the calculation of Average Earnings, to have been paid by the Company to the Participant in equal monthly installments during the fiscal year or portion thereof with respect to which the Bonus was awarded (except, for a Retired Participant receiving a Retirement Benefit as of the Distribution Date, Bonus or Bonuses shall mean gross cash payments of Bonuses), under Company-sponsored, formal or informal, incentive compensation or bonus plans, excluding, however, any payments under stock-based option or award plans; provided, however, that, for purposes of calculating Average Earnings any portion of a Bonus, the payment of which is deferred at the election of the Participant, shall be treated as paid in equal monthly installments during the fiscal year or portion thereof with respect to which the Bonus was awarded, notwithstanding such elected deferral, and payment of the deferred portion shall be disregarded for purposes of calculating Average Earnings. “Bonus or “Bonuses” shall not include any bonus, commission or fee paid to a Participant for the accomplishment of a particular non-ordinary achievement, transaction, or circumstance as determined by the Committee prior to or at the time of the award thereof.

Notwithstanding the foregoing, the following additional provisions shall be applicable to the definition of “Bonus” or “Bonuses” in the case of an award or awards made under the Intermec, Inc. Management Incentive Compensation Plan or any other annual incentive plan which provides that a portion of an annual award shall be deposited in a so-called “Bonus Bank” and shall remain “at risk.” The Bonus, in such case, shall comprise only the portion of the annual award which is paid to the Participant on a current basis and shall not include any amount of the award required to be deposited to a Bonus Bank; however, the Bonus shall also include any amount paid to the Participant as a periodic payment from the Bonus Bank during the year with respect to which the amount was made (but shall not include any payment from the Bonus Bank made solely as a result of termination of employment).

Section 2.8 “Business Combination” shall have the meaning specified in Section 2.9(c).

Section 2.9 “Change of Control” shall mean:

(a). An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended [the “Exchange Act”] (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30 percent or more of either (1) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (A) any acquisition directly from the Company other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company; (B) any acquisition by the Company; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (D) any

acquisition by any Person pursuant to a transaction which complies with clauses (1), (2), and (3) of paragraph (c) below of this Section 2.9; or

(b). Individuals who, as of the effective date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a member of the Board subsequent to the effective date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but provided further that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c). The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“Business Combination”); excluding, however, such Business Combination pursuant to which: (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination, will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; (2) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination; and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d). Consummation of a complete liquidation or dissolution of the Company.

To the extent necessary to comply with Section 409A of the Code, including (but not limited to) distributions under Section 4.1A(d), an event or occurrence described above shall be considered a “Change of Control” only if it also constitutes a change in ownership or effective control of the Company, or a change in ownership of the Company’s assets, described in Section 409A(a)(2)(A)(v) of the Code and the Treasury Regulations promulgated thereunder.

Section 2.10 “Chief Executive Officer” shall mean the chief executive officer of Intermec, Inc. or of its Successor.

Section 2.11 “Chief Financial Officer” shall mean the chief financial officer of Intermec, Inc. or of its Successor.

Section 2.12 “Code” shall mean the Internal Revenue Code of 1986, as amended.

Section 2.13 “Committee” shall mean:

(a). The Compensation Committee of the Board.

(b). Notwithstanding Section 2.13(a), upon a Change of Control, the Committee shall mean exclusively the “special administrators.” The “special administrators” shall be the individuals who constituted the Company’s Compensation Committee of the Board immediately prior to the Change of Control. The “special administrators” shall constitute the Committee until the earlier of the termination of the Supplemental Plan or the last day of the 18-month period following the month in which the Change of Control occurred. The “special administrators” shall have all rights and authority reserved to the Committee under the Supplemental Plan, including, but not limited to, the rights specified in Section 12.2.

(c). If a “special administrator” dies, becomes disabled, or resigns as “special administrator” during the period that the “special administrators” constitute the Committee, the remaining “special administrator(s)” shall continue to serve as the Committee without interruption, and successor “special administrator(s)” shall be designated, and subject to removal, by the individual who was Chief Executive Officer immediately prior to the Change of Control from among the then remaining Participants, but such Chief Executive Officer shall also have the right to designate himself or herself as a successor “special administrator” but, in the event of the death or disability of such Chief Executive Officer, successor “special administrators” shall be designated by that one of the remaining “special administrators” who has the greatest seniority in terms of years of employment with the Company and Western Atlas. No Participant who has been designated as a “special administrator” shall participate in any decision which addresses peculiarly the Benefits of or with respect to such Participant.

If at any time there are no remaining “special administrators,” the presiding Judge of the Superior Court of the State of California for Los Angeles County shall designate three “special administrators” from among the remaining Participants upon the application of any of the Participants. For purposes of this Section, the term “Participant” means a Participant who has satisfied the conditions of Section 4.1(a)(3) or is a Disabled Participant, or is receiving Retirement Benefits.

Section 2.14 “Company” shall mean Intermec, Inc., a Delaware corporation, and its Successors, and their respective subsidiaries. Any reference to stock or securities of the Company shall mean only the stock or securities of Intermec, Inc. or of its Successor.

Section 2.15 “Death Benefit” shall mean the benefit payable pursuant to Article V to the Participant’s Beneficiary or Beneficiaries, if any.

Section 2.16 “Dependent Children” shall mean a natural or legally adopted son or daughter who either: (a) has not attained age 19; or (b) has attained age 19 but has not attained age 23 and is a full-time student at an accredited educational institution.

Section 2.17 “Director” shall mean a member of the Board of Directors of Intermec, Inc. or of its Successor.

Section 2.18 “Disability” or “Disabled” shall have the meaning provided under Section 409A(a)(2)(C) of the Code and the Treasury Regulations promulgated thereunder.

Section 2.19 “Disability Benefit” shall mean the benefit payable pursuant to Article VI to an Active Participant who becomes Disabled.

Section 2.20 “Distribution Date” shall mean the date determined by the Board of Directors of Western Atlas on which the shares of the Company are distributed by Western Atlas to the holders of Western Atlas common stock.

Section 2.21 “Employee Benefits Agreement” shall have the meaning specified in Section 2.3(c).

Section 2.22 “ERISA” shall have the meaning specified in Article I.

Section 2.23 “Exchange Act” shall have the meaning specified in Section 2.9(a).

Section 2.24 “Litton” shall mean Litton Industries, Inc., a Delaware corporation, and its subsidiaries at the time in question.

Section 2.25 “Leave of Absence,” with respect to a person who has been designated a Participant, shall mean and refer to a discontinuance of regular, full-time services by the person for the Company resulting in the discontinuance, in whole or in part, of base salary payments by the Company to such person during such discontinuance of service, provided, however, that, to the extent federal or state so-called “Family Leave Acts” or “Maternity or Pregnancy Leave Acts” may make unlawful the treatment of an absence or a portion of an absence as a termination for purposes of the Supplemental Plan, such absence or portion shall not constitute a Leave of Absence.

Section 2.26 “Normal Form” shall mean the form of Retirement Benefit payable under Section 4.5 to a Retired Participant.

Section 2.27 “Offset Amount” shall mean the sum of the annual “primary insurance amount” and the annual “Company-provided pension.”

(a). The “primary insurance amount” shall mean the annual benefit determined under the Social Security Act that is payable to the Participant as of the calendar year that Retirement Benefits to the Participant, if any, would commence under this Supplemental Plan. If no “primary insurance amount” is payable to a Participant, who is otherwise covered by the Social Security Act, as of the calendar year in which Retirement Benefit commences to the Participant, if any, would commence under the Supplemental Plan, then the “primary insurance amount” shall be deemed to be the “primary insurance amount” that would be payable to the Participant at the earliest date thereafter (or would have been payable at the earliest date thereafter, in the case of a deceased Participant); provided, however, that the amount payable under the Social Security Act shall be determined without regard to any election by the Participant or a Beneficiary to defer receipt of a benefit and without regard to any reduction of the amount of the Social Security Act benefit by virtue of the receipt of earned income by the Participant or a Beneficiary. The “primary insurance amount” shall also include any annual retirement benefit payable under any public retirement program of a foreign country that the Committee determines is comparable in purpose to the benefits payable under the Social Security Act.

(b). The “Company-provided pension” shall mean the annual amount that would be payable to a Participant under any defined benefit or defined contribution plan sponsored by the Company, which is either intended to qualify under Section 401(a) of the Code or is intended to restore benefits under such plan (excluding only this Supplemental Plan and Part II of the Intermec, Inc. or Western Atlas Inc. FSSP and Restoration Plan) assuming for purposes of calculating such annual amount that the Participant withdrew his or her actual contributions, if any, and earnings thereon. Any non-United States defined benefit or defined contribution plan of the Company which is not subject to the Code but which is comparable in purpose to plans which would qualify under Section 401(a) of the Code shall be included within the meaning of “Company-provided pension.” Annual amounts payable under any retirement plans of a Participant’s former employer, assuming for purposes of calculating such annual amount that the Participant withdrew his or her actual contributions, if any, and earnings thereon, shall be included in the calculations of the “Company-provided pension,” if such former employer, or substantially all of such former employer’s assets, have been acquired by the Company and the Participant’s service with such former employer are included in the calculation of “Years of Service”; provided, however, that amounts payable under the Landis Tool Savings Plan shall not be included in the calculation of “Company-provided pension”; and provided further, however, that amounts payable under the Intermec Canada Savings Plan, to the extent attributable to Company contributions or Company matching amounts, shall be included in the calculation of “Company-provided pensions.” The amount of the “Company-provided pension” shall be deemed to be the amount which would have been payable if the Participant joined each such plan at the earliest date on which the Participant was eligible to join such plan and participated in the plan to the fullest extent possible and withdrew his or her actual and presumed contributions, plus income thereon. The amount of the “Company-provided pension” shall be calculated under the terms that were in effect during the Participant’s actual, if any, and presumed participation, except that a subsequent, retroactive amendment to any of such plans shall be taken into account only to the extent that it actually would have increased the Participant’s benefit under that plan. The “Company-provided pension” shall be computed as if the Participant actually received the plan benefits under such “Company-provided pension” as a single life annuity beginning on the date that Retirement Benefits commence under this Supplemental Plan.

Section 2.28 “Outstanding Company Common Stock” and “Outstanding Company Voting Securities” shall have the meanings specified for those items in Section 2.9(a).

Section 2.29 “Participant” shall mean a person who has been designated as a Participant in the Supplemental Plan pursuant to Article III and who is either an Active Participant, a Disabled Participant, a Retired Participant, a former Active Participant who has satisfied the condition of Section 4.1(a)(3), or a Participant who died while an Active Participant.

Section 2.30 “Person” shall have the meaning specified in Section 2.9(a).

Section 2.31 “Qualified Plan” shall have the meaning specified in Section 2.2.

Section 2.32 “Retired Participant” shall mean a Participant who has terminated from employment with the Company, and who has satisfied the conditions of Section 4.1.

Section 2.33 “Retirement Benefit” shall mean the benefits payable to a Retired Participant and, if applicable, the Beneficiary of a Retired Participant, as provided in Article IV.

Section 2.34 “Rule of 70 Employee” shall have the same meaning as under Section 3.35 of the Intermec Pension Plan, except that, for purposes of the Supplemental Plan, such individual must also be an Active Participant on June 30, 2006.

Section 2.35 “Special Administrators” shall have the meaning specified in Section 2.13(b).

Section 2.36 “Successor” or “Successors” shall have the meaning specified in Section 2.6.

Section 2.37 “Supplemental Plan” shall mean the Intermec, Inc. Supplemental Executive Retirement Plan that is described in this document, as amended from time to time, and including any rules and regulations promulgated by the Committee for purposes of administering the Supplemental Plan.

Section 2.38 “Trust” shall mean a grantor trust under Section 671 through 679 of the Code, if and when established. The decision to establish a Trust shall be in the sole and absolute discretion of the Company.

Section 2.39 “Trustee” shall mean the trustee of the Trust.

Section 2.40 “Trust Agreement” shall mean the terms of the agreement, entered into between Intermec, Inc. or its Successor and the Trustee, that establishes the Trust.

Section 2.41 “Western Atlas” shall mean Western Atlas Inc. and its subsidiaries and affiliates.

Section 2.42 “Western Atlas Plan” shall mean the Western Atlas Inc. Supplemental Executive Retirement Plan, as in effect immediately prior to the Distribution Date.

Section 2.43 “Years of Service” shall mean the number resulting from:

(a). The division of twelve into the number of consecutive and continuous calendar months of employment with the Company (and with an employer, all or substantially all of the assets of which were acquired by the Company only to the extent the Participant was employed by the employer at the date of the acquisition of the employer) that elapse from and including the month that an Active Participant commenced the period of employment with the Company (or such employer) and which ends: (1) upon the Active Participant’s death; or (2) upon termination of an Active Participant’s employment with the Company other than by death, until and including the earlier of the month of such death or termination; provided, however, that such calculation shall not include any calendar months of employment with the Company in any separate period of employment with the Company preceding the most recent and continuous employment with the Company, and provided, further, that an Active Participant who dies or becomes Disabled shall continue to accrue Years of Service from the date of such death or Disability until the earlier of the calendar month (x) in which such person attains or, if deceased, would have attained age 65, or (y) in which such Participant is no longer Disabled.

(b). For purposes of determining a Participant’s Years of Service under the terms of Section 2.42(a), service with Western Atlas immediately preceding the period of service with the Company referred to in Section 2.42(a) which ends upon the Active Participant’s death, or which ends upon an Active Participant’s termination of employment with the Company other than by death, shall be taken into account, provided that the Participant’s benefits under the

Western Atlas retirement plans were transferred to UNOVA, Inc. pursuant to the Employee Benefits Agreement. In addition, service with Litton immediately preceding the period of service with Western Atlas which ends upon the Active Participant's death, or which ends upon an Active Participant's termination of employment with the Company other than by death, shall be taken into account, provided that the Participant's benefits under the Litton retirement plans were transferred to Western Atlas Inc.

(c). In its discretion, the Committee may: (1) compute a Participant's Years of Service by treating separate but not continuous periods of employment with Litton, Western Atlas or the Company as continuous periods of employment; (2) credit a Participant with Years of Service in addition to the Years of Service accrued while actually employed with Litton, Western Atlas or the Company; and (3) credit a Participant for Years of Service solely for purposes of satisfying the vesting requirements of Sections 4.3.

(d). For purposes of calculating a lump sum payment pursuant to Section 4.1(d) in the event of a Change of Control, with respect to a person (other than a Disabled or deceased Participant) who is an Active Participant, Years of Service shall be determined as if the person's employment with the Company ended on such date or such later date on which a Participant's employment could be terminated by the Company without cause under a Change of Control Agreement.

Article III—Participation

Section 3.1 General. Participation in the Supplemental Plan is limited solely to key employees of the Company who are designated by the Committee or the Board, after nomination by the Chief Executive Officer. A key employee shall not be disqualified from becoming an Active Participant solely because the key employee is also a Director.

Section 3.2 Entry and Continuing Participation. A key employee shall become an Active Participant as of the date specified by the Committee. A key employee who is designated as an Active Participant shall continue to be an Active Participant until termination of employment with the Company, except as provided in Section 2.1 with respect to Disabled or deceased Participants.

Section 3.3 Supplemental Plan Closed to New Participants Notwithstanding the above, any key employee who, on or after July 1, 2006, commences employment with, is re-hired by the Company shall not be eligible to participate in the Supplemental Plan.

Article IV—Retirement Benefits

Section 4.1 Eligibility for Retirement Benefits Earned and Vested Prior to January 1, 2005.

(a). General. With respect to benefits earned and vested prior to January 1, 2005, Participant shall be eligible to begin receiving a Retirement Benefit if the Participant has (1) either attained age 65 or satisfied the conditions in Section 4.1(b) or (c) below; (2) filed an election to receive payments under Article VII; (3) satisfied the vesting requirement of Section 4.3; (4) terminated employment with the Company; and, (5) except for a Participant whose employment with the Company is terminated in connection with a Change of Control, the Participant agrees that for a period of five years after commencement of receipt of Retirement Benefits under this Supplemental Plan, not to engage in any activity which interferes with the economic or business interests, or contractual relationships of Intermec, Inc. or its Successors

or of any of its subsidiaries or affiliates with third parties in connection with which the Participant worked for Intermec, or its subsidiaries or affiliates or to perform services for any entity in competition with a business of Intermec, Inc. or of its subsidiaries or affiliates for which the Participant worked and with respect to which the Participant possesses trade secrets or business confidential information of Intermec, or of its subsidiaries or affiliates. In the event that any provision of the covenant provided for in (5) immediately above shall be held invalid or unenforceable by a Court of competent jurisdiction by reason of the geographic or business matter scope, or the duration thereof, such invalidity or unenforceability shall attach only to such provisions and shall not affect or render invalid or unenforceable any other provision of the Supplemental Plan, and this Supplemental Plan shall be construed as if the geographic or subject matter scope, or the duration thereof, had been more narrowly drafted so as not to be invalid or unenforceable.

(b). Retirement Benefits at Age 62. A Participant who has attained age 62, but not yet attained age 65, and who has satisfied the conditions of Section 4.1(a)(2), (3) and (4), and agrees to the covenant provided for in Section 4.1(a)(5), shall be eligible to begin receiving the Actuarial Equivalent, based upon the Participant's age (below 65) and the age of Participant's spouse, if applicable, at which the Participant commences receiving the Retirement Benefit, of the Retirement Benefit payable at age 65.

(c). Retirement Benefits Prior to Age 62. A Participant shall not be entitled to begin receiving a Retirement Benefit prior to attainment of age 62, except in the sole and absolute discretion of the Committee, and subject to such terms and conditions, including the imposition of Retirement Benefit reductions, that the Committee may specify.

(d). Change of Control. Except as otherwise provided in any Change of Control Agreement between the Company and a Participant, an Active Participant and a Participant who has satisfied the conditions of Section 4.1(a)(3) and (4) shall be entitled to a lump sum payment equal to the Actuarial Equivalent, at the age of such Participant at the date of the Change of Control, of the Retirement Benefit which would be payable to such Participant at the later of age 65 or, if the Active Participant continued in employment with the Company after attaining age 65 (or would have been entitled to continue employment under a Change of Control Agreement), at the earlier of the age at which such employment ended (or could have been terminated by the Company without cause under the terms of a Change of Control Agreement) or at the age of such Participant at the date of such Change of Control, which has been earned by the Participant to the date of Change of Control assuming, for such purposes, that the Retirement Benefit is payable in the form of a single life annuity. In addition, there shall be waived any condition concerning eligibility for payment of a Retirement Benefit that requires: (1) the filing of any election; (2) the attainment of a specified age; (3) an agreement not to engage in competitive activities with the Company; (4) satisfaction, as to such Active Participant, of the conditions of Section 4.1(a)(3) or of any other terms or conditions or the application of any benefit reductions described in Section 4.1(b) or (c); and (5) as to such Active Participant, termination of employment with the Company, in order to begin receiving Retirement Benefits. "Change of Control Agreement" means any agreement between the Company and the Participant which provides for the employment of the Participant and/or payment to the Participant upon or following a Change of Control.

Section 4.1A Eligibility for Retirement Benefits Earned and Vested After December 31, 2004.

(a) General. With respect to benefits earned and vested after December 31, 2004, a Participant shall be eligible to begin receiving a Retirement Benefit if the Participant has

(1) attained age 62; (2) satisfied the vesting requirement of Section 4.3; (3) separated from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations promulgated thereunder); and, (4) except for a Participant whose employment with the Company is terminated in connection with a Change of Control, the Participant agrees that for a period of five years after commencement of receipt of Retirement Benefits under this Supplemental Plan, not to engage in any activity which interferes with the economic or business interests, or contractual relationships of Intermec, Inc. or its Successors or of any of its subsidiaries or affiliates with third parties in connection with which the Participant worked for Intermec, Inc. or its subsidiaries or affiliates or to perform services for any entity in competition with a business of Intermec, Inc. or of its subsidiaries or affiliates for which the Participant worked and with respect to which the Participant possesses trade secrets or business confidential information of Intermec, Inc., or of its subsidiaries or affiliates. In the event that any provision of the covenant provided for in (4) immediately above shall be held invalid or unenforceable by a Court of competent jurisdiction by reason of the geographic or business matter scope, or the duration thereof, such invalidity or unenforceability shall attach only to such provisions and shall not affect or render invalid or unenforceable any other provision of the Supplemental Plan, and this Supplemental Plan shall be construed as if the geographic or subject matter scope, or the duration thereof, had been more narrowly drafted so as not to be invalid or unenforceable.

(b) Retirement Benefits at Age 62. A Participant who has attained age 62, but not yet attained age 65, and who has satisfied the conditions of Section 4.1(a)(2) and (3), and agrees to the covenant provided for in Section 4.1(a)(4), shall be eligible to begin receiving the Actuarial Equivalent, based upon the Participant's age (below 65) and the age of Participant's spouse, if applicable, at which the Participant commences receiving the Retirement Benefit, of the Retirement Benefit payable at age 65.

(c) Retirement Benefits Prior to Age 62. A Participant shall not be entitled to begin receiving a Retirement Benefit prior to attainment of age 62.

(d) Change of Control. Except as otherwise provided in any Change of Control Agreement between the Company and a Participant, an Active Participant and a Participant who has satisfied the conditions of Section 4.1(a)(2) and (3) shall be entitled to a lump sum payment equal to the Actuarial Equivalent, at the age of such Participant at the date of the Change of Control, of the Retirement Benefit which would be payable to such Participant at the later of age 65 or, if the Active Participant continued in employment with the Company after attaining age 65 (or would have been entitled to continue employment under a Change of Control Agreement), at the earlier of the age at which such employment ended (or could have been terminated by the Company without cause under the terms of a Change of Control Agreement) or at the age of such Participant at the date of such Change of Control, which has been earned by the Participant to the date of Change of Control assuming, for such purposes, that the Retirement Benefit is payable in the form of a single life annuity. In addition, there shall be waived any condition concerning eligibility for payment of a Retirement Benefit that requires: (1) the attainment of a specified age; (2) an agreement not to engage in competitive activities with the Company; (3) satisfaction, as to such Active Participant, of the conditions of Section 4.1(a)(2) or of any other terms or conditions or the application of any benefit reductions described in Section 4.1(b) or (c); and (4) as to such Active Participant, termination of employment with the Company, in order to begin receiving Retirement Benefits. Such payment shall be made on or before the 90th day immediately following the Change in Control. "Change of Control Agreement" means any agreement between the Company and the Participant which provides for the employment of the Participant and/or payment to the Participant upon or following a Change of Control.

Section 4.2 Retirement Benefit Formula. A Participant's annual Retirement Benefit shall be the Actuarial Equivalent of the amount calculated under the formula: $[(A + B) \times C] - D = \text{Retirement Benefit}$, where:

- (a). "A" is Average Earnings up to the Base Compensation Amount multiplied by 1.6 percent;
- (b). "B" is Average Earnings in excess of the Base Compensation Amount multiplied by 2.2 percent;
- (c). "C" is Years of Service not in excess of 25; and
- (d). "D" is the Offset Amount.

Section 4.3 Vesting in Retirement Benefit. A Participant shall have no vested right to a Retirement Benefit prior to the later of attaining: (1) age 60 while an Active Participant; or (2) 15 Years of Service. Upon a Change of Control and thereafter, an Active Participant shall be vested in his or her Retirement Benefit regardless of Years of Service or age.

Section 4.4 Retirement Benefit Forms.

(a). General Rule. Unless a Participant had made an election to receive payment of Retirement Benefits in an available alternative form, a Participant shall be deemed to have elected the Normal Form.

(b). Actuarial Equivalent. All forms of payment of Retirement Benefits shall be the Actuarial Equivalent of a single life annuity payable at age 65, except that, in the case of an Active Participant who remains in continuous employment with the Company after attaining age 65, the amount of the benefit shall be actuarially increased to reflect the commencement of the benefit after age 65.

Section 4.5 Normal Form of Retirement Benefit.

(a). Single Life Annuity. The Normal Form of payment of a Retirement Benefit for a Participant who is living at the time payment commences shall be a single life annuity for a Participant who is unmarried at the time that payment of the annual Retirement Benefit commences. Under a single life annuity, a Retired Participant shall receive a monthly benefit for life equal to the Actuarial Equivalent of 1/12 of his or her Retirement Benefit and all payments shall cease upon the Retired Participant's death.

(b). Joint and Survivor Annuity. If a Participant is married at the time that payment of the Retirement Benefit commences, the Normal Form of Retirement Benefit shall be a joint and survivor annuity (which shall be the Actuarial Equivalent of a single life annuity) for the benefit of the Participant's spouse as of the date that payment of the Retirement Benefit commences. Under the Normal Form of a joint and survivor annuity, a Participant shall receive a monthly benefit for life and, upon the Participant's death, the spouse, if living, shall receive a monthly benefit for life equal to 100% of the monthly benefit that was payable to the Participant. If a Participant, who has satisfied the conditions of Section 4.1(a)(3) (including consideration of Years of Service accrued for Disabled or deceased Participants pursuant to Section 2.1), dies prior to the commencement of the payment of Retirement Benefits, and was married at the date of death, the spouse Beneficiary of such Participant shall have the right to a survivor Retirement Benefit, commencing at the date such Participant would have attained age 65, if the Participant died prior to attaining age 65, or commencing on the first day of the month following the month in

which the Participant died if the Participant continued in continuous employment with the Company after attaining age 65 and until the date of Participant's death, calculated under Section 4.2 as if the Participant had survived to such entitlement date and begun receiving payment of the Retirement Benefit at such entitlement date as a joint and 100% survivor annuity and then died on the following date.

Section 4.6 Alternative Forms for Benefits Earned and Vested Prior to January 1, 2005.

(a). This Section shall apply with respect to benefits earned and vested prior to January 1, 2005.

(b). Election of Forms of Benefit. Prior to the commencement of payment of a Retirement Benefit, a Participant may file an election designating a payment form other than the Normal Form of Retirement Benefit; provided, however, that any such alternate payment form is a payment form available under the Qualified Plan and, if such Participant is entitled to a benefit under such Qualified Plan, is the same as the payment form elected under such Qualified Plan. If a Participant is married, an election to receive a Retirement Benefit in a form other than the Normal Form shall be valid only if such election includes the written consent of the Participant's spouse in the form and manner specified by the Committee. However, a joint and survivor annuity shall not be available under this Supplemental Plan with respect to any Beneficiary other than the spouse of the Participant as of the date that the Retirement Benefit commences.

(c). Additional Forms of Benefit. From time to time, the Committee may, in its sole discretion, make other forms of payment of Retirement Benefits available; provided, however, that once a Participant or the Participant's Beneficiary begins receiving Retirement Benefit payments, no change may be made in the form of payment except as provided for in Section 4.6(c) below.

(d). Form of Benefit on Change of Control. Notwithstanding the other provisions of this Section, upon a Change of Control, all Retirement Benefits including, without limitation, benefits payable to Active Participants who remain employed by the Company, shall be paid in the manner set forth in Section 4.1(d).

Section 4.6A Alternative Forms for Benefits Earned and Vested After December 31, 2004.

(a). This Section shall apply with respect to benefits earned and vested after December 31, 2004.

(b). Election of Forms of Benefit. Prior to the commencement of payment of a Retirement Benefit, a Participant may file an election designating a payment form other than the Normal Form of Retirement Benefit; provided, however, that any such alternate payment form must be a life annuity form of payment available under the Qualified Plan. If a Participant is married, an election to receive a Retirement Benefit in a form other than the Normal Form shall be valid only if such election includes the written consent of the Participant's spouse in the form and manner specified by the Committee. However, a joint and survivor annuity shall not be available under this Supplemental Plan with respect to any Beneficiary other than the spouse of the Participant as of the date that the Retirement Benefit commences.

(c). Additional Forms of Benefit. From time to time, the Committee may, in its sole discretion, make other forms of payment of Retirement Benefits available; provided,

however, that such forms of payment must be life annuities and once a Participant or the Participant's Beneficiary begins receiving Retirement Benefit payments, no change may be made in the form of payment except as provided for in Section 4.6A(d) below.

(d) **Form of Benefit on Change of Control.** Notwithstanding the other provisions of this Section, upon a Change of Control, all Retirement Benefits including, without limitation, benefits payable to Active Participants who remain employed by the Company, shall be paid in the manner set forth in Section 4.1A(d).

Section 4.7 Benefit Freeze for Employees other than Rule of 70 Employees.

Notwithstanding the above, effective July 1, 2006, no further benefits shall accrue under Article IV, V, or VI of the Plan with regard to any key employee who is not a Rule of 70 Employee.

Article V—Benefits Upon Participant's Death

Section 5.1 Eligibility for Death Benefit. The Beneficiary or Beneficiaries of an Active or Disabled Participant who dies prior to attaining age 65 and prior to the time Retirement Benefits to such Participant commence, shall be eligible to begin receiving a Death Benefit if the Beneficiary or Beneficiaries have filed a claim under Article VII. The Beneficiary or Beneficiaries of a Participant who is not a Disabled Participant and whose employment with the Company terminated prior to that Participant's death shall not be eligible for a Death Benefit. If there are no Beneficiaries at the date of the Participant's death, no Death Benefit shall be payable. The class of individuals who are eligible to be Beneficiaries of the Death Benefit is limited to the Participant's spouse, as of the date of the Participant's death, and the Participant's Dependent Children as of the date of Participant's death; provided, however, that such term also shall include any natural children of Participant born after Participant's death and any child who is in the process of being adopted by the Participant at the date of Participant's death and the adoption of whom is completed by the spouse of Participant after the date of Participant's death. If there is both a living spouse and Dependent Children as of the date of Participant's death, the Beneficiary shall be the spouse. The Dependent Children shall become the Beneficiaries of the Death Benefit, but only upon the death of Participant's spouse prior to the earlier of the date the Participant would have attained age 65, or the date the Participant's spouse commences to receive a Retirement Benefit.

Section 5.2 Death Benefit.

(a). **Spousal Benefit.** The Death Benefit for the surviving spouse of an Active or Disabled Participant shall be an annual amount equal to 40% of the Participant's Average Earnings. The spouse Beneficiary shall receive the Death Benefit as a monthly benefit equal to 1/12 of the Death Benefit. The Death Benefit for the spouse Beneficiary shall cease on the earlier of: (1) the death of the spouse Beneficiary; or (2) the date at which the Participant would have attained age 65.

(b). **Dependent Children Benefit.** If a spouse Beneficiary of a deceased Participant dies prior to the date at which the Participant would have attained age 65, then a Death Benefit shall be paid to any then Dependent Children for so long as any such remain Dependent Children. The aggregate amount of any Death Benefit payable to Dependent Children after the death of the spouse for each month is the amount equal to the monthly Death Benefit that would be payable to a spouse Beneficiary multiplied by a fraction (not greater than one), the numerator of which is the number of Dependent Children at the time of each monthly

payment and the denominator of which is three. If there are no remaining living Dependent Children Beneficiaries, no further Death Benefit shall be paid.

(c). Vesting in Death Benefit. An Active or Disabled Participant shall at all times be vested in his or her right to a Death Benefit.

Section 5.3 Spouse Retirement Benefit. To the extent that a spouse Beneficiary is receiving a Death Benefit on the date the Participant would have attained age 65, the spouse Beneficiary thereafter shall receive a Retirement Benefit pursuant to Article IV, if eligible, in the amount calculated pursuant to Article IV, and no further Death Benefit payments shall be payable to the spouse Beneficiary or to any Dependent Children Beneficiaries or otherwise.

Section 5.4 Change of Control. Upon a Change of Control, after the Participant's death but prior to the date the Participant would have attained age 65, the Participant's spouse, if then living and if otherwise eligible, shall receive a single sum payment that is the Actuarial Equivalent, at the date of such lump sum payment, of the Death Benefit, calculated through the date that Participant would have attained age 65. The spouse Beneficiary, if then living, shall also be entitled to the lump sum payment of the Retirement Benefit, if any, pursuant to Section 4.1(d). Upon a Change of Control occurring after commencement of the payment of Death Benefits to the Dependent Children Beneficiaries pursuant to Section 5.2(b), the Dependent Children shall receive a single sum payment that is the Actuarial Equivalent, based upon the ages of the Dependent Children, of the Death Benefit calculated without regard to the date the Participant would have attained age 65.

Article VI—Benefits of Disabled Participants

Section 6.1 Eligibility for Disability Benefit. An Active Participant who becomes Disabled prior to attaining age 65 shall be eligible to begin receiving a Disability Benefit if the Disabled Participant has filed a claim under Article VII. The Disability Benefit shall cease on the earlier of: (1) the first day of the calendar month following the Disabled Participant's attainment of age 65; (2) the date on which the Committee determines that the Participant is no longer Disabled; or (3) the date of the Disabled Participant's death (in which case a Death Benefit may be payable under Article V).

Section 6.2 Disability Formula. A Disability Benefit shall be a monthly amount equal to 1/12 of 40% of the Participant's Average Earnings, offset by the sum of: (a) any other payment to the Disabled Participant that would be made by or on behalf of the Company on account of the Disability (including, without limitation, a Company-sponsored disability insurance plan or any other benefit plan of the Company, any amounts payable as sick pay, and any amounts payable under so-called Workers Compensation Acts or similar laws of foreign governments other than lump sum amounts for the loss of an organ or other body member and other than amounts paid for medical expenses), calculated as if the Participant participated to the fullest extent possible in such disability programs; and (b) the Social Security (or comparable foreign government) disability benefits received by the Disabled Participant. For purposes of determining any offset under the preceding sentence, any payments that are not made on a monthly basis shall be converted to monthly payments under a methodology approved by the Committee.

Section 6.3 Vesting Disability Benefit. An Active Participant shall at all times be vested in his or her right to a Disability Benefit.

Section 6.4 Disabled Participant's Retirement Benefit. If a Disabled Participant attains age 65, then he or she may be eligible to receive a Retirement Benefit subject to the rules of Article IV, as if such Disabled Participant continued his or her employment until age 65 with Average Earnings calculated as provided for in Section 2.3(a).

**Article VII—Elections, Claims, Commencement of
Payments and Beneficiary Designations**

Section 7.1 General. All elections to receive benefits under this Supplemental Plan must be made in writing to the Committee in the form specified by the Committee and include the information or documentation that the Committee deems necessary. The Committee, in its discretion, may request additional information or reasonable documentation from time to time in order to determine whether a Participant receiving a Disability Benefit continues to be Disabled, and in order to determine whether any Beneficiary who is receiving a Death Benefit is entitled hereunder to continue receiving a Death Benefit or the amount thereof.

Section 7.2 Commencement of Payment for Benefits Earned and Vested Prior to January 1, 2005. With respect to benefits earned and vested prior to January 1, 2005, payment of benefits under this Supplemental Plan shall begin as soon as administratively feasible after the Participant (or Beneficiary, if applicable) has provided a claim for benefits in writing to the Committee, including any supporting documentation required by the Committee, and the Committee has determined that the Participant (or Beneficiary, if applicable) satisfies the requirements for payment. Retirement Benefits shall be payable on the later of:

- (a) the first day of the month following the month in which the Participant satisfies all of the conditions set forth in Section 4.1(a), or
- (b) if later, the first day of the month following the month in which the Participant attains the earlier of age 65, or the age, below 65, elected by the Participant pursuant to and in accordance with the conditions of Section 4.1(b) or (c);

provided, however, that in the event a Participant has satisfied the conditions of Section 4.1(a)(1), (3) and (4) in or as of a particular month (the "Termination Month") and satisfies the conditions of Section 4.1(a)(2) and (5) (effective as of the date of termination of employment) either subsequently or contemporaneously with the Termination Month, and provided that the Participant has attained during the Termination Month age 65 or an age less than 65 but 62 or older, or an age less than 62 with respect to which the Committee has approved retirement pursuant to Section 4.1(c), Retirement Benefits shall be payable to the Participant as of the first day of the month following the Termination Month and, in the case of retirement pursuant to Section 4.1(c), on such terms and conditions as specified by the Committee. Disability and Death Benefits shall be payable from the first day of the month following the month in which the Participant becomes disabled or dies, as the case may be. In the event of any administrative delay in actual payments, payments shall be made retroactively to the first day of the month following the month in which the event which is the basis for the payment occurs but without any payment of interest or other compensation for such delay in payment. Notwithstanding any provision of the Supplemental Plan, upon a Change of Control the Committee may, in its sole discretion, determine to postpone the lump sum payment of Retirement, Death and Disability Benefits payable upon a Change of Control, in which case such Benefit payments shall be made as otherwise provided in the Supplemental Plan, without regard to the Change of Control. In the event the Committee later determines, in its sole discretion, to effect such a lump sum payment of the remainder of such Benefits, it shall have the power and authority to do so.

Section 7.2A Commencement of Payment for Benefits Earned and Vested After December 31, 2004. With respect to benefits earned and vested after December 31, 2004

(a) payment of Retirement Benefits under Article IV shall begin on or before the 90th day immediately following the later of separation from service (as defined in Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations promulgated thereunder) or the attainment of age 62,

(b) payment of Death Benefits under Article V shall begin on or before the 90th day immediately following the Participant's death, and

(c) payment of Disability Benefits under Article VI shall begin on or before the 90th day immediately following the Participant becoming Disabled.

Pursuant to transition relief provided by the Internal Revenue Service under Section 409A of the Code, the Company may (but shall not be required to) allow one or more Participants to elect an alternative payment date that is later than the applicable date in Subsection (a) of the preceding sentence; provided, however, such election shall be made under procedures established by the Company and shall be made no later than December 31, 2007. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code and the Treasury Regulations promulgated thereunder), payment of Retirement Benefits under Subsection (a) above shall not be made sooner than six months following the Participant's separation from service (as defined in Section 409A(a)(2)(A)(i) of the Code and the Treasury Regulations promulgated thereunder).

Section 7.3 Form of Benefit Elections. An election to receive payment of Retirement Benefits in a form other than the Normal Form must be submitted to the Committee in writing at any time prior to the commencement of payments. An election must be made in the form specified by the Committee and include the information or documentation that the Committee deems necessary, including written consent of the spouse in the case of a married Participant who elects a Retirement Benefit in a form other than the Normal Form. The filing of an election as to the form of Retirement Benefits shall revoke any pre-existing election, except that a revocation of an election for a married Participant shall be valid only if accompanied by the spouse's written consent to the subsequent election (other than a subsequent election to receive payments in the Normal Form), and except that once Retirement Benefits have commenced under this Supplemental Plan, the form of the Retirement Benefit payable is irrevocable.

Section 7.4 Beneficiaries. If the Committee makes available alternative benefit forms that provide for payments after a Participant's death, the Participant shall designate the Beneficiary under such payment form in accordance with the procedures set forth by the Committee.

Section 7.5 Failure to Claim. This Section shall not apply with respect to benefits earned and vested after December 31, 2004. If a Participant whose employment with the Company terminated on or before attaining age 65 fails to claim payment of Retirement Benefits until after such Participant attains age 65, the Retirement Benefits payable to or with respect to such Participant shall be the monthly amount which would have been payable to such Participant at age 65, and such Participant shall be entitled to receive Retirement Benefit payments retroactive to the month such payments would have first accrued following attainment of age 65, but without interest or other payment on account of such deferred receipt. Similarly, if a Participant remains employed by the Company after attaining age 65 but, upon termination of employment by the Company after attaining age 65, fails to claim payment of Retirement

Benefits until a date after such termination of employment, the Retirement Benefits payable to or with respect to such person shall, nevertheless, be the monthly amount which would have been payable to such person upon termination of employment with the Company, and such Participant shall be entitled to receive Retirement Benefit payments retroactive to the month such payments would have first accrued following termination of employment, but without interest or other payment on account of such deferred payment. Participants do not have the right to defer payment of Retirement Benefits beyond the date Participants are otherwise eligible to begin receiving Retirement Benefits.

Article VIII—Administration

The Committee shall administer the Supplemental Plan in accordance with its terms and purposes, and in accordance with Section 409A of the Code. Whenever payment is called for on or before the 90th day immediately following a specified event under Section 4.1A or 7.2A of the Supplemental Plan, the Committee shall retain the sole discretion to determine the actual payment date within that period. The Committee shall have full authority and discretion to interpret the Supplemental Plan, to determine benefits pursuant to the terms of the Supplemental Plan, to establish rules and procedures necessary to carry out the terms of the Supplemental Plan, and to waive or modify any requirements or conditions on the receipt or calculation of benefits under the Supplemental Plan where the Committee determines that such a waiver or modification is appropriate. In the event a Participant is or was also a participant in a similar supplemental retirement plan for highly-compensated employees within the meaning of Sections 201(2), 301(a), and 401(a)(1) of Title I of ERISA and maintained by Intermec, Inc. or one of its subsidiaries or affiliates or Western (a “Subsidiary Plan”), the Committee shall have the power and authority to modify and integrate the benefits payable under this Supplemental Plan with the benefits payable under the Subsidiary Plan. All decisions by the Committee shall be final and binding on all parties. The Committee may appoint one or more officers or employees of the Company to act on the Committee’s behalf with respect to administrative matters related to the Supplemental Plan.

Article IX—Source of Payments

Section 9.1 General Assets of Company. Benefits payable under this Supplemental Plan shall be paid directly to the Participant, or to the Participant’s Beneficiary, as applicable, from the general assets of the Company, including the assets of the grantor Trust to the extent that such a trust is created and so provides. If any person acquires a right to receive payments from the Company under this Supplemental Plan, such right shall be no greater than the right of any unsecured general creditor of the Company notwithstanding the fact that the Company may establish an advance accrual reserve on its books against its future liability under the Supplemental Plan.

Article X—Claims and Enforcement

Section 10.1 Administrative Procedures.

(a). Notice of Denial. If the Committee determines that any person who has submitted a claim for payment of benefits under this Supplemental Plan is not eligible for payment of benefits or, if applicable, is not eligible for payment of benefits in the form or amount requested, then the Committee shall, within a reasonable period of time, but no later than 90 days after receipt of the written claim, notify the claimant of the denial of the claim. Such notice of denial: (1) shall be in writing; (2) shall be written in a manner calculated to be understood by the claimant; and (3) shall contain: (A) the specific reason or reasons for denial of the claim; (B)

a specific reference to the pertinent Supplemental Plan provisions or administrative rules and regulations upon which the denial is based; (C) a description of any additional material or information necessary for the claimant to perfect the claim; and (D) an explanation of the Supplemental Plan's appeal procedures.

(b). Reconsideration Procedures. Within 90 days of the receipt by the claimant of the written notice of denial of the claim, the claimant may file a written request with the Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. The claimant's written request must include a statement of the grounds on which the claimant appeals the original claim denial. The Committee shall deliver to the claimant a written decision on the claim promptly, but not later than 60 days after the receipt of the claimant's request for review, except that if there are special circumstances that require an extension of time for processing, the 60-day period shall be extended to 120 days, in which case written notice of the extension shall be furnished to the claimant prior to the end of the 60-day period.

Section 10.2 Enforcement.

(a). Right to Enforce. Within 90 days after exhaustion of the review and appeal procedures provided for in Section 10.1 or, if the Committee fails to grant or deny the claim within 120 days after the claimant's original claim or fails to provide the written decision of the Committee on any written request for reconsideration within the time period in Section 10.1(b), within 90 days after such failure, the Company's obligations under the Supplemental Plan may be enforced only through binding arbitration as provided for hereinafter, initiated by any Participant or, upon the death of a Participant, by any Participant's surviving spouse, Dependent Child, or personal representative (as the case may be, the "Claimant").

(b). Attorneys' Fees and Costs. If, prior to a Change of Control, any Claimant is denied a claim, in whole or in part, for benefits under the Supplemental Plan and the Claimant requests reconsideration under the procedures described in Section 10.1(b), or initiates any other legal proceeding (other than binding arbitration pursuant to the following provisions of this Article X) with respect to such alleged claim, the Company shall have no obligation to pay or reimburse the Claimant for attorneys' fees and costs. If, on or after a Change of Control, any Claimant is denied a claim for benefits under the Supplemental Plan and the Claimant has requested reconsideration under the procedures described in Section 10.1(b), or initiates binding arbitration or both reconsideration and binding arbitration, to enforce any obligation of the Company under the Supplemental Plan the basis of which is alleged failure of the Committee to administer the Supplemental Plan in accordance with its terms or, if following a Change of Control, the Company fails to make payment of Benefits as determined by the Committee, the Company shall pay such Claimant's attorneys' fees and costs incurred in connection with the review and binding arbitration proceedings, provided that the arbitrator determines that the claim is not frivolous; provided, however, that in no case shall the Company be liable for attorneys' fees and costs to the extent incurred relative to any dispute regarding any determination by the Committee made based upon the terms of the Supplemental Plan. All attorneys' fees and costs payable under this Section 10.2(b) shall be paid by the Company as they are incurred by the Claimant, but no later than 30 days from the date that the Claimant submits a bill or other statement to the Company.

(c). Interest. If any Claimant prevails in a reconsideration procedure described in Section 10.1(b), or if a Claimant prevails in the binding arbitration proceeding pursuant to Section 10.3 to enforce the payment of benefits under the Supplemental Plan, the Company shall pay interest to the Claimant on any unpaid benefits accruing from the date that benefit payments should have commenced and continuing until the date that such owed and

unpaid benefits are paid to the Claimant in full. For purposes of the preceding sentence, interest shall accrue at an annual rate equal to one percent, plus the prime rate reported by *The Wall Street Journal* as in effect from time to time, each change in the prime rate to be effective for purposes of any interest computation on the date of publication of such changed prime rate in *The Wall Street Journal*.

Section 10.3 Arbitration. The rights resulting from the designation of a Participant pursuant to Article III are conditional upon the acceptance by the Participant, on the Participant's behalf and on behalf of the Claimants, of all of the terms and conditions of this Supplemental Plan including specifically and without limitation this Article X. Any controversy or claim arising out of or under the Supplemental Plan which is not resolved by the reconsideration referred to in Section 10.1(b) shall be settled by arbitration in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("AAA") or the Employment Arbitration Rules of the Judicial Arbitration and Mediation Services/Endispute ("JAMS"), subject to the further provisions of this Section 10.3. Hereinafter the term "Rules" means and refers to the aforesaid AAA Rules or the JAMS Rules, as the case may be. Judgment upon the award rendered by the arbitrator may be rendered in any court having jurisdiction. The Rules are modified or supplemented as follows:

- (a). There shall be one arbitrator, unless the parties agree to more than one arbitrator;
- (b). The arbitrator shall be a retired judge or attorney with professional experience and expertise in designing or administering corporate retirement benefits and plans, and resident in the Southern California area, unless the parties agree otherwise;
- (c). The arbitration shall be conducted within Los Angeles County, California, unless the parties agree otherwise;
- (d). The party desiring to initiate the arbitration shall advise the other party in writing of such desire;
- (e). Within 10 days of receipt of a notice pursuant to subparagraph (d) above the party receiving the notice shall designate either the AAA or JAMS as the arbitration agency, but in the event such party fails to designate within such period the initiating party shall have the right to designate the AAA or JAMS;
- (f). All claims arising under the Supplemental Plan known or which should be known to the party initiating the arbitration shall be included in the issues presented to the AAA or JAMS, as the case may be, for arbitration and any which are not included shall be effectively waived;
- (g). The expedited procedures of the AAA or JAMS, as the case may be, shall be applied in any case where no disclosed claim or counterclaim exceeds the amount then established by the AAA or JAMS for use of expedited procedures, exclusive of interest and arbitration costs;
- (h). The decision of the arbitrator shall be rendered within 60 days after the close of hearings;
- (i). The Company and the Claimant shall furnish to the other, 30 days prior to the first hearing, a list and identification of all witnesses, and copies of all exhibits intended to be submitted by that party. Ten days prior to the first hearing, each party shall have the right to

supplement their intended list of witnesses and provide additional exhibits. Only such witnesses and such exhibits identified by one party or the other may be offered in the arbitration hearings; and

(j). Any documents, affidavits or other evidence requested by the arbitrator must be submitted within ten days after conclusion of the arbitration hearings, unless the arbitrator grants additional time.

Article XI—Amendment and Termination

Section 11.1 Amendment and Termination of the Plan.

(a). **General.** Although the Company intends to maintain the Supplemental Plan, the Company reserves the right to amend or terminate the Supplemental Plan at any time for whatever purposes it may deem appropriate, except as specifically limited by this Article XI. The Company shall amend, terminate, or suspend the Supplemental Plan only by the action of the Board, except that the Committee shall have the authority to make any amendments that do not decrease the level of benefits payable and that it deems necessary for the proper administration of the Supplemental Plan.

(b). **Automatic Termination.** The Supplemental Plan may be terminated or suspended only by authorization of the Board, except that the Supplemental Plan shall terminate automatically if there are no Active Participants remaining and all Retirement Benefits, Death Benefits, and Disability Benefits have been paid.

(c). **Protection of Benefits.** No amendment, termination, or suspension of the Supplemental Plan shall be effective to the extent that it reduces: (1) the Retirement Benefit payable to any Participant who has satisfied the conditions of Section 4.1(a)(3) and (4) immediately prior to such amendment, termination or suspension; or (2) Retirement Benefits, Death Benefits or Disability Benefits, which are being paid immediately prior to such amendment, termination or suspension.

(d). **Protection of Active Participants.** No amendment, termination, or suspension of the Supplemental Plan shall be effective to the extent that it reduces the Retirement Benefits that an Active Participant may accrue unless the amendment, termination, or suspension also provides that the Active Participant is immediately vested in a Retirement Benefit calculated as if the Active Participant terminated employment immediately prior to the later of the date that the amendment, termination, or suspension is enacted or is effective.

(e). **Change of Control.** On or after a Change of Control, any amendment, termination, or suspension of the Supplemental Plan shall be effective only upon the written consent of at least eighty-five percent (85%) of all Participants. The preceding sentence shall not apply to: (1) a termination that occurs under Section 11.1(b); (2) any amendment, termination, or suspension that affects the accrual of Retirement Benefits and that complies with the terms of Section 11.1(c) and (d); or (3) any amendment, termination, or suspension of the Supplemental Plan that reduces Death or Disability Benefits but that: (i) does not reduce Death or Disability Benefit payments that have commenced; and (ii) does not reduce the Death or Disability Benefit that an Active Participant is eligible to receive, calculated as if he or she died or became Disabled as of the later of the effective date or enactment of the amendment, termination, or suspension.

Section 11.2 Contractual Obligation. The Company makes a contractual obligation that any amendment, suspension, or termination of the Supplemental Plan shall comply with the terms of Section 11.1.

Article XII—Miscellaneous

Section 12.1 Employment Rights. Nothing contained in the Supplemental Plan shall be construed as a contract of employment between the Company and the Participant, or as a right of any employee to be continued in the employment of the Company, or as a limitation of the right of the Company to discharge any of its employees, with or without cause.

Section 12.2 Rights of the Committee. To the extent permitted by law, the Company shall indemnify the Committee (including any officers and employees of the Company appointed to act on behalf of the Committee) and hold such individuals harmless from and against any damages, losses, costs, and expenses incurred (including, without limitation, expenses of investigation and the fees and expenses of counsel) in the course of administering the Supplemental Plan. The Company shall bear all expenses of the Committee incurred in the course of administering the Supplemental Plan.

Section 12.3 Benefit Statements. At least annually, the Company shall provide a statement of benefits under the Supplemental Plan to all Participants (or Beneficiaries) that includes the information necessary to calculate the possible prospective Retirement Benefit, Disability Benefit, and Death Benefit with respect to the Participant, based upon Participant's compensation through such year.

Section 12.4 Assignment. The benefits payable under the Supplemental Plan may not be assigned or alienated.

Section 12.5 Applicable Law. The Supplemental Plan shall be governed by the laws of Delaware except to the extent preempted by ERISA.

Section 12.6 Effective Date. The Supplemental Plan shall take effect as of the Distribution Date.

Section 12.7 Entire Plan. This writing is the final expression of the Supplemental Plan and a complete and exclusive statement of its terms, except that to the extent that this Supplemental Plan refers to the Trust, the terms of the Trust Agreement, as of the date immediately preceding a Change of Control, shall be deemed to be incorporated herein.

Section 12.8 Terms. Except as required otherwise by the context, capitalized terms that are used in this Supplemental Plan shall have the meaning assigned to them in Article II or elsewhere in this Supplemental Plan. Feminine or neuter pronouns shall be substituted for those of the masculine form and the plural shall be substituted for the singular, in any place or places herein where the context may require such substitution or substitutions. The title and headings of the Sections of this Supplemental Plan are for convenience only, and are not intended to be a part of or to affect the meaning or interpretation of this Supplemental Plan.

Section 12.9 Waiver. Any waiver of or failure to enforce any provision of this Supplemental Plan in any instance shall not be deemed a waiver of such provision as to any other or subsequent instance.

Article XIII—Benefits for Retired Western Atlas Employees

Section 13.1 Benefit Payments. If, as a result of the spin-off of Intermec, Inc. from Western Atlas, the parties agree that the Company will assume the benefit obligations under the Western Atlas Plan with respect to certain individuals who are in pay status under the Western Atlas Plan, such benefit obligations shall be provided hereunder as if such benefits accrued under this Supplemental Plan, as it may be amended from time to time.

Supplement A — Open Windows and Other Special Benefits

- A.1. Corporate Office Open Windows. Effective for years beginning on or after January 1, 2000, and notwithstanding anything to the contrary in the Plan, the Board may, by resolution, extend to certain Participants a package of benefits, including certain enhancements of existing benefits under the Plan, as well as under other pension and retirement plans and arrangements sponsored by the Company, as an inducement to make a decision to retire from the Company. Eligibility criteria for such benefits shall be set forth in such resolution. If specified in such resolution, such enhancements shall include (a) deeming an eligible Participant to have attained the age of 60 for purposes of the vesting requirements under Section 4.3, and (b) calculating and distributing to such Participant the annual Retirement Benefit as described under Section 4.2 without the reduction otherwise described in Section 4.1(b) and (c). As a result, the annual Retirement Benefit in such case would commence as soon as is practicable after the Participant's termination of employment with the Company.
- A.2. Special Benefit Relating to Daniel S. Bishop Effective July 30, 2004, Daniel S. Bishop shall be deemed to have attained the age of 60 for purposes of the vesting requirement under Section 4.3, and the annual Retirement Benefit payable to Mr. Bishop shall be calculated and distributed to him as described under Section 4.2 without the reduction otherwise described in Section 4.1(b) and (c). As a result, the annual Retirement Benefit payable to Mr. Bishop shall commence as soon as is practicable after such date.

UNOVA, INC.
1999 STOCK INCENTIVE PLAN
Amended and Restated as of January 1, 2008

SECTION 1. Purpose; Definitions

The purpose of the Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers and employees and to provide the Company and its subsidiaries with a stock plan providing incentives directly linked to the profitability of the Company's businesses and increases in shareholder value.

For purposes of the Plan, the following terms are defined as set forth below:

- a. "*Affiliate*" means a corporation or other entity controlled by the Company and designated by the Committee from time to time as such.
- b. "*Award*" means a Stock Appreciation Right, Stock Option, or Restricted Stock.
- c. "*Board*" means the Board of Directors of the Company.
- d. "*Change in Control*" and "Change in Control Price" have the meanings set forth in Sections 8(b) and (c), respectively.
- e. "*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.
- f. "*Commission*" means the Securities and Exchange Commission or any successor agency.
- g. "*Committee*" means the Committee referred to in Section 2.
- h. "*Company*" means UNOVA, Inc., a Delaware corporation.
- i. "*Covered Employee*" means a participant designated prior to the grant of shares of Restricted Stock by the Committee who is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which Restricted Stock is expected to be taxable to such participant.
- j. "*Disability*" means permanent and total disability as determined for purposes of the Company's Long Term Disability Plan for the staff of the Company's corporate headquarters.
- k. "*Early Retirement*" means retirement from active employment with the Company, a subsidiary or an Affiliate pursuant to the early retirement provisions of the applicable pension plan of such employer.
- l. "*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
- m. "*Fair Market Value*" means, as of any given date, the mean between the highest and lowest reported sales prices of the Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Stock is listed or on NASDAQ. If there is no regular public trading market for such Stock, the Fair Market Value of the Stock shall be determined by the Committee in good faith.

n. “*Incentive Stock Option*” means any Stock Option designated as, and qualified as, an “incentive stock option” within the meaning of Section 422 of the Code.

- o. “*Non-Employee Director*” means a member of the Board who qualifies as a Non-Employee Director as defined in Rule 16b-3(b)(3), as promulgated by the Commission under the Exchange Act, or any successor definition adopted by the Commission.
- p. “*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.
- q. “*Normal Retirement*” means retirement from active employment with the Company, a subsidiary or an Affiliate at or after age 65.
- r. “*Qualified Performance-Based Award*” means an Award of Restricted Stock designated as such by the Committee at the time of grant, based upon a determination that (i) the recipient is or may be a “covered employee” within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Restricted Stock and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption.
- s. “*Performance Goals*” means the performance goals established by the Committee in connection with the grant of an Award. In the case of Qualified Performance-Based Awards, (i) such Performance Goals shall be based on the attainment of specified levels of one or more of the following measures: cash flow (“CF”), cash value added (“CVA”), revenue growth (“RG”), return on assets (“ROA”), return on capital (“ROC”), return on capital utilized (“ROCU”), return on equity (“ROE”), return on revenue (“ROR”) or return on tangible equity (“ROTE”) of the Company or of any business unit thereof within which the participant is primarily employed, or that are based on the attainment of specified levels of Basic Earnings per Share (“BEPS”) or Diluted Earnings per Share (“DEPS”) of the Company or that are based, in whole or in part, on a level or levels of increase in the Fair Market Value of the Stock, and that are intended to qualify under Section 162(m)(4)(c) of the Code, and (ii) such Performance Goals shall be set by the Committee within the time period prescribed by Section 162(m) of the Code and related regulations. For purposes of the Plan, CF, CVA, RG, ROA, ROC, ROCU, ROE, ROR, ROTE, BEPS and DEPS shall have the meanings set forth in Exhibit A hereto.
- t. “*Plan*” means the UNOVA, Inc. 1999 Stock Incentive Plan, as set forth herein and as hereinafter amended from time to time.
- u. “*Restricted Stock*” means an Award granted under Section 7.
- v. “*Retirement*” means Normal or Early Retirement.
- w. “*Rule 16b-3*” means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.
- x. “*Section 162(m) Exemption*” means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.
- y. “*Stock*” means the common stock, par value \$.01 per share, of the Company.
- z. “*Stock Appreciation Right*” means a right granted under Section 6.
- aa. “*Stock Option*” means an option granted under Section 5.
- bb. “*Termination of Employment*” means the termination of the participant’s employment with the Company and any subsidiary or Affiliate. A participant employed by a subsidiary or an Affiliate shall also be deemed to incur a Termination of Employment if the subsidiary or Affiliate ceases to be such a subsidiary or an Affiliate, as the case may be, and the participant does not immediately thereafter become an employee of the Company or another subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and



its subsidiaries and Affiliates shall not be considered Terminations of Employment. If so determined by the Committee, a participant shall be deemed not to have incurred a Termination of Employment if the participant enters into a contract with the Company or a subsidiary providing for the rendering by the participant of consulting services to the Company or such subsidiary on terms approved by the Committee; however, Termination of Employment of the participant shall occur when such contract ceases to be in effect.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2. Administration

The Plan shall be administered by the Compensation Committee or such other committee of the Board as the Board may from time to time designate (the "Committee"), which shall be composed of not less than two Non-Employee Directors, each of whom shall be an "outside director" for purposes of Section 162(m)(4) of the Code and shall be appointed by and serve at the pleasure of the Board.

The Committee shall have plenary authority to grant Awards pursuant to the terms of the Plan to officers and employees of the Company and its subsidiaries and Affiliates.

Among other things, the Committee shall have the authority, subject to the terms of the Plan:

- (a) To select the officers and employees to whom Awards may from time to time be granted;
- (b) To determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock or any combination thereof are to be granted hereunder;
- (c) To determine the number of shares of Stock to be covered by each Award granted hereunder;
- (d) To determine the terms and conditions of any Award granted hereunder (including, but not limited to, the option price (subject to Section 5(a)), any vesting condition, restriction or limitation (which may be related to the performance of the participant, the Company or any subsidiary or Affiliate) and any vesting acceleration or forfeiture waiver regarding any Award and the shares of Stock relating thereto, based on such factors as the Committee shall determine;
- (e) To modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including but not limited to Performance Goals; provided, however, that the Committee may not adjust upwards the amount payable with respect to a Qualified Performance-Based Award or waive or alter the Performance Goals associated therewith;
- (f) To determine to what extent and under what circumstances Stock and other amounts payable with respect to an Award shall be deferred; and
- (g) To determine under what circumstances an Award may be settled in cash or Stock under Sections 5(j), 5(k) and 6(b)(ii), except as otherwise therein provided.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

Any determination made by the Committee pursuant to the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee at the time of the grant of the Award or,



unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Plan participants.

Any authority granted to the Committee may also be exercised by the full Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Exchange Act. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

SECTION 3. Shares of Stock Subject to Plan

Subject to adjustment as provided herein, the total number of shares of Stock available for grant under the Plan shall be four million five hundred thousand (4,500,000). However, no more than 30 percent of the shares of Stock available for grant under the Plan as of the first day of any calendar year during which the Plan is in effect shall be utilized in that fiscal year for the grant of Awards in the form of Restricted Stock. No participant may be granted Awards covering more than one million (1,000,000) shares of Stock in any calendar year during which the Plan is in existence. Shares subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares.

If any shares of Restricted Stock are forfeited, or if any Stock Option (and related Stock Appreciation Right, if any) terminates without being exercised, or if any Stock Appreciation Right is exercised for cash, shares subject to such Awards shall again be available for distribution in connection with Awards under the Plan.

In the event of any change in corporate capitalization, such as a stock split or any corporate transaction (such as any merger, consolidation or separation (including a spin-off)), any other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, the Committee or Board may make such substitution or adjustments in the aggregate number and kind of shares reserved for issuance under the Plan, in the individual limits on Awards under the Plan, in the number, kind and exercise price of shares subject to outstanding Stock Options and Stock Appreciation Rights, in the number and kind of shares subject to outstanding Awards in the form of Restricted Stock granted under the Plan and/or such other equitable substitution or adjustments as it may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to any Award shall always be a whole number. Such adjusted exercise price shall also be used to determine the amount payable by the Company upon the exercise of any Stock Appreciation Right associated with any Stock Option.

SECTION 4. Eligibility

Officers and employees of the Company, its subsidiaries and Affiliates who are responsible for or contribute to the management, growth and profitability of the business of the Company, its subsidiaries and Affiliates are eligible to be granted Awards under the Plan. No grant shall be made under this Plan to a director who is not an officer or a salaried employee of the Company, its subsidiaries or Affiliates.

SECTION 5. Stock Options

Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve.

The Committee shall have the authority to grant any optionee Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options (in each case with or without Stock Appreciation Rights); *provided, however*, that grants hereunder are subject to the annual limit on grants to individual participants set forth in Section 3. Incentive Stock Options may be granted only to employees of the Company and its subsidiaries (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option.

Stock Options shall be evidenced by option agreements, the terms and provisions of which may differ. An option agreement shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option shall occur on the date the Committee selects an individual to be a participant in any grant of a Stock Option, determines the number of shares of Stock to be subject to such Stock Option to be granted to such individual and specifies the terms and provisions of the Stock Option. The Company shall notify a participant of any grant of a Stock Option, and a written option agreement or agreements shall be duly executed and delivered by the Company to the participant. Such agreement or agreements shall become effective upon execution by the Company and the participant.

Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered nor shall any discretion or authority granted under the Plan be exercised so as to disqualify the Plan under Section 422 of the Code.

Stock Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions as the Committee shall deem desirable:

(a) *Option Price.* The option price per share of Stock purchasable under a Stock Option shall be determined by the Committee and set forth in the option agreement, and shall not be less than the Fair Market Value of the Stock subject to the Stock Option on the date of grant.

(b) *Option Term.* The term of each Stock Option shall be fixed by the Committee, but no Incentive Stock Option shall be exercisable more than 10 years after the date the Stock Option is granted.

(c) *Exercisability.* Except as otherwise provided herein, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. The exercisability of a Stock Option may be conditional upon the attainment of Performance Goals, which need not be the same for all optionees. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Stock Option.

(d) *Method of Exercise; Issuance of Stock.* Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Stock subject to the Stock Option to be purchased.

Such notice shall be accompanied by payment in full of the purchase price by certified or bank check or such other instrument as the Company may accept. Payment, in full or in part, may also be made in the form of unrestricted Stock already owned by the optionee for a period of at least six months prior to the date of exercise based on the Fair Market Value of the Stock on the date the Stock Option is exercised.

In the discretion of the Committee, payment for any shares subject to a Stock Option may also be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the purchase price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms.



No shares of Stock shall be issued until full payment therefor has been made. Except as otherwise provided in Section 5(l) below, an optionee shall have all of the rights of a shareholder of the Company holding the class or series of Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the optionee has given written notice of exercise, has paid in full for such shares and, if requested, has given the representation described in Section 11(a). Upon exercise of a Stock Option, a participant shall be entitled (unless the participant has given a broker the irrevocable instructions referred to in the preceding paragraph) to receive a certificate representing the Stock issuable upon exercise of the Stock Option or such other evidence of ownership as the Company may then generally provide to its shareholders of record.

(e) *Nontransferability of Stock Options.* No Stock Option shall be transferable by the optionee other than (i) by will or by the laws of descent and distribution; or (ii) in the case of a Non-Qualified Stock Option, as otherwise expressly permitted under the applicable option agreement including, if so permitted, pursuant to a gift to such optionee's family, whether directly or indirectly or by means of a trust or partnership or otherwise. All Stock Options shall be exercisable, subject to the terms of this Plan, only by the optionee, the guardian or legal representative of the optionee, or any person to whom such option is transferred pursuant to the preceding sentence, it being understood that the term "holder" and "optionee" include such guardian, legal representative and other transferee.

(f) *Termination by Death.* Unless otherwise determined by the Committee, if an optionee's employment terminates by reason of death, any Stock Option held by such optionee may thereafter be exercised, to the extent then exercisable, or on such accelerated basis as the Committee may determine, for a period of one year (or such other period as the Committee may specify in the option agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) *Termination by Reason of Disability.* Unless otherwise determined by the Committee, if an optionee's employment terminates by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of three years (or such shorter period as the Committee may specify in the option agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such period, any unexercised Stock Option held by such optionee shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) *Termination by Reason of Retirement.* Unless otherwise determined by the Committee, if an optionee's employment terminates by reason of Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of such Retirement, or on such accelerated basis as the Committee may determine until the expiration of the stated term of such Stock Option, *provided, however*, that if the optionee dies within such period any unexercised Stock Option held by such optionee shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(i) *Other Termination.* Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment for any reason other than death, Disability or Retirement, any Stock Option held by such optionee, to the extent then exercisable, or on such accelerated basis as the Committee may determine, may be exercised for the lesser of three months from the date of such Termination of Employment or the

balance of the term of such Stock Option; provided, however, that if the optionee dies within such three-month period, any unexercised Stock Option held by such optionee shall, notwithstanding the expiration

of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of Termination of Employment, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(j) *Cashing Out of Stock Option.* On receipt of written notice of exercise, the Committee may elect to cash out all or part of the portion of the shares of Stock for which a Stock Option is being exercised by paying the optionee an amount, in cash or Stock, equal to the excess of the Fair Market Value of the Stock over the option price times the number of shares of Stock for which the Option is being exercised on the effective date of such cash-out.

(k) *Change in Control Cash-Out.* Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Exercise Period"), unless the Committee shall determine otherwise at the time of grant, an optionee shall have the right, whether or not the Stock Option is fully exercisable and in lieu of the payment of the exercise price for the shares of Stock being purchased under the Stock Option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the Stock Option to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price per share of Stock on the date of such election shall exceed the exercise price per share of Stock under the Stock Option (the "Spread") multiplied by the number of shares of Stock granted under the Stock Option as to which the right granted under this Section 5(k) shall have been exercised. Notwithstanding the foregoing, if any right granted pursuant to this Section 5(k) would make a Change in Control transaction ineligible for pooling-of-interests accounting under APB No. 16 that but for the nature of such grant would otherwise be eligible for such accounting treatment, the Committee shall have the ability to substitute for the cash payable pursuant to such right Stock with a Fair Market Value equal to the cash that would otherwise be payable hereunder.

(l) *Deferral of Option Shares.* The Committee may from time to time establish procedures pursuant to which an optionee may elect to defer, until a time or times later than the exercise of an Option, receipt of all or a portion of the Shares subject to such Option and/or to receive cash at such later time or times in lieu of such deferred Shares, all on such terms and conditions as the Committee shall determine. If any such deferrals are permitted, then notwithstanding Section 5(d) above, an optionee who elects such deferral shall not have any rights as a stockholder with respect to such deferred Shares unless and until Shares are actually delivered to the optionee with respect thereto, except to the extent otherwise determined by the Committee.

Notwithstanding the above, effective January 1, 2008, this Section 5(l) shall not apply with respect to any Awards that were not earned and vested prior to January 1, 2005.

SECTION 6. Stock Appreciation Rights

(a) *Grant and Exercise.* Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right shall terminate and no longer be exercisable upon the termination or exercise of the related Stock Option.

A Stock Appreciation Right may be exercised by an optionee in accordance with Section 6(b) by surrendering the applicable portion of the related Stock Option in accordance with procedures established by the Committee. Upon such exercise and surrender, the optionee shall be entitled to receive an amount determined in the manner prescribed in Section 6(b). Stock Options which have been so surrendered shall no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised. In no event may the Stock Appreciation Right exercise price ever be less than the Fair Market Value of the underlying Common Stock on the date of grant.



(b) *Terms and Conditions.* Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(i) Stock Appreciation Rights shall be exercisable only at such time or times and to the extent that the Stock Options to which they relate are exercisable in accordance with the provisions of Section 5 and this Section 6.

(ii) Upon the exercise of a Stock Appreciation Right, an optionee shall be entitled to receive an amount in cash, shares of Stock or both, in value equal to the excess of the Fair Market Value of one share of Stock over the option price per share specified in the related Stock Option multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment.

(iii) Stock Appreciation Rights shall be transferable only to permitted transferees of the underlying Stock Option in accordance with Section 5(e).

(iv) Upon the exercise of a Stock Appreciation Right, the Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been exercised for the purpose of the limitation set forth in Section 3 on the number of shares of Stock to be issued under the Plan, but only to the extent of the number of shares covered by the Stock Appreciation Right at the time of exercise based on the value of the Stock Appreciation Right at such time.

SECTION 7. Restricted Stock

(a) *Administration.* Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the officers and employees to whom and the time or times at which grants of Restricted Stock will be awarded, the number of shares to be awarded to any participant (subject to the annual limit on grants to individual participants set forth in Section 3), the conditions for vesting, the time or times within which such Awards may be subject to forfeiture and any other terms and conditions of the Awards, in addition to those contained in Section 7(c).

(b) *Awards and Certificates.* Shares of Restricted Stock shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate or other evidence of ownership issued in respect of shares of Restricted Stock shall be registered in the name of such participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

“The transferability of the shares of stock represented hereby [referred to herein] are subject to the terms and conditions (including forfeiture) of the UNOVA, Inc. 1999 Stock Incentive Plan and a Restricted Stock Agreement. Copies of such Plan and Agreement are on file at the principal executive offices of UNOVA, Inc.”

The Committee may require that any certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the participant shall have delivered a stock power, endorsed in blank, relating to the Stock covered by such Award.

(c) *Terms and Conditions.* Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee may, prior to or at the time of grant, designate an Award of Restricted Stock as a Qualified Performance-Based Award, in which event it shall condition the grant or vesting, as applicable, of such Restricted Stock upon the attainment of Performance Goals. If the Committee does not designate an Award of Restricted Stock as a Qualified Performance-Based Award, it may also condition the grant or vesting thereof upon the attainment of Performance Goals. Regardless



of whether an Award of Restricted Stock is a Qualified Performance-Based Award, the Committee may also condition the grant or vesting thereof upon the continued service of the participant. The conditions for grant or vesting and the other provisions of Restricted Stock Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. The Committee may at any time, in its sole discretion, accelerate or waive, in whole or in part, any of the foregoing restrictions; *provided, however*, that in the case of Restricted Stock that is a Qualified Performance-Based Award, the applicable Performance Goals shall have been satisfied.

(ii) Subject to the provisions of the Plan and the Restricted Stock Agreement referred to in Section 7(c)(vi), during the period, if any, set by the Committee, commencing with the date of such Award for which such participant's continued service is required (the "Restriction Period"), and until the later of (i) the expiration of the Restriction Period and (ii) the date the applicable Performance Goals (if any) are satisfied, the participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock; *provided* that the foregoing shall not prevent a participant from pledging Restricted Stock as security for a loan, the sole purpose of which is to provide funds to pay the option price for Stock Options.

(iii) Except as provided in this paragraph (iii) and Sections 7(c)(i) and 7(c)(ii) and the Restricted Stock Agreement, the participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Restricted Stock Agreement and subject to Section 11(e) of the Plan, (A) cash dividends on the class or series of Stock that is the subject of the Restricted Stock Award shall be automatically deferred and reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends, and (B) dividends payable in Stock shall be paid in the form of Restricted Stock of the same class as the Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends.

(iv) Except to the extent otherwise provided in the applicable Restricted Stock Agreement and Sections 7(c)(i), 7(c)(ii), 7(c)(v) and 8(a)(ii), upon a participant's Termination of Employment for any reason during the Restriction Period or before the applicable Performance Goals are satisfied, all shares still subject to restriction shall be forfeited by the participant.

(v) Except to the extent otherwise provided in Section 8(a)(ii), in the event that a participant retires or such participant's employment is involuntarily terminated, the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions (other than, in the case of Restricted Stock with respect to which a participant is a Covered Employee, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's shares of Restricted Stock.

(vi) If and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock, unlegended certificates or other evidence of ownership for such shares shall be delivered to the participant upon surrender of the legended certificates or other evidence of ownership.

(vii) Each Award shall be confirmed by, and be subject to, the terms of a Restricted Stock Agreement.

(viii) Notwithstanding the foregoing, but subject to the provisions of Section 8 hereof, no Award in the form of Restricted Stock, the vesting of which is conditioned only upon the continued service of the participant, shall vest earlier than the first, second and third anniversaries of the date of grant thereof, on each of which dates a maximum of one-third of the shares of Stock subject to the Award may vest, and no award in the form of Restricted Stock, the vesting of which is conditioned

upon the attainment of a specified Performance Goal or Goals, shall vest earlier than the first anniversary of the date of grant thereof.

SECTION 8. Change in Control Provisions

(a) *Impact of Event.* Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control:

- (i) Any Stock Options and Stock Appreciation Rights outstanding as of the date such Change in Control is determined to have occurred, and which are not then exercisable and vested, shall become fully exercisable and vested to the full extent of the original grant.
- (ii) The restrictions and deferral limitations applicable to any Restricted Stock shall lapse, and such Restricted Stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

(b) *Definition of Change in Control.* For purposes of the Plan, a “Change in Control” shall mean the happening of any of the following events:

- (i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30 percent or more of either (1) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following acquisitions of Outstanding Company Common Stock and Outstanding Company Voting Securities: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any Person pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (iii) of this Section 8(b); or
- (ii) Individuals who, as of the effective date of the Plan, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; *provided, however,* that any individual who becomes a member of the Board subsequent to such effective date of the Plan, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, *provided further,* that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or
- (iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“Business Combination”); excluding, however, such a Business Combination pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60 percent of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will



beneficially own, directly or indirectly, 30 percent or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- (iv) The consummation of a complete liquidation or dissolution of the Company.

(c) *Change in Control Price.* For purposes of the Plan, “Change in Control Price” means the higher of (i) the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national exchange on which such shares are listed or on NASDAQ during the 60-day period prior to and including the date of a Change in Control or (ii) if the Change in Control is the result of a tender or exchange offer or a Business Combination, the highest price of a share of Stock paid in such tender or exchange offer or Business Combination; *provided, however,* that in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, the Change in Control Price shall be in all cases the Fair Market Value of the Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other noncash consideration, the value of such securities or other noncash consideration shall be determined in the sole discretion of the Board.

SECTION 9. Term, Amendment and Termination

The Plan will terminate 10 years after the effective date of the Plan. Under the Plan, Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the rights of an optionee under a Stock Option or a recipient of a Stock Appreciation Right, or Restricted Stock Award theretofore granted without the optionee’s or recipient’s consent, except such an amendment made to cause the Plan to qualify for any exemption provided by Rule 16b-3. In addition, no such amendment shall be made without the approval of the Company’s shareholders to the extent such approval is required by law or agreement.

The Committee may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any holder without the holder’s consent except such an amendment made to cause the Plan or Award to qualify for any exemption provided by Rule 16b-3; provided, however, that such power of the Committee shall not extend to the reduction of the exercise price of a previously granted Stock Option, except as provided in Section 3 hereof, nor may the Committee substitute new Stock Options for previously granted Stock Options having higher option prices.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Awards which qualify for beneficial treatment under such rules without stockholder approval.

SECTION 10. Unfunded Status of Plan

It is presently intended that the Plan constitute an “unfunded” plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or make payments; *provided, however*, that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the “unfunded” status of the Plan.

SECTION 11. General Provisions

(a) The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates or evidence of ownership for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Stock under the Plan prior to fulfillment of all of the following conditions:

(1) Listing or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Stock;

(2) Any registration or other qualification of such shares of Stock under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(3) Obtaining any other consent, approval or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) Nothing contained in the Plan shall prevent the Company or any subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

(c) Adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) No later than the date as of which an amount first becomes includable in the gross income of the participant for federal income tax purposes with respect to any Award under the Plan, the participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Company, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the participant. The Committee may establish such procedures as it deems appropriate for the settlement of withholding obligations with Stock.

(e) Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment shall only be permissible if sufficient shares of Stock are available under Section 3 for such reinvestment (taking into account then outstanding Stock Options and other Awards).



(f) The Committee shall establish such procedures as it deems appropriate for a participant to designate a beneficiary to whom any amounts payable in the event of the participant's death are to be paid or by whom any rights of the participant, after the participant's death, may be exercised.

(g) In the case of a grant of an Award to any employee of a subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the shares of Stock, if any, covered by the Award to the subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the subsidiary will transfer the shares of Stock to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan.

(h) The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

SECTION 12. Effective Date of Plan

The Plan shall be effective as of the date it is approved by the stockholders of the Company.

EXHIBIT A DEFINITIONS

Basic Earnings Per Share (BEPS)

Income available to common stockholders of the Company excluding the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of research and development associated with acquiring a business entity, a line of business, or a technology, divided by the weighted-average number of common shares of the Company outstanding during the applicable period. Shares issued during the applicable period and shares reacquired during the applicable period shall be weighted for the portion of the period that they were outstanding.

Business Operating Profit (BOP)

Total Sales less Total Cost of Sales less Marketing expense less General and Administrative Expenses plus Other Income or minus Other Expense.

Capital

The sum of all interest-bearing debt, including debt with imputed interest, and total equity.

Capital Charge Percentage

Represents the risk adjusted cost of capital charge expressed as a percentage established for the Company and each business unit as determined by the Holt Associates, Inc. model.

Capital Utilized

Total equity, plus Notes Payable, plus Current Portion of Long-Term Debt plus Long-Term Debt, plus Advances from Corporate (less if net Advances are to Corporate), less Investments in Consolidated Subsidiaries.

Cash Flow (CF)

The sum of Net Income plus depreciation and amortization.

Cash Value Added (CVA)

Gross Cash Flow minus the product of Gross Investment times Capital Charge Percentage, plus any amounts borrowed from CVA Bank, less any amounts repaid to the CVA Bank.

Consolidated Pre-Tax Income

Net Income of the Company and its Consolidated Subsidiaries before taxes and before giving effect to extraordinary items.

CVA Bank

CVA Bank means, with respect to each approved project or approved acquisition, a bookkeeping record of an account used to defer negative CVA generation to later fiscal periods. All deferred negative CVA amounts will incur an annual capital charge of the respective business unit. For purposes of this definition, an “approved acquisition” shall be any acquisition of the stock or assets of another entity which has been approved by the Company’s Board of Directors, and an “approved project” shall be one which has been designated as eligible for CVA Bank treatment by the Compensation Committee during the first 90 days of the fiscal year in which such deferral account is established.

Diluted Earnings Per Share (DEPS)

DEPS is computed in the same manner as BEPS; however, the weighted-average number of common shares of the Company outstanding during the applicable period is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares resulting from stock options or other common stock equivalents had been issued.

Gross Cash Flow

Annual BOP plus depreciation, amortization, rental expense, and research and development expense, less taxes paid, plus increases in or less decrease in non-operating accrued other expenses, plus net decrease in pension asset, less net increase in pension asset.

Gross Investment

Average Capital Utilized plus accumulated depreciation, capitalization of research and development expense for the most recent five fiscal years and rental expense, less deferred tax assets, less pension assets, plus fixed asset inflation adjustment, plus non-operating accrued other expenses.

Net Income

Net Income (Loss) shall include income (loss) from continuing operations before provision for income taxes; provision for income taxes; income from discontinued operations net of applicable income taxes; and effect on income from extraordinary items net of applicable income taxes. Net Income shall not include the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of research and development associated with acquiring a business entity, a line of business, or a technology.

Net Revenue (NR)

Total net sales and service revenue after adjustments for all discounts, returns, and allowances.

Return on Assets (ROA)

BOP divided by average assets (computed on a monthly basis).

Return on Capital (ROC)

Income before interest and taxes divided by average annual capital (computed on a monthly basis).

Return on Capital Utilized (ROCU)

BOP divided by average Capital Utilized (computed on a monthly basis).

Return on Equity (ROE)

Net Income divided by beginning equity.

Return on Revenue (ROR)

BOP divided by total Net Revenue expressed as a percent.

Return on Tangible Equity (ROTE)

Net Income divided by beginning tangible equity.

Revenue (RV)

Revenue as reported on the Company's annual financial statements.

Revenue Growth (RG)

The increase in revenue for the current fiscal year, expressed as a percent, above a specified base line period.

UNOVA, INC.
2001 STOCK INCENTIVE PLAN
Amended and Restated as of January 1, 2008

SECTION 1: Purpose; Definitions

The purpose of the Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers and other employees and to provide the Company and its Subsidiaries with a stock plan providing incentives directly linked to the profitability of the Company's businesses and increases in shareholder value.

For purposes of the Plan, the following terms are defined as set forth below:

- a. **"Award"** means a Stock Appreciation Right, Stock Option, or Restricted Stock.
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Change of Control"** and **"Change of Control Price"** have the meanings set forth in Sections 8(b) and 8(c), respectively.
- d. **"Code"** means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.
- e. **"Commission"** means the Securities and Exchange Commission or any successor agency.
- f. **"Committee"** means the Committee referred to in Section 2.
- g. **"Common Stock"** means common stock, par value \$.01 per share, of the Company.
- h. **"Company"** means UNOVA, Inc., a Delaware corporation.
- i. **"Covered Employee"** means a participant designated prior to the grant of Restricted Stock by the Committee who is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which Restricted Stock is expected to be taxable to such participant.
- j. **"Disability"** means permanent and total disability as determined for purposes of the Company's Long Term Disability Plan for the staff of the Company's corporate headquarters.
- k. **"Early Retirement"** means retirement from employment with the Company or a Subsidiary in circumstances in which the employee would be entitled to receive retirement benefits under the pension plan of the Company or a Subsidiary under which such employee is covered.
- l. **"Eligible Individuals"** means officers or other employees of the Company or any of its Subsidiaries and prospective employees who have accepted offers of employment from the Company or its Subsidiaries who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company or its Subsidiaries.
- m. **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
- n. **"Fair Market Value"** means, as of any given date, the average of the highest and lowest per share sales prices for the Common Stock during normal business hours on the New York Stock Exchange

for such date, or if the Common Stock is not traded on the New York Stock Exchange on such date, then on the next preceding date on which the Common Stock was traded, all as

reported by such source as the Committee may select, or, if the Common Stock is not listed on the New York Stock Exchange, on any other national securities exchange on which the Common Stock is listed or on NASDAQ.

- o. ***“Incentive Stock Option”*** means any Stock Option designated as, and intended to qualify as, an “incentive stock option” within the meaning of Section 422 of the Code.
- p. ***“Non-Qualified Stock Option”*** means any Stock Option that is not an Incentive Stock Option.
- q. ***“Normal Retirement”*** means retirement from active employment with the Company or a Subsidiary at or after age 65.
- r. ***“Performance Goals”*** means the performance goals established by the Committee in connection with the grant of Restricted Stock. In the case of Qualified Performance-Based Awards, (i) such goals shall be based on the attainment of specified levels of one or more of the following measures: business operating profit (“BOP”), cash flow (“CF”), cash value added (“CVA”), revenue growth (“RG”), return on assets (“ROA”), return on capital (“ROC”), return on capital utilized (“ROCU”), return on equity (“ROE”), return on revenue (“ROR”) or return on tangible equity (“ROTE”) of the Company or of any business unit thereof within which the participant is primarily employed, or that are based on the attainment of specified levels of Basic Earnings per Share (“BEPS”) or Diluted Earnings per Share (“DEPS”) of the Company or that are based, in whole or in part, on a level or levels of increase in the Fair Market Value of the Stock, and that are intended to qualify under Section 162(m)(4)(c) of the Code, and (ii) such Performance Goals shall be set by the Committee within the time period prescribed by Section 162(m) of the Code and related regulations. For purposes of the Plan, BOP, CF, CVA, RG, ROA, ROC, ROR, ROCU, ROE, ROTE, BEPS and DEPS shall have the meanings set forth in Annex A hereto.
- s. ***“Plan”*** means the UNOVA, Inc. 2001 Stock Incentive Plan, as set forth herein and as hereinafter amended from time to time.
- t. ***“Qualified Performance-Based Award”*** means an Award of Restricted Stock designated as such by the Committee at the time of grant, based upon a determination that (i) the recipient is or may be a “covered employee” within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Restricted Stock and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption.
- u. ***“Restricted Stock”*** means an Award granted under Section 7.
- v. ***“Retirement”*** means Normal or Early Retirement.
- w. ***“Rule 16b-3”*** means Rule 16b-3 as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.
- x. ***“Section 162(m) Exemption”*** means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.
- y. ***“Stock Appreciation Right”*** means an Award granted under Section 6.
- z. ***“Stock Option”*** means an Award granted under Section 5.
- aa. ***“Subsidiary”*** means any corporation, partnership, joint venture or other entity during any period in which at least a majority voting interest in such entity is owned, directly or indirectly, by the Company or any successor to the Company.

bb. ***“Termination of Employment”*** means the termination of the participant’s employment with the Company and any of its Subsidiaries. A participant employed by a Subsidiary shall also be

deemed to incur a Termination of Employment if the Subsidiary ceases to be such a Subsidiary, and the participant does not immediately thereafter become an employee of the Company or another Subsidiary. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries shall not be considered Terminations of Employment. If so determined by the Committee, a participant shall be deemed not to have incurred a Termination of Employment if the participant enters into a contract with the Company or a subsidiary providing for the rendering by the participant of consulting services to the Company or such subsidiary on terms approved by the Committee; however, Termination of Employment of the participant shall occur when such contract ceases to be in effect.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2: Administration

The Plan shall be administered by the Compensation Committee or such other committee of the Board as the Board may from time to time designate (the "Committee"), which shall be composed of not less than two directors, and shall be appointed by and serve at the pleasure of the Board.

The Committee shall have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals.

Among other things, the Committee shall have the authority, subject to its power to delegate its authority as described below and subject to the other terms of the Plan:

- (a) To select the Eligible Individuals to whom Awards may from time to time be granted;
- (b) To determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, and Restricted Stock or any combination thereof are to be granted hereunder;
- (c) To determine the number of shares of Common Stock to be covered by each Award granted hereunder;
- (d) To determine the terms and conditions of any Award granted hereunder (including, but not limited to, the option price (subject to Section 5(a)), any vesting condition, restriction or limitation (which may be related to the performance of the participant, the Company or any Subsidiary) and any vesting acceleration or forfeiture waiver regarding any Award and the shares of Common Stock relating thereto, based on such factors as the Committee shall determine;
- (e) To modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including but not limited to Performance Goals; *provided, however*, that the Committee may not adjust upwards the amount payable with respect to a Qualified Performance-Based Award or waive or alter the Performance Goals associated therewith or cause such Restricted Stock to vest earlier than permitted by Section 7(c)(vii);
- (f) To determine to what extent and under what circumstances Common Stock and other amounts payable with respect to an Award shall be deferred; and
- (g) To determine under what circumstances an Award may be settled in cash or Common Stock under Sections 5(j) and 6(b)(ii).

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable, to interpret the terms and



provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or regulation or the applicable rules of a stock exchange, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it; *provided* that no such delegation may be made that would cause Awards or other transactions under the Plan to cease to be exempt from Section 16(b) of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. Any such allocation or delegation may be revoked by the Committee at any time.

Any determination made by the Committee or pursuant to delegated authority pursuant to the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Plan participants.

Any authority granted to the Committee may also be exercised by the full Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

SECTION 3: Common Stock Subject to Plan

The maximum number of shares of Common Stock that may be issued to participants and their beneficiaries under the Plan shall be one million (1,000,000). No participant may be granted Awards covering in excess of 250,000 shares of Common Stock in any calendar year during which the Plan is in existence. Shares subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares. No more than 30 percent of the shares of Common Stock available for grant under the Plan as of the first day of any calendar year in which the Plan is in effect shall be utilized in that fiscal year for the grant of Awards in the form of Restricted Stock.

If any Award is forfeited, or if any Stock Option (and related Stock Appreciation Right, if any) terminates, expires or lapses without being exercised, or if any Stock Appreciation Right is exercised for cash, shares of Common Stock subject to such Awards shall again be available for distribution in connection with Awards under the Plan. If the option price of any Stock Option granted under the Plan is satisfied by delivering shares of Common Stock to the Company (by either actual delivery or by attestation), only the number of shares of Common Stock issued net of the shares of Common Stock delivered or attested to shall be deemed issued for purposes of determining the maximum number of shares of Common Stock available for issuance under the Plan. To the extent any shares of Common Stock subject to an Award are not delivered to a participant because such shares are used to satisfy an applicable tax-withholding obligation, such shares shall not be deemed to have been issued for purposes of determining the maximum number of shares of Common Stock available for issuance under the Plan.

In the event of any change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), such as a stock split or a corporate transaction, any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, the Committee or Board may make such substitution or adjustments in the aggregate number and kind of shares reserved



for issuance under the Plan, and the maximum limitation upon Stock Options and Stock Appreciation Rights to be granted to any participant, in the number, kind and option price of shares subject to outstanding Stock Options and Stock Appreciation Rights, in the number and kind of shares subject to other outstanding Awards granted under the Plan and/or such other equitable substitution or adjustments as it may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to any Award shall always be a whole number. Such adjusted option price shall also be used to determine the amount payable by the Company upon the exercise of any Stock Appreciation Right associated with any Stock Option.

SECTION 4: Eligibility

Awards may be granted under the Plan to Eligible Individuals. No grant shall be made under this Plan to a director who is not an officer or a salaried employee of the Company or its Subsidiaries.

SECTION 5: Stock Options

Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve.

The Committee shall have the authority to grant any optionee Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options (in each case with or without Stock Appreciation Rights); *provided, however*, that grants hereunder are subject to the aggregate limit on grants to individual participants set forth in Section 3. Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option on or subsequent to its grant date, it shall constitute a Non-Qualified Stock Option.

Stock Options shall be evidenced by option agreements, the terms and provisions of which may differ. An option agreement shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option shall occur on the date the Committee (or any other person to whom such power has been delegated by the Committee) selects an Eligible Individual to receive a grant of a Stock Option, determines the number of shares of Common Stock to be subject to such Stock Option to be granted to such Eligible Individual and specifies the terms and provisions of the Stock Option. The Company shall notify an Eligible Individual of any grant of a Stock Option, and a written option agreement or agreements shall be duly executed and delivered by the Company to the participant. Such agreement or agreements shall become effective upon execution by the Company and the Eligible Individual.

Stock Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions as the Committee shall deem desirable:

- (a) *Option Price.* The option price per share of Common Stock purchasable under a Stock Option shall be determined by the Committee and set forth in the option agreement, and shall not be less than the Fair Market Value of the Common Stock subject to the Stock Option on the date of grant.
- (b) *Option Term.* The term of each Stock Option shall be fixed by the Committee, but no Incentive Stock Option shall be exercisable more than 10 years after the date the Stock Option is granted.
- (c) *Exercisability.* Except as otherwise provided herein, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may at any



time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Stock Option.

(d) *Method of Exercise; Issuance of Stock.* Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased.

Such notice shall be accompanied by payment in full of the purchase price by certified or bank check or such other instrument as the Company may accept. If approved by the Committee, payment, in full or in part, may also be made in the form of unrestricted Common Stock (by delivery of such shares or by attestation based on the Fair Market Value of the Common Stock on the date the Stock Option is exercised) already owned by the optionee for at least six months or purchased on the open market; *provided, however*, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares of Common Stock may be authorized only at the time the Stock Option is granted.

If approved by the Committee, payment in full or in part may also be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the purchase price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms.

No shares of Common Stock shall be issued until full payment therefor has been made. Except as otherwise provided in Section 5(l) below, an optionee shall have all of the rights of a shareholder of the Company holding the class or series of Common Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the optionee has given written notice of exercise, has paid in full for such shares and, if requested, has given the representation described in Section 11(a).

(e) *Nontransferability of Stock Options.* No Stock Options may be transferred other than by will or by operation of the laws of descent and distribution. In addition, the optionee may transfer any or all Non-Qualified Stock Options granted under this Plan by way of gift to any family member; provided that any such transferee shall agree in writing with the optionee and the Company, as a condition to such transfer, to be bound by the provisions of all agreements and other instruments, including without limitation, the underlying plans under which such Stock Options were granted, and shall agree in writing to such other terms as the Company may reasonably require to assure compliance with applicable federal and state securities and other laws. For purposes of the preceding sentence, “family member” shall include any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationship, any person sharing the optionee’s household (other than a tenant or employee), a trust in which these persons have more than 50 percent of the beneficial interest, a foundation in which these persons (or the optionee) control the management of assets, and any other entity in which these persons (or the optionee) own more than 50 percent of the voting interests. All Stock Options shall be exercisable, subject to the terms of this Plan, only by the optionee, the guardian or legal representative of the optionee, or any person to whom such option is transferred pursuant to this paragraph, it being understood that the term “holder” and “optionee” include such guardian, legal representative and other transferee.

(f) *Termination by Death.* Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment by reason of death, any Stock Option held by such optionee may thereafter be exercised, to the extent then exercisable, or on such accelerated basis as the Committee may determine, for a period of one year (or such other period as the Committee may specify in the option agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) *Termination by Reason of Disability.* Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of three years (or such other period as the Committee may specify in the option agreement) from the date of such Termination of Employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; *provided, however,* that if the optionee dies within such period, any unexercised Stock Option held by such optionee shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of Termination of Employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) *Termination by Reason of Retirement.* Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment by reason of Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of such Retirement, or on such accelerated basis as the Committee may determine, until the expiration of the stated term of such Stock Option; *provided, however,* that if the optionee dies within such period any unexercised Stock Option held by such optionee shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of Termination of Employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(i) *Other Termination.* Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment for any reason other than death, Disability, or Retirement, any Stock Option held by such optionee, to the extent then exercisable, or on such accelerated basis as the Committee may determine, may be exercised for the lesser of three months from the date of such Termination of Employment or the balance of such Stock Option; *provided, however,* that if the optionee dies within such three-month period, any unexercised Stock Option held by such optionee shall, notwithstanding the expiration of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. If an Incentive Stock Option is exercised after the expiration of the post-termination exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(j) *Cashing Out of Stock Option.* On receipt of written notice of exercise, the Committee may elect to cash out all or part of the portion of the shares of Common Stock for which a Stock Option is being exercised by paying the optionee an amount, in cash or Common Stock, equal to the excess of the Fair Market Value of the Common Stock over the option price times the number of shares of Common Stock for which the Option is being exercised on the effective date of such cash-out.

(k) *Change of Control Cash-Out.* Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change of Control (the "Exercise Period"), if the Committee shall determine at the



time of grant or thereafter, an optionee shall have the right, whether or not the Stock Option is fully exercisable and in lieu of the payment of the option price for the shares of Common Stock being purchased under the Stock Option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the Stock Option to the Company and to receive cash, within 30 days of such election, in an amount equal to the amount by which the Change of Control Price per share of Common Stock on the date of such election shall exceed the exercise price per share of Common Stock under the Stock Option (the "Spread") multiplied by the number of shares of Common Stock granted under the Stock Option as to which the right granted under this Section 5(k) shall have been exercised. Notwithstanding the foregoing, if any right granted pursuant to this Section 5(k) would make a Change of Control transaction ineligible for pooling-of-interests accounting under APB No. 16 that but for the nature of such grant would otherwise be eligible for such accounting treatment, the Committee shall have the ability to substitute for the cash payable pursuant to such right Common Stock with a Fair Market Value (as of the date of delivery of such stock) equal to the cash that would otherwise be payable hereunder or, if necessary to preserve such accounting treatment, otherwise modify or eliminate such right.

(l) *Deferral of Option Shares.* The Committee may from time to time establish procedures pursuant to which an optionee may elect to defer, until a time or times later than the exercise of an Option, receipt of all or a portion of the shares of Common Stock subject to such Option and/or to receive cash at such later time or times in lieu of such deferred shares, all on such terms and conditions as the Committee shall determine. If any such deferrals are permitted, then notwithstanding Section 5(d) above, an optionee who elects such deferral shall not have any rights as a stockholder with respect to such deferred shares unless and until shares are actually delivered to the optionee with respect thereto, except to the extent otherwise determined by the Committee.

Notwithstanding the above, effective January 1, 2008, this Section 5(l) shall not apply with respect to any Awards that were not earned and vested prior to January 1, 2005.

SECTION 6: Stock Appreciation Rights

(a) *Grant and Exercise.* Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right shall terminate and no longer be exercisable upon the termination or exercise of the related Stock Option.

A Stock Appreciation Right may be exercised by an optionee in accordance with Section 6(b) by surrendering the applicable portion of the related Stock Option in accordance with procedures established by the Committee. Upon such exercise and surrender, the optionee shall be entitled to receive an amount determined in the manner prescribed in Section 6(b). Stock Options which have been so surrendered shall no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised.

In no event may the Stock Appreciation Right exercise price ever be less than the Fair Market Value of the underlying Common Stock on the date of grant.

(b) *Terms and Conditions.* Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

- (i) Stock Appreciation Rights shall be exercisable only at such time or times and to the extent that the Stock Options to which they relate are exercisable in accordance with the provisions of Section 5 and this Section 6.
- (ii) Upon the exercise of a Stock Appreciation Right, an optionee shall be entitled to receive an amount in cash, shares of Common Stock or both, in value equal to the excess of the Fair Market Value of one share of Common Stock over the option price per share specified in the related Stock



Option multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment.

(iii) Stock Appreciation Rights shall be transferable only to permitted transferees of the underlying Stock Option in accordance with Section 5(e).

(iv) Upon the exercise of a Stock Appreciation Right, the Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been exercised for the purpose of the limitation set forth in Section 3 on the number of shares of Common Stock to be issued under the Plan, but only to the extent of the number of shares covered by the Stock Appreciation Right at the time of exercise based on the value of the Stock Appreciation Right at such time.

SECTION 7: Restricted Stock

(a) *Administration.* Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Eligible Individuals to whom and the time or times at which grants of Restricted Stock will be awarded, the number of shares to be awarded to any Eligible Individual, the conditions for vesting, the time or times within which such Awards may be subject to forfeiture and any other terms and conditions of the Awards, in addition to those contained in Section 7(c).

(b) *Awards and Certificates.* Shares of Restricted Stock shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of Restricted Stock shall be registered in the name of such Eligible Individual and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

“The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the UNOVA, Inc. 2001 Stock Incentive Plan and a Restricted Stock Agreement. Copies of such Plan and Agreement are on file at the offices of UNOVA, Inc., 21900 Burbank Boulevard, Woodland Hills, California 91367.”

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

(c) *Terms and Conditions.* Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee may, prior to or at the time of grant, designate an Award of Restricted Stock as a Qualified Performance-Based Award, in which event it shall condition the grant or vesting, as applicable, of such Restricted Stock upon the attainment of Performance Goals. If the Committee does not designate an Award of Restricted Stock as a Qualified Performance-Based Award, it may also condition the grant or vesting thereof upon the attainment of Performance Goals. Regardless of whether an Award of Restricted Stock is a Qualified Performance-Based Award, the Committee may also condition the grant or vesting thereof upon the continued service of the participant. The conditions for grant or vesting and the other provisions of Restricted Stock Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. The Committee may at any time, in its sole discretion, accelerate or waive, in whole or in part, any of the foregoing restrictions; *provided, however*, that in the case of Restricted Stock that is a Qualified Performance-Based Award, the applicable Performance Goals have been satisfied.



(ii) Subject to the provisions of the Plan and the Restricted Stock Agreement referred to in Section 7(c)(vi), during the period, if any, set by the Committee, commencing with the date of such Award for which such participant's continued service is required (the "Restriction Period"), and until the later of (i) the expiration of the Restriction Period and (ii) the date the applicable Performance Goals (if any) are satisfied, the participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock; *provided* that the foregoing shall not prevent a participant from pledging Restricted Stock as security for a loan, the sole purpose of which is to provide funds to pay the option price for Stock Options.

(iii) Except as provided in this paragraph (iii) and Sections 7(c)(i) and 7(c)(ii) and the Restricted Stock Agreement, the participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Restricted Stock Agreement, (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically deferred and reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends, and (B) dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends.

(iv) Except to the extent otherwise provided in the applicable Restricted Stock Agreement or Section 7(c)(i), 7(c)(ii), 7(c)(v) or 8(a)(ii), upon a participant's Termination of Employment for any reason during the Restriction Period or before the applicable Performance Goals are satisfied, all shares still subject to restriction shall be forfeited by the participant.

(v) Except to the extent otherwise provided in Section 8(a)(ii), in the event that a participant retires or such participant's employment is involuntarily terminated, the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions (other than, in the case of Restricted Stock with respect to which a participant is a Covered Employee, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's shares of Restricted Stock.

(vi) If and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock, unlegended certificates for such shares shall be delivered to the participant upon surrender of the legended certificates.

(vii) Each Award shall be confirmed by, and be subject to, the terms of a Restricted Stock Agreement.

(viii) Notwithstanding the foregoing, but subject to the provisions of Section 8 hereof, no Award in the form of Restricted Stock, the vesting of which is conditioned only upon the continued service of the participant, shall vest earlier than the first, second and third anniversaries of the date of grant thereof, on each of which dates a maximum of one-third of the shares of Common Stock subject to the Award may vest, and no award in the form of Restricted Stock, the vesting of which is conditioned upon the attainment of a specified Performance Goal or Goals, shall vest earlier than the first anniversary of the date of grant thereof.

SECTION 8: Change of Control Provisions

(a) *Impact of Event.* Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control:



(i) Any Stock Options and Stock Appreciation Rights outstanding as of the date such Change of Control is determined to have occurred, and which are not then exercisable and vested, shall become fully exercisable and vested to the full extent of the original grant.

(ii) The restrictions and deferral limitations applicable to any Restricted Stock shall lapse, and such Restricted Stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

(iii) The Committee may also make additional adjustments and/or settlements of outstanding Awards as it deems appropriate and consistent with the Plan's purposes.

(b) *Definition of Change of Control.* For purposes of the Plan, a "Change of Control" shall mean the happening of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (1) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (1) Any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) Any acquisition by the Company, (3) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (4) Any acquisition pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (iii) of this Section 8(b); or

(ii) Individuals who, as of the effective date of the Plan, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual who becomes a member of the Board subsequent to such effective date of the Plan, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, *provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Business Combination"); excluding, however, such a Business Combination pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the

corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election

of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) The consummation of a complete liquidation or dissolution of the Company.

(c) *Change of Control Price.* For purposes of the Plan, “Change of Control Price” means the higher of (i) the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national exchange on which such shares are listed or on NASDAQ during the 60-day period prior to and including the date of a Change of Control or (ii) if the Change of Control is the result of a tender or exchange offer or a Business Combination, the highest price of a share of Stock paid in such tender or exchange offer or Business Combination; *provided, however,* that in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, the Change of Control Price shall be in all cases the Fair Market Value of the Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other noncash consideration, the value of such securities or other noncash consideration shall be determined in the sole discretion of the Board.

SECTION 9: Term, Amendment and Termination

The Plan will terminate on the tenth anniversary of the effective date of the Plan. Under the Plan, Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of an optionee under a Stock Option or a recipient of a Stock Appreciation Right, or Restricted Stock Award, theretofore granted without the optionee’s or recipient’s consent, except such an amendment made to comply with applicable law, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company’s stockholders to the extent such approval is required by applicable law or stock exchange rules and no such amendment may (1) increase, other than by operation of the antidilution clauses contained in Section 3 of the Plan, the number of shares of Common Stock available for the grant of Awards under the Plan or to alter the maximum number of shares available for the grant of Awards in the form of Restricted Stock or of Incentive Stock Options; (2) modify the criteria for eligibility to participate in the Plan or the nature of the Awards which may be granted under the Plan; (3) alter the provision requiring that all Stock Options be granted at an exercise price not less than the Fair Market Value of the Common Stock on the date of grant; (4) alter the provisions of the Plan which preclude the lowering of the exercise price of Stock Options (other than pursuant to the antidilution provisions contained in Section 3 of the Plan) or substituting for outstanding options new options having a lower exercise price; and (5) alter the provisions set forth in Section 7(c)(vii) of the Plan with respect to minimum vesting schedules relating to Awards in the form of Restricted Stock.

The Committee may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment shall cause a Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption or impair the rights of any holder without the holder’s consent except such an amendment made to cause the Plan or Award to comply with applicable law, or regulation, stock exchange rules, or accounting rules; provided, however, that such power of the Committee shall not extend to the reduction of the exercise price of a previously granted Stock Option, except as provided in Section 3 hereof, nor may the Committee substitute new Stock Options for previously granted Stock Options having higher option prices.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Awards which qualify for beneficial treatment under such rules without stockholder approval.

SECTION 10: Unfunded Status of Plan

It is presently intended that the Plan constitute an “unfunded” plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; *provided, however*, that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the “unfunded” status of the Plan.

SECTION 11: General Provisions

(a) The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

(i) Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Common Stock under the Plan prior to fulfillment of all of the following conditions:

(ii) Listing or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Common Stock;

(iii) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(iv) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting other or additional compensation arrangements for its employees.

(c) The Plan shall not constitute a contract of employment, and adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any employee at any time.

(d) No later than the date as of which an amount first becomes includible in the gross income of the participant for federal income tax purposes with respect to any Award under the Plan, the participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement; provided, that not more than the legally required minimum withholding may be settled with Common Stock. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

(e) The Committee shall establish such procedures as it deems appropriate for a participant to designate a beneficiary to whom any amounts payable in the event of the participant's death are to be paid or by whom any rights of the participant, after the participant's death, may be exercised.

(f) In the case of a grant of an Award to any employee of a Subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the shares of Common Stock, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the shares of Common Stock to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All shares of Common Stock underlying Awards that are forfeited or canceled shall revert to the Company.

(g) The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

(h) In the event an Award is granted to an Eligible Individual who is employed or providing services outside the United States and who is not compensated from a payroll maintained in the United States, the Committee may, in its sole discretion, modify the provisions of the Plan as they pertain to such individual to comply with applicable foreign law.

SECTION 12: Effective Date of Plan

The Plan shall be effective as of the date it is approved by the shareholders of the Company.

DEFINITIONS

Basic Earnings Per Share (BEPS)

Income available to common stockholders of the Company excluding the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of research and development associated with acquiring a business entity, a line of business, or a technology, divided by the weighted-average number of common shares of the Company outstanding during the applicable period. Shares issued during the applicable period and shares reacquired during the applicable period shall be weighted for the portion of the period that they were outstanding.

Business Operating Profit (BOP)

Total Sales less Total Cost of Sales less Marketing expense less General and Administrative Expenses plus Other Income or minus Other Expense.

Capital

The sum of all interest-bearing debt, including debt with imputed interest, and total equity.

Capital Charge Percentage

Represents the risk adjusted cost of capital charge expressed as a percentage established for the Company and each business unit as determined by the Holt Associates, Inc. model.

Capital Utilized

Total equity, plus Notes Payable, plus Current Portion of Long-Term Debt plus Long-Term Debt, plus Advances from Corporate (less if net Advances are to Corporate), less Investments in Consolidated Subsidiaries.

Cash Flow (CF)

The sum of Net Income plus depreciation and amortization.

Cash Value Added (CVA)

Gross Cash Flow minus the product of Gross Investment times Capital Charge Percentage, plus any amounts borrowed from CVA Bank, less any amounts repaid to the CVA Bank.

CVA Bank

CVA Bank means, with respect to each approved project or approved acquisition, a bookkeeping record of an account used to defer negative CVA generation to later fiscal periods. All deferred negative CVA amounts will incur an annual capital charge of the respective business unit. For purposes of this definition, an “approved acquisition” shall be any acquisition of the stock or assets of another entity which has been approved by the Company’s Board of Directors, and an “approved project” shall be one which has been designated as eligible for CVA Bank treatment by the Compensation Committee during the first 90 days of the fiscal year in which such deferral account is established.

Diluted Earnings Per Share (DEPS)

DEPS is computed in the same manner as BEPS; however, the weighted-average number of common shares of the Company outstanding during the applicable period is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares resulting from stock options or other common stock equivalents had been issued.

Gross Cash Flow

Annual BOP plus depreciation, amortization, rental expense, and research and development expense, less taxes paid, plus increases in or less decrease in non-operating accrued other expenses, plus net decrease in pension asset, less net increase in pension asset.

Gross Investment

Average Capital Utilized plus accumulated depreciation, capitalization of research and development expense for the most recent five fiscal years and rental expense, less deferred tax assets, less pension assets, plus fixed asset inflation adjustment, plus non-operating accrued other expenses.

Net Income

Net Income (Loss) shall include income (loss) from continuing operations before provision for income taxes; provision for income taxes; income from discontinued operations net of applicable income taxes; and effect on income from extraordinary items net of applicable income taxes. Net income shall not include the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of research and development associated with acquiring a business entity, a line of business, or a technology.

Net Revenue (NR)

Total net sales and service revenue after adjustments for all discounts, returns, and allowances.

Return on Assets (ROA)

BOP divided by average assets (computed on a monthly basis).

Return on Capital (ROC)

Income before interest and taxes divided by average annual capital (computed on a monthly basis).

Return on Capital Utilized (ROCU)

BOP divided by average Capital Utilized (computed on a monthly basis).

Return on Equity (ROE)

Net Income divided by beginning equity.

Return on Revenue (ROR)

BOP divided by total Net Revenue expressed as a percent.

Return on Tangible Equity (ROTE)

New Income divided by beginning tangible equity.

Revenue (RV)

Revenue as reported on the Company's annual financial statements.

Revenue Growth (RG)

The increase in revenue for the current fiscal year, expressed as a percent, above a specified base line period.



UNOVA, INC.

**MANAGEMENT INCENTIVE COMPENSATION PLAN
(Amended and Restated as of January 1, 2008)**

**I
PURPOSE**

This UNOVA, Inc. Management Incentive Compensation Plan (the “Plan”) is intended to provide a significant but variable economic opportunity to selected officers and key employees of UNOVA, Inc. and its subsidiaries; to align management incentives with the achievement of stipulated goals; and to encourage long-term planning and performance. Payments pursuant to Section IX of the Plan are intended to qualify under Section 162(m)(4)(c) of the Internal Revenue Code of 1986, as amended, as excluded from the term “applicable employee remuneration” as used in such Section (such payments are hereinafter referred to as “Excluded Income”).

**II
DEFINITIONS**

“Approved Leave of Absence” shall have the meaning set forth in rules to be adopted by the Committee and shall include in any event a leave of absence for purposes of service in the Armed Forces of the United States.

“Board” shall mean the Board of Directors of UNOVA, Inc.

“Bonus” shall mean a cash amount allocated to a Participant pursuant to the terms of the Plan, including an Incentive Award, and shall comprise both the amount of the award payable currently in cash and the amount allocated to a Participant’s bookkeeping account in the Bonus Bank.

“Bonus Bank” shall mean a system of maintaining bookkeeping entries whereby positive or negative amounts may be entered for the account of any Participant as contemplated by Article V, and indicating the balance of each Participant’s account, which shall initially be zero, computed by combining any previously-entered amounts, whether positive or negative, but without crediting any amount of interest. The Bonus Bank shall not be funded; no Participant shall have any vested right with respect to specific assets thereof; and all positive balances shown in the accounts of Participants shall be considered a portion of the general assets of the Company and be available to satisfy claims of the Company’s creditors.

“Change in Control” shall have the meaning assigned to the term “Change of Control” in Section 13(b) of the Company’s 2004 Omnibus Incentive Compensation Plan.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Committee” shall mean the Compensation, Governance, and Nominating Committee of the Board or such other committee as the Board may designate from time to time.

“Company” shall mean UNOVA, Inc., a Delaware corporation, and its subsidiaries.

“Covered Employees” shall mean Participants designated by the Committee prior to the grant of a bonus award opportunity hereunder who are or are expected to be “covered employees” within the meaning of Section 162(m)(3) of the Code for the Measurement Period in which a Bonus hereunder is payable and for whom the Committee intends that amounts payable hereunder shall constitute Excluded Income.

“Disability” shall mean permanent and total disability as determined for purposes of the Company’s Long-Term Disability Plan for the staff of the Company’s corporate headquarters as in effect from time to time.

“Disinterested Person” shall mean a member of the Board who qualifies as an “outside director” for purposes of Section 162(m) of the Code.

“Incentive Award” shall have the meaning set forth in Article IX hereof.

“Measurement Period” shall have the meaning set forth in Article IX hereof.

“Participant” shall have the meaning set forth in Article IV hereof.

“Performance Goals” shall have the meaning set forth in Article IX hereof.

“Restricted Stock” shall have the meaning set forth in the Company’s 2001 Stock Incentive Plan or any successor plan.

“Retirement” shall mean either (i) retirement from active employment with the Company or a subsidiary at or after age 65 or (ii) early retirement from active employment with the Company or a subsidiary pursuant to the early retirement provisions of the applicable pension plan of such employer.

“Stock” shall mean the Common Stock, par value \$.01 per share, of the Company.

“Stock Options” shall mean options to purchase shares of Stock.

“Target Bonus” shall mean the amount determined by multiplying the amount of a Participant’s base salary actually paid during the applicable Measurement Period by a percentage designated by the Committee in its sole discretion prior to the commencement of such Measurement Period, or within the first 90 days thereof, which percentage need not be the same for each Participant.

III ADMINISTRATION

The Plan shall be administered by the Committee or such other committee of the Board designated by the Board which is composed of not less than two Disinterested Persons, each of whom shall be appointed by and serve at the pleasure of the Board.

In administering the Plan the Committee may at its option employ compensation consultants, accountants, and counsel (who may be the compensation consultants, independent

auditors, or outside counsel of the Company) and other persons to assist or render advice to the Committee, all at the expense of the Company.

Except as limited by law or by the Company's Certificate of Incorporation or By-laws, and subject to the provisions hereof, the Committee shall have authority to select Participants in the Plan upon the recommendation of the Chief Executive Officer; determine the size and types of awards; determine the terms and conditions of earning awards; determine the time or times and method of payment thereof; interpret the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and, subject to Article VI, amend the terms and conditions of the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. Subject to the provisions hereof, the Committee may adopt written guidelines for the implementation and administration of the Plan. All determinations and decisions of the Committee arising under the Plan shall be final, binding, and conclusive upon all parties.

IV ELIGIBILITY

The Committee shall, in its sole discretion, determine for each Measurement Period those officers and other key employees of the Company who shall be eligible to participate in the Plan (the "Participants") for such Measurement Period. Nothing contained in the Plan shall be construed as or be evidence of any contract of employment with any Participant for a term of any length, nor shall participation in the Plan in any Measurement Period by any Participant give any person the right to participate in the Plan in any subsequent Measurement Period.

V DETERMINATION OF BONUS; BONUS BANK

Subject to Article IX hereof, the form, amount, and manner of and time of payment of each Bonus to a Participant shall be determined by and at the discretion of the Committee. The Committee may (but must, in the case of Participants who are Covered Employees) condition the earning of a Bonus upon the attainment of specified Performance Goals measured over a period not greater than one year relating to the Participant or the Company, or a subsidiary or division of the Company for or within which the Participant is primarily employed, or upon such other factors or criteria as the Committee shall determine, which Performance Goals (or other factors or criteria) may be different for each Participant. Bonuses under the Plan will consist of a cash amount, based upon the relationship of the Target Bonus to the degree of achievement of such Performance Goals during the Measurement Period. Bonuses under this Plan for Covered Employees shall be subject to preestablished Performance Goals in accordance with Article IX hereof. The Committee shall determine the extent, if any, to which such cash amount shall be paid currently to the Participant, by stipulating either a fixed amount or a percentage of the cash amount determined under the Plan, with the remainder of such cash amount (unless the Committee otherwise determines) to be credited to the account of the Participant in the Bonus Bank.

In each year in which this Plan is in operation, so long as CVA shall be one of the designated Performance Goals for a majority of the Participants during such fiscal year, each Participant shall receive one-third of any positive balance of such Participant's Bonus Bank account as at the date on which Annual Bonus amounts of Participants are determined (after adjusting the Bonus Bank for the effect, if any, of the current year's prorated positive or negative

amounts). If for any year CVA shall not be one of the designated Performance Goals for a majority of the Participants, the Committee may prescribe a different schedule for payment of any balances of Participants' bookkeeping accounts in the Bonus Bank.

If the minimum Performance Goals are not attained, the cash amount so determined from the relationship of the Target Bonus to the degree of achievement of the Performance Goals may be a negative amount and may, if so determined by the Committee, be recorded in whole or in part as a charge to the Participant's account in the Bonus Bank.

The Committee may, in its sole discretion, increase or decrease the amount of any Bonus payable to a Participant (but may not increase the amount of any Bonus payable to Covered Employees) and may award Bonuses to Participants (other than Covered Employees except as provided in Article VI) even though the Performance Goals applicable to the award of the Bonuses are not achieved.

VI TERMINATION OF EMPLOYMENT

In the event a Participant's employment is terminated by reason of death, Disability, or Retirement, or the Participant shall have commenced an Approved Leave of Absence, the Bonus determined in accordance with Article V hereof shall be calculated to reflect participation prior to employment termination only. The reduced award shall be determined by multiplying such Bonus by a fraction, the numerator of which is the number of full months of employment in the Measurement Period through the date of employment termination, and the denominator of which is 12. In the case of a Participant's Disability, the employment termination shall be deemed to have occurred on the date all of the conditions of Disability have been satisfied, as determined by the Committee. Except as otherwise provided in any agreement or plan of the Company to which the Participant is party or in which he or she participates providing for payments following a Change in Control, in the event that a Participant's employment is terminated prior to completion of a Measurement Period for any reason other than death, Disability, or Retirement, and the Participant shall not have been on an Approved Leave of Absence at the time the Participant's Bonus would have been determined, all of the Participant's rights to a Bonus for such Measurement Period shall be forfeited. However, the Committee may, in its sole discretion, pay an award prorated in the manner described above for the portion of the Measurement Period that the Participant was employed by the Company.

Furthermore, in the event a Participant's employment is terminated by reason of death, Disability, or Retirement, or if the Participant's employment is terminated under circumstances which the Committee in its sole discretion deems to have been a termination without cause, the Participant shall within 30 days' following the next date on which annual Bonus amounts of Participants are determined be paid in cash any positive balance in the Participant's bookkeeping account in the Bonus Bank after adjusting the Bonus Bank for the effect, if any, of the current year's negative or positive amounts. Notwithstanding the foregoing, any involuntary termination of a Participant's employment (other than by reason of death, Disability, or Retirement) which occurs within a period of one year following a Change in Control shall be conclusively deemed to have been a termination without cause. If the balance of the Participant's account as of the date of such determination of Bonus amounts following termination of employment is negative, such negative amount shall be disregarded for all purposes and may not be offset in whole or in part against any other amount then payable to the Participant.

VII AMENDMENT AND TERMINATION

The Board shall have the right to modify the Plan from time to time but no such modification shall, without prior approval of the Company's shareholders, change Section (c) of Article IX of this Plan to alter the criteria on which the Performance Goals are based, to increase the amount of the limitation on certain awards set forth in Section (e) of Article IX, or increase the benefits accruing to Participants hereunder who are Covered Employees, or, without the consent of the Participant affected, impair any Bonus awarded prior to the effective date of the modification.

VIII MISCELLANEOUS

Bonus payments shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of law.

IX PROCEDURES FOR CERTAIN DESIGNATED PARTICIPANTS

Bonuses under the Plan awarded to Participants who are Covered Employees shall be subject to preestablished Performance Goals as set forth herein. Notwithstanding Article V hereof, the Committee shall not have discretion to modify the terms of awards to such Participants except as specifically set forth in this Article IX.

(a) *Target Bonus.* Prior to the commencement of a Measurement Period, or within the first 90 days thereof, the Committee shall grant bonus award opportunities to such of the Participants who may be Covered Employees, payment of which shall be conditioned upon satisfaction of specific Performance Goals measured over a period not greater than one year established by the Committee in writing at the time of grant of the award opportunities. An award to a Covered Employee (an "Incentive Award") shall consist of a cash amount to be based upon the relationship between the Participant's Target Bonus and the degree to which the applicable Performance Goals are achieved, which amount may, in the event the minimum Performance Goals are not achieved, be a negative amount. The Committee may, in its sole discretion, reduce the amount which would otherwise be payable with respect to a Measurement Period (under which circumstances the Participant will have no right to receive the amount of such reduction even if the Performance Goals are met).

(b) *Measurement Period.* The Measurement Period will be a period of one fiscal year, unless a shorter period is otherwise selected and established in writing by the Committee at the time the Performance Goals are established with respect to a particular Incentive Award (the period so specified being herein referred to as the "Measurement Period").

(c) *Performance Goals.* The performance goals ("Performance Goals") established by the Committee at the time an award opportunity is granted shall comprise specified levels of one or more of the following factors: basic earnings per share ("BEPS"), business operating profit ("BOP"), cash value added ("CVA"), diluted earnings per share ("DEPS"), earnings before

taxes ("EBT"), net debt to sales ("NDS"), net working asset performance to sales ("NWA"), return on capital utilized ("ROCU"), return on tangible equity ("ROTE"), return on equity ("ROE"), return on assets ("ROA"), return on capital ("ROC"), cash flow ("CF"), revenue growth ("RG"), revenue ("RV"), or return on revenue ("ROR") of the Company or of its applicable business unit, as appropriate. For purposes of this Plan, BEPS, BOP, CVA, DEPS, EBT, NDS, NWA, ROCU, ROTE, ROE, ROA, ROC, CF, RG, RV, or ROR shall have the meanings set forth in Exhibit A hereto.

(d) *Payment of an Incentive Award.* At the time the opportunity to receive an Incentive Award is granted, the Committee shall prescribe a formula to determine the percentage of the Target Bonus award which will constitute the Bonus amount based upon the degree of attainment of the Performance Goals during the Measurement Period. If the minimum Performance Goals established by the Committee are not met, no award will be made to a Participant who is a Covered Employee (however, a negative account may in such case be recorded in the Participant's account in the Bonus Bank). To the extent that the minimum Performance Goals are satisfied or surpassed, and upon written certification by the Committee that the Performance Goals have been satisfied to a particular extent and any other material terms and conditions of the Incentive Awards have been satisfied, an Incentive Award shall be made in accordance with the prescribed formula based upon a percentage of the Participant's Target Bonus unless the Committee determines, in its sole discretion, to reduce the payment to be made. The Committee shall also determine, by prescribing a dollar amount or a formula, what portion of the Incentive Award shall be paid on a current basis to the Participant and what portion shall be credited to the Participant's account in the Bonus Bank.

Payments under this Plan are intended to satisfy the short-term deferral exception under Section 409A of the Code and the Treasury Regulations thereunder and payment of amounts under this Plan shall be made no later than 74 days after the close of the calendar year in which there is no longer a substantial risk of forfeiture within the meaning of Section 409A of the Code and the Treasury Regulations promulgated thereunder.

(e) *Maximum Payable.* The maximum amount of an Incentive Award made to a Covered Employee, comprising both the portion thereof paid currently in cash and the portion thereof credited to the Participant's bookkeeping account in the Bonus Bank, for any fiscal year of the Company shall be \$5,000,000. The maximum amount which may be paid to a Covered Employee pursuant to the Plan during any fiscal year shall be such Covered Employee's Incentive Award for the preceding fiscal year plus any portion of his or her prior Incentive Awards credited to such person's Bonus Bank account but not previously paid.

X ALTERNATIVE FORMS OF PAYMENT

The Committee may determine that all or a portion of a Bonus awarded hereunder will, or may at the option of the Participant, be paid in Stock, Stock Options, or Restricted Stock having such terms and conditions as the Committee may in its sole discretion determine.

XI EFFECTIVE DATE

This Plan shall become effective on the date of its adoption by the Board and shall supersede in its entirety the Management Incentive Compensation Plan which was in effect for

1998. The Plan shall be submitted to the shareholders of the Company for approval at the 1999 Annual Meeting of Shareholders.

XII OTHER AWARDS

Nothing in this Plan shall limit the power of the Company to award any annual or longer-term incentive compensation, whether payable in cash, Stock, Stock Options, or Restricted Stock of the Company, or otherwise, to any employee of the Company or any subsidiary thereof under any other arrangement, contract, or understanding, whether written or not, regardless of whether or not such employee is a Participant in this Plan.

XIII BENEFICIARY DESIGNATION

Each Participant under the Plan may name, from time to time, any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit, including without limitation the payment of any positive balance of a Participant's account with the Bonus Bank, under the Plan is to be paid in case of the Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, or if the designated beneficiary is no longer living, benefits shall be paid to the surviving member(s) of the following classes of beneficiaries, with preference for classes in the order listed below:

- (a) Participant's spouse (unless the parties were divorced or legally separated by court decree);
- (b) Participant's children (including children by adoption);
- (c) Participant's parents (including parents by adoption); or
- (d) Participant's executor or administrator.

Payment of benefits under the Plan following a Participant's death shall be made exclusively to the member(s) of the first class, in the order listed above, which has surviving member(s). If that class has more than one member, benefit payments shall be made in equal shares among members of that class.

DEFINITIONS

Basic Earnings Per Share (BEPS)

Income available to common stockholders of the Company excluding the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of research and development associated with acquiring a business entity, a line of business, or a technology, divided by the weighted-average number of common shares of the Company outstanding during the applicable period. Shares issued during the applicable period and shares reacquired during the applicable period shall be weighted for the portion of the period that they were outstanding.

Business Operating Profit (BOP)

Total Sales less Total Cost of Sales less Marketing expense less General and Administrative Expenses plus Other Income or minus Other Expense.

Capital

The sum of all interest-bearing debt, including debt with imputed interest, and total equity.

Capital Charge Percentage

Represents the risk adjusted cost of capital charge expressed as a percentage established for the Company and each business unit as determined by the Holt Associates, Inc. model.

Capital Utilized

Total equity, plus Notes Payable, plus Current Portion of Long-Term Debt plus Long-Term Debt, plus Advances from Corporate (less if net Advances are to Corporate), less Investments in Consolidated Subsidiaries.

Cash Flow (CF)

The sum of Net Income plus depreciation and amortization.

Cash Value Added (CVA)

Gross Cash Flow minus the product of Gross Investment times Capital Charge Percentage, plus any amounts borrowed from CVA Bank, less any amounts repaid to the CVA Bank.

CVA Bank

CVA Bank means, with respect to each approved project or approved acquisition, a bookkeeping record of an account used to defer negative CVA generation to later fiscal periods. All deferred negative CVA amounts will incur an annual capital charge of the respective

business unit. For purposes of this definition, an “approved acquisition” shall be any acquisition of the stock or assets of another entity which has been approved by the Company’s Board of Directors, and an “approved project” shall be one which has been designated as eligible for CVA Bank treatment by the Committee during the first 90 days of the fiscal year in which such deferral account is established.

Consolidated Pre-Tax Income

Net Income of the Company and its Consolidated Subsidiaries before taxes and before giving effect to extraordinary items.

Diluted Earnings Per Share (DEPS)

DEPS is computed in the same manner as BEPS; however, the weighted-average number of common shares of the Company outstanding during the applicable period is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares resulting from stock options or other common stock equivalents had been issued.

Earnings Before Taxes (EBT)

Net income plus provision for income tax.

Gross Cash Flow

Annual BOP plus depreciation, amortization, rental expense, and research and development expense, less taxes paid, plus increases in or less decrease in non-operating accrued other expenses, plus net decrease in pension asset, less net increase in pension asset.

Gross Investment

Average Capital Utilized plus accumulated depreciation, capitalization of research and development expense for the most recent five fiscal years and rental expense, less deferred tax assets, less pension assets, plus fixed asset inflation adjustment, plus non-operating accrued other expenses.

Net Debt to Sales (NDS)

Average net debt (computed on a monthly basis) divided by sales. Net Debt is the total debt (comprising notes payable and long-term obligations) less cash and marketable securities.

Net Income

Net Income (Loss) shall include income (loss) from continuing operations before provision for income taxes; provision for income taxes; income from discontinued operations net of applicable income taxes; and effect on income from extraordinary items net of applicable income taxes. Net Income shall not include the cumulative effect on prior years of an accounting change net of income taxes and the after tax charges that may result from the acquisition of

research and development associated with acquiring a business entity, a line of business, or a technology.

Net Revenue (NR)

Total net sales and service revenue after adjustments for all discounts, returns, and allowances.

Net Working Asset Performance to Sales (NWA)

Average net working assets (computed on a monthly basis) divided by sales. Net working assets are net accounts receivable plus net inventory minus accounts payable.

Return on Assets (ROA)

BOP divided by average assets (computed on a monthly basis).

Return on Capital (ROC)

Income before interest and taxes divided by average annual capital (computed on a monthly basis).

Return on Capital Utilized (ROCU)

BOP divided by average Capital Utilized (computed on a monthly basis).

Return on Equity (ROE)

Net Income divided by beginning equity.

Return on Revenue (ROR)

BOP divided by total Net Revenue expressed as a percent.

Return on Tangible Equity (ROTE)

Net Income divided by beginning tangible equity.

Revenue (RV)

Revenue as reported on the Company's annual financial statements.

Revenue Growth (RG)

The increase in revenue for the current fiscal year, expressed as a percent, above a specified base line period.

UNOVA, INC.

2004 OMNIBUS INCENTIVE COMPENSATION PLAN

Approved May 6, 2004

Amended and Restated as of January 1, 2008

UNOVA, INC.
2004 OMNIBUS INCENTIVE COMPENSATION PLAN

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Purposes; Definitions	3
Section 2. Administration	6
Section 3. Share Authorization	7
Section 4. Eligibility	8
Section 5. Stock Options	9
Section 6. Stock Appreciation Rights	10
Section 7. Restricted Stock and Restricted Stock Units	12
Section 8. Performance Units/Performance Shares	13
Section 9. Cash-Based and Other Stock-Based Awards	15
Section 10. Performance Measures	16
Section 11. Covered Employee Annual Incentive Awards	17
Section 12. Term, Amendment and Termination	17
Section 13. Change of Control Provisions	18
Section 14. Unfunded Status of Plan	20
Section 15. Uncertificated Shares	20
Section 16. Withholding	20
Section 17. General Provisions	20
Section 18. Effective Date of Plan	22

SECTION 1. Purpose; Definitions

The purpose of the Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers and other employees and to provide the Company and its Subsidiaries with a stock plan providing incentives directly linked to the profitability of the Company's businesses and increases in shareholder value.

For purposes of the Plan, the following terms are defined as set forth below:

"Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations of the Exchange Act.

"Award" means, individually or collectively, a grant under this Plan of Stock Appreciation Rights, Stock Options, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Covered Employee Annual Incentive Awards, Cash-Based Awards and Other Stock-Based Awards.

"Award Agreement" means either (i) a written agreement entered into by the Company and an Eligible Individual setting forth the terms and provisions applicable to an Award granted under this Plan, or (ii) a written statement issued by the Company to an Eligible Individual describing the terms and provisions of such Award.

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

"Cash-Based Award" means an Award granted to an Eligible Individual as described in Section 9.

"Change of Control" has the meaning set forth in Section 13(b).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

"Commission" means the Securities and Exchange Commission, or any successor agency.

"Committee" means the Committee referred to in Section 2.

"Company" means UNOVA, Inc., a Delaware corporation.

"Covered Employee" means an Eligible Individual who is a "covered employee," as defined in Code Section 162(m) and the regulations promulgated under Code Section 162(m), or any successor statute.

"Covered Employee Annual Incentive Award" means an Award granted to a Covered Employee as described in Section 10.

"Disability" means permanent and total disability as determined for purposes of the Company's Long Term Disability Plan for the staff of the Company's corporate headquarters.

"Early Retirement" means retirement from employment with the Company, a Subsidiary, or Affiliate in circumstances in which the employee would be entitled to receive retirement benefits under the pension plan of the Company, a Subsidiary, or an Affiliate under which such employee is covered.

"Eligible Individuals" means officers or other employees of the Company or any of its Subsidiaries and Affiliates and prospective employees who have accepted offers of employment from the Company, a

Subsidiary, or an Affiliate who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company, its Subsidiaries, or Affiliates.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

“Fair Market Value” or “FMV” means , as of any given date, the average of the highest and lowest per share sales prices reported for a Share during normal business hours on the New York Stock Exchange (“NYSE”) for such date, , if traded thereon, or, if not traded thereon, on a national securities exchange, if traded thereon, or, if not traded thereon, the average of the high and low or closing bid and asked prices reported on another reporting system that provides such information on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. In the event Shares are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of their Fair Market Value shall be made by the Committee in such manner as it deems appropriate. Such definition(s) of FMV shall be specified in each Award Agreement and may differ depending on whether FMV is in reference to the grant, exercise, vesting, settlement, or payout of an Award.

“Freestanding SAR” means a SAR that is granted independently of any Stock Options, as described in Section 6.

“Incentive Stock Option” or “ISO” means an Option to purchase Shares granted under Section 5 to an Eligible Individual and that is designated as an Incentive Stock Option and that is intended to meet the requirements of Code Section 422, or any successor provision.

“Non-Qualified Stock Option” or “NQSO” means an Option that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

“Normal Retirement” means retirement from active employment with the Company or a Subsidiary or an Affiliate as provided for in such entity’s retirement or pension plan, as applicable.

“Other Stock-Based Award” means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Section 9.

“Performance Measures” means measures as described in Section 10 on which Qualified Performance-Based Awards are based and which are approved by the Company’s shareholders pursuant to this Plan in order to qualify as Qualified Performance-Based Awards.

“Performance Period” means the period of time during which the Performance Measures must be met in order to determine the degree of payout and/or vesting with respect to an Award.

“Performance Share” means an Award granted to an Eligible Individual, as described in Section 8.

“Performance Unit” means an Award granted to an Eligible Individual, as described in Section 8.

“Period of Restriction” means the period when Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the passage of time, the achievement of Performance Measures, or upon the occurrence of other events as determined by the Committee, in its discretion), as provided in Section 7.

“Plan” means the UNOVA, Inc. 2004 Omnibus Incentive Compensation Plan, as set forth herein and as hereinafter amended from time to time.

“Plan Year” means the Company’s fiscal year, which begins January 1 and ends December 31.

“Qualified Performance-Based Award” means an Award designated as such by the Committee at the time of grant, based upon a determination that (i) the recipient is or may be a “covered employee” within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Award and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption.

“Restricted Stock” means an Award granted under Section 7.

“Restricted Stock Unit” or “RSU” means an Award granted pursuant to Section 7, except no Shares are actually awarded on the date of grant.

“Retirement” means Normal or Early Retirement.

“Rule 16b-3” means Rule 16b-3 as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.

“Section 162(m) Exemption” means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.

“Share” means a share of common stock, par value \$.01 per share, of the Company.

“Stock Appreciation Right” means an Award granted under Section 6.

“Stock Option” means an Award granted under Section 5.

“Subsidiary” means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

“Tandem SAR” means a SAR that is granted in connection with a related Stock Option pursuant to Section 6 herein, the exercise of which shall require forfeiture of the right to purchase a Share under the related Stock Option (and when a Share is purchased under the Stock Option, the Tandem SAR shall similarly be canceled).

“Termination of Employment” means the termination of the Eligible Individual’s employment with the Company and any of its Subsidiaries or Affiliates. An Eligible Individual employed by a Subsidiary or Affiliate shall also be deemed to incur a Termination of Employment if the Subsidiary or Affiliate ceases to be such a Subsidiary or Affiliate, and the Eligible Individual does not immediately thereafter become an employee of the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries or Affiliates shall not be considered Terminations of Employment. If so determined by the Committee, an Eligible Individual shall be deemed not to have incurred a Termination of Employment if the Eligible Individual enters into a contract with the Company, a Subsidiary, or an Affiliate providing for the rendering by the Eligible Individual of consulting services to the Company or such Subsidiary or Affiliate on terms approved by the Committee; however, Termination of Employment of the Eligible Individual shall occur when such contract ceases to be in effect.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2. Administration

The Plan shall be administered by the Compensation, Governance and Nominating Committee or such other committee of the Board as the Board may from time to time designate (the "Committee"), which shall be composed of not less than two independent directors, and shall be appointed by and serve at the pleasure of the Board.

The Committee shall have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals.

Among other things, the Committee shall have the authority, subject to its power to delegate its authority as described below and subject to the other terms of the Plan:

- (a) To select the Eligible Individuals to whom Awards may from time to time be granted;
- (b) To determine the number of Shares or other amount to be covered by each Award granted hereunder;
- (c) To determine the terms and conditions of any Award granted hereunder, any vesting condition, restriction or limitation (which may be related to the performance of the Eligible Individual, the Company, any Subsidiary, or Affiliate, or any business unit of the Company, Subsidiary or Affiliate) and any vesting acceleration or forfeiture waiver regarding any Award and the Shares relating thereto, based on such factors as the Committee shall determine;
- (d) To modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including but not limited to Performance Measures; *provided, however*, that the Committee may not increase the amount payable with respect to a Qualified Performance-Based Award or waive or alter the Performance Measures associated therewith or cause such Qualified Performance-Based Award to vest earlier than permitted;
- (e) To determine to what extent and under what circumstances Shares and other amounts payable with respect to an Award shall be deferred; and
- (f) To determine under what circumstances an Award may be settled in cash or Shares.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement relating thereto) and to otherwise supervise the administration of the Plan.

The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or regulation or the applicable rules of a stock exchange, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it; *provided, however*, that no such delegation may be made that would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16(b) of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. Any such allocation or delegation may be revoked by the Committee at any time.



Any determination made by the Committee or pursuant to delegated authority pursuant to the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Eligible Individuals.

Any authority granted to the Committee may also be exercised by the full Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16(b) of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

SECTION 3. Share Authorization

- (a) *Shares Subject to the Plan.* The maximum number of Shares that may be issued to Eligible Individuals and their beneficiaries under the Plan shall be three million (3,000,000) Shares. Shares issued under the Plan may be authorized and unissued Shares or may be treasury Shares.
- (b) *Incentive Stock Option Limit.* Subject to the limit set forth in Section 3(a) on the number of Shares that may be issued in the aggregate under the Plan, the maximum number of Shares that may be issued pursuant to ISOs shall be two million (2,000,000).
- (c) *Share Usage.* Shares covered by an Award shall only be counted as used to the extent they are actually issued. Any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for grant under the Plan. Moreover, if the option price of any Stock Option granted under the Plan or the tax withholding requirements with respect to any Award granted under the Plan are satisfied by tendering Shares to the Company (by either actual delivery or by attestation), or if a SAR is exercised, only the number of Shares issued, net of the Shares tendered, if any, will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. The maximum number of Shares available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional Shares or credited as additional Restricted Stock, Restricted Stock Units, Performance Shares, or Stock-Based Awards.
- (d) *Annual Award Limits.* Unless and until the Committee determines that an Award to a Covered Employee shall not be designed to qualify as Qualified Performance-Based Award, the following limits (each an "Annual Award Limit," and, collectively, "Annual Award Limits") shall apply to grants of such Awards under the Plan:
 - (i) Options: The maximum aggregate number of Shares subject to Options granted in any one Plan Year to any one Eligible Individual shall be seven hundred fifty thousand (750,000).
 - (ii) SARs: The maximum number of Shares subject to Stock Appreciation Rights granted in any one Plan Year to any one Eligible Individual shall be seven hundred fifty thousand (750,000).

- (iii) Restricted Stock or Restricted Stock Units: The maximum aggregate grant with respect to Awards of Restricted Stock or Restricted Stock Units in any one Plan Year to any one Eligible Individual shall be two hundred fifty thousand (250,000).
 - (iv) Performance Units or Performance Shares: The maximum aggregate Award of Performance Units or Performance Shares that an Eligible Individual may receive in any one Plan Year shall be two hundred fifty thousand (250,000) Shares, or equal to the value of two hundred fifty thousand (250,000) Shares determined as of the date of vesting or payout, as applicable.
 - (v) Cash-Based Awards: The maximum aggregate amount awarded or credited with respect to Cash-Based Awards to any one Participant in any one Plan Year may not exceed the greater of one hundred thousand (100,000) Shares or the value of one hundred thousand (100,000) Shares determined as of the date of vesting or payout, as applicable.
 - (vi) Other Stock-Based Awards: The maximum aggregate grant with respect to Other Stock-Based Awards pursuant to Section 9 in any one Plan Year to any one Eligible Individual shall be one hundred thousand (100,000) Shares.
 - (vii) Covered Employee Annual Incentive Awards: The maximum aggregate amount awarded or credited in any one Plan Year with respect to a Covered Employee Annual Incentive Award shall be determined in accordance with Section 11.
- (e) *Adjustments in Authorized Shares.* In the event of any corporate event or transaction (including, but not limited to, a change in the stock of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee, in its sole discretion, in order to prevent dilution or enlargement of Eligible Individuals' rights under the Plan, shall substitute or adjust, as applicable, the number and kind of Shares that may be issued under the Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the option price or grant price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards.

The Committee, in its sole discretion, may also make appropriate adjustments in the terms of Awards under the Plan to reflect or related to such changes or distributions and to modify any other terms of outstanding Awards, including modifications of Performance Measures and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Eligible Individuals under the Plan.

SECTION 4. Eligibility

Awards may be granted under the Plan to Eligible Individuals. No grant shall be made under this Plan to a director who is not an officer or a salaried employee of the Company or its Subsidiaries and Affiliates. Subject to the provisions of the Plan, the Committee may, from time to time, select from all Eligible Individuals, those to whom Awards shall be granted and shall determine, in its sole discretion, the nature of, any and all terms permissible by law, and the amount of each Award.

SECTION 5. STOCK OPTIONS

- (a) *Grant of Stock Options.* Subject to the terms and provisions of the Plan, Stock Options may be granted to Eligible Individuals in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion; *provided, however*, that ISOs may be granted only to eligible employees of the Company or of any corporate Subsidiary or Affiliate (as permitted by Section 422 of the Code and the regulations thereunder).
- (b) *Award Agreement.* Each Stock Option grant shall be evidenced by an Award Agreement that shall specify the option price, the maximum term of the Stock Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of the Plan. The Award Agreement also shall specify whether the Stock Option is intended to be an ISO or a NQSO.
- (c) *Option Price.* The option price for each grant of a Stock Option under this Plan shall be as determined by the Committee and shall be specified in the Award Agreement. The option price shall be based on not less than one hundred percent (100%) of the FMV of the Shares on the date of grant.
- (d) *Term.* Each Stock Option shall expire at such time as the Committee shall determine at the time of grant; *provided, however*, that no Stock Option shall be exercisable later than the tenth (10th) anniversary date of its grant. Notwithstanding the foregoing, for Stock Options granted to Eligible Individuals that are employed by the Company, a Subsidiary or an Affiliate outside the United States, the Committee has the authority to grant Stock Options that have a term greater than ten (10) years.
- (e) *Exercise of Stock Options.* Stock Options granted under this Section 5 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Eligible Individual.
- (f) *Payment.* Stock Options granted under this Section 5 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.
- (g) *Restrictions on Share Transferability.* The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of a Stock Option granted under this Section 5 as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or under any blue sky or state securities laws applicable to such Shares.
- (h) *Termination of Employment.* Each Eligible Individual's Award Agreement shall set forth the extent to which the Eligible Individual or his or her personal representative shall have the right to exercise the Stock Option following termination of the Eligible Individual's employment or provision of services to the Company, its Affiliates, its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Eligible Individual, need not be uniform among all Stock Options issued pursuant to this Section 5, and may reflect distinctions based on the reasons for termination.

(i) **Transferability of Options.**

- (a) **Incentive Stock Options.** No ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to an Eligible Individual under this Section 5 shall be exercisable during his or her lifetime only by such Eligible Individual.
- (b) **Nonqualified Stock Options.** Except as otherwise provided in an Eligible Individual's Award Agreement or otherwise determined at any time by the Committee, no NQSO granted under this Section 5 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; *provided, however*, that the Board or Committee may permit further transferability, on a general or a specific basis, and may impose conditions and limitations on any permitted transferability. Further, except as otherwise provided in an Eligible Individual's Award Agreement or otherwise determined at any time by the Committee, or unless the Board or Committee decides to permit further transferability, all NQSOs granted to an Eligible Individual under this Section 5 shall be exercisable during his or her lifetime only by such Eligible Individual. With respect to those NQSOs, if any, that are permitted to be transferred to another person, references in the Plan to exercise or payment of the Option Price by the Eligible Individual shall be deemed to include, as determined by the Committee, the Eligible Individual's permitted transferee.
- (j) *Notification of Disqualifying Disposition.* If any Eligible Individual shall make any disposition of Shares issued pursuant to the exercise of an ISO under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Eligible Individual shall notify the Company of such disposition within ten (10) days thereof.
- (k) *Substituting SARs.* Only in the event the Company is not accounting for equity compensation under APB Opinion No. 25, the Committee may substitute, without receiving Eligible Individual permission, SARs paid only in Stock for outstanding Stock Options; *provided, however*, that the terms of such SARs are the same as the terms for the Stock Options and the aggregate difference between the Fair Market Value of the underlying Shares and the grant price of the SARs is equivalent to the aggregate difference between the Fair Market Value of the underlying Shares and the Option Price of the Stock Options.

SECTION 6. Stock Appreciation Rights

- (a) *Grant of SARs.* Subject to the terms and conditions of the Plan, SARs may be granted to Eligible Individuals at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

Subject to the terms and conditions of the Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Eligible Individual and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs.

The grant price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The grant price may include (but not be limited to) a grant price based on one hundred percent (100%) of the FMV of the Shares on the date of grant, a grant price that is set at a premium to the FMV of the Shares on the date of grant, or is indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion. The grant price of Tandem SARs shall be equal to the option price of the related Stock



Option. In no event may the Stock Appreciation Right exercise price ever be less than the Fair Market Value of the underlying Common Stock on the date of grant.

- (b) *Award Agreement.* Each SAR Award shall be evidenced by an Award Agreement that shall specify the grant price, the term of the SAR, and such other provisions as the Committee shall determine.
- (c) *Term of SAR.* The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and except as determined otherwise by the Committee and specified in the Award Agreement, no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant. Notwithstanding the foregoing, for SARs granted to Eligible Individuals outside the United States, the Committee has the authority to grant SARs that have a term greater than ten (10) years.
- (d) *Exercise of Freestanding SARs.* Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.
- (e) *Exercise of Tandem SARs.* Tandem SARs may be exercised for all or part of the Shares subject to the related Stock Option upon the surrender of the right to exercise the equivalent portion of the related Stock Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Stock Option is then exercisable.

Notwithstanding any other provision of this Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO (i) the Tandem SAR will expire no later than the expiration of the underlying ISO; (ii) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the excess of the Fair Market Value of the Shares subject to the underlying ISO at the time the Tandem SAR is exercised over the option price of the underlying ISO; and (iii) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the option price of the ISO.

- (f) *Payment of SAR Amount.* Upon the exercise of a SAR, an Eligible Individual shall be entitled to receive payment from the Company in an amount determined by multiplying:
 - (i) The excess of the Fair Market Value of a Share on the date of exercise over the grant price; by
 - (ii) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares, or any combination thereof, or in any other manner approved by the Committee in its sole discretion. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

- (g) *Termination of Employment.* Each Award Agreement shall set forth the extent to which the Eligible Individual shall have the right to exercise the SAR following termination of the Eligible Individual's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Eligible Individuals, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.
- (h) *Nontransferability of SARs.* Except as otherwise provided in an Award Agreement or otherwise at any time by the Committee, no SAR granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and

distribution. Further, except as otherwise provided in an Award Agreement or otherwise at any time by the Committee, all SARs granted to an Eligible Individual under the Plan shall be exercisable during his or her lifetime only by such Eligible Individual. With respect to those SARs, if any, that are permitted to be transferred to another person, references in the Plan to exercise of the SAR by the Eligible Individual or payment of any amount to the Eligible Individual shall be deemed to include, as determined by the Committee, the Eligible Individual's permitted transferee.

- (i) *Other Restrictions.* The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of a SAR granted pursuant to the Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Eligible Individual hold the Shares received upon exercise of a SAR for a specified period of time.

SECTION 7. Restricted Stock and Restricted Stock Units

- (a) *Grant of Restricted Stock or Restricted Stock Units.* Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Eligible Individuals in such amounts as the Committee shall determine. Restricted Stock Units shall be similar to Restricted Stock except that no Shares are actually awarded to the Eligible Individual on the date of grant.
- (b) *Restricted Stock or Restricted Stock Unit Agreement.* Each Restricted Stock and/or Restricted Stock Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.
- (c) *Transferability.* Except as provided in this Plan or an Award Agreement, the Shares of Restricted Stock and/or Restricted Stock Units granted herein may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Award Agreement (and in the case of Restricted Stock Units until the date of delivery or other payment), or upon earlier satisfaction of any other conditions, as specified by the Committee, in its sole discretion, and set forth in the Award Agreement or otherwise at any time by the Committee. All rights with respect to the Restricted Stock and/or Restricted Stock Units granted to an Eligible Individual under the Plan shall be available during his or her lifetime only to such Eligible Individual, except as otherwise provided in an Award Agreement or at any time by the Committee.
- (d) *Other Restrictions.* The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Eligible Individuals pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions, and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units.

To the extent deemed appropriate by the Committee, the Company may retain any certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

Notwithstanding the foregoing, but subject to the provisions of Section 8 hereof, no Award in the form of Restricted Stock or RSUs, the vesting of which is conditioned only upon the continued service of the Eligible Individual, shall vest earlier than the first, second and third anniversaries of the date of grant thereof, on each of which dates a maximum of one-third of the Shares subject to the Award may vest, and no award in the form of Restricted Stock or RSUs, the vesting of which is conditioned upon the attainment of a specified Performance Goal or Goals, shall vest earlier than the first anniversary of the date of grant thereof.

SECTION 8. Performance Units/Performance Shares

- (a) *Grant of Performance Units/Performance Shares.* Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Performance Units and/or Performance Shares to Eligible Individuals in such amounts and upon such terms as the Committee shall determine.
- (b) *Value of Performance Units/Performance Shares.* Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Committee shall set Performance Measures in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Units/Performance Shares that will be paid out to the Eligible Individual.
- (c) *Earning of Performance Units/Performance Shares.* Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units/Performance Shares shall be entitled to receive a payout of the value and number of Performance Units/Performance Shares earned by the Eligible Individual over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Measures have been achieved.
- (d) *Form and Timing of Payment of Performance Units/Performance Shares.* Payment of earned Performance Units/Performance Shares shall be as determined by the Committee and as evidenced in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Units/Performance Shares in the form of cash or in Shares (or in a combination thereof) equal to the value of the earned Performance Units/Performance Shares at the close of the applicable Performance Period, or as soon as practicable after the end of the Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.
- (e) *Termination of Employment.* Each Award Agreement shall set forth the extent to which the Eligible Individual shall have the right to retain Performance Units and/or Performance Shares following termination of the Eligible Individual's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Eligible Individual, need not be uniform among all Awards of Performance Units or Performance Shares issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.
- (f) *Nontransferability.* Except as otherwise provided in an Eligible Individual's Award Agreement or otherwise at any time by the Committee, Performance Units/Performance Shares may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in an Eligible Individual's

Award Agreement or otherwise at any time by the Committee, an Eligible Individual's rights under the Plan shall be exercisable during his or her lifetime only by such Eligible Individual.

SECTION 9. Cash-Based Awards and Other Stock-Based Awards

- (a) *Other Stock-Based Awards.* The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Eligible Individuals, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

Except with respect to a maximum of five percent (5%) of the Shares authorized in Section 3(d)(vi), any Awards of Other Stock-Based Awards which vest on the basis of the Eligible Individual's continued employment with or provision of service to the Company shall not provide for vesting which is any more rapid than annual pro rata vesting over a three (3) year period and any Awards of Other Stock-Based Awards which vest upon the attainment of Performance Measures shall provide for a performance period of at least twelve (12) months.

- (b) *Grant of Cash-Based Awards.* Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Eligible Individuals in such amounts and upon such terms, including the achievement of specific Performance Measures, as the Committee may determine.
- (c) *Value of Cash-Based and Other Stock-Based Awards.* Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Cash-Based Awards or Other Stock-Based Awards that will be paid out to the Eligible Individual will depend on the extent to which the Performance Measures are met.
- (d) *Payment of Cash-Based Awards and Other Stock-Based Awards.* Payment, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares, or any combination thereof, as the Committee determines.
- (e) *Termination of Employment.* The Committee shall determine the extent to which the Eligible Individual shall have the right to receive Cash-Based Awards or Other Stock-Based Awards following termination of the Eligible Individual's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, such provisions may be included in an Award Agreement entered into with each Eligible Individual, but need not be uniform among all Awards of Cash-Based Awards or Other Stock-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.
- (f) *Nontransferability.* Except as otherwise determined by the Committee, neither Cash-Based Awards nor Other Stock-Based Awards may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided by the Committee, an Eligible Individual's rights under the Plan, if exercisable, shall be exercisable during his or her lifetime only by such Eligible Individual. With respect to those Cash-Based Awards or Other Stock-Based Awards, if any, that are permitted to be transferred to another person, references in the Plan to exercise or payment of such Awards by or to the Eligible

Individual shall be deemed to include, as determined by the Committee, the Eligible Individual's permitted transferee.

SECTION 10. Performance Measures

- (a) *Performance Measures.* Unless and until the Committee proposes for shareholder vote and the shareholders approve a change in the general Performance Measures set forth in this Section 10, the Performance Measures upon which the payment or vesting of an Award to a Covered Employee (other than a Covered Employee Annual Incentive Award awarded or credited pursuant to Section 11) that is intended to qualify as Qualified Performance-Based Award shall be limited to the following Performance Measures:

- (i) Net earnings or net income (before or after taxes);
- (ii) Earnings per share (basic or fully diluted);
- (iii) Net sales growth or bookings growth;
- (iv) Net operating profit;
- (v) Return measures (including, but not limited to, return on assets, capital, net capital utilized, equity, or sales);
- (vi) Cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);
- (vii) Earnings before or after taxes, interest, depreciation, and/or amortization;
- (viii) Gross or operating profit;
- (ix) Productivity ratios;
- (x) Efficiency ratios;
- (xi) Share price (including, but not limited to, growth measures and total shareholder return);
- (xii) Expense targets;
- (xiii) Margins;
- (xiv) Operating efficiency;
- (xv) Capital efficiency;
- (xvi) Strategic targets;
- (xvii) Economic profit;
- (xviii) Customer satisfaction;
- (xix) Working capital targets;
- (xx) Cash value added ("CVA"); and
- (xxi) Economic value added ("EVA®").

Any Performance Measure(s) may be used to measure the performance of the Company, Subsidiary, and/or Affiliate as a whole or any business unit of the Company, Subsidiary, and/or Affiliate or any combination thereof, as the Committee may deem appropriate, or any of the above Performance Measures as compared to the performance of a group of comparator companies, or published or special index that the Committee, in its sole discretion, deems appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Measures pursuant to the Performance Measures specified in this Section 10.

- (b) *Evaluation of Performance.* The Committee may provide in any such Award that any evaluation of performance may include or exclude any of the following events that occurs during a Performance Period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (iv) any reorganization and restructuring programs, (v) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 and/or in Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the Company's annual report to

shareholders for the applicable year, (vi) acquisitions or divestitures, (vii) foreign exchange gains and losses, and (viii) gains and losses on asset sales. To the extent such inclusions or exclusions affect Awards to Covered Employees, they shall be prescribed in a form that meets the requirements of the Section 162(m) Exemption.

- (c) *Adjustment of Qualified Performance-Based Awards.* Awards that are designed to qualify as Qualified Performance-Based Awards, and that are held by Covered Employees, may not be increased. The Committee shall retain the discretion to reduce such Awards, either on a formula or discretionary basis or any combination, as the Committee determines.
- (d) *Committee Discretion.* In the event that applicable tax and/or securities laws or stock exchange listing requirements change to permit Committee discretion to alter the governing Performance Measures without obtaining shareholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining shareholder approval. In addition, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Qualified Performance-Based Award, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and may base vesting on Performance Measures other than those set forth in Section 10(a).

SECTION 11. Covered Employee Annual Incentive Awards

- (a) *Establishment of Incentive Pool.* The Committee may designate Covered Employees who are eligible to receive a monetary payment in any Plan Year based on a percentage of an incentive pool equal to the greater of (i) ten percent (10%) of the Company's gross profit for the Plan Year, (ii) ten percent (10%) of the Company's consolidated operating earnings for the Plan Year, (iii) ten percent (10%) of the Company's operating cash flow for the Plan Year, and (d) ten percent (10%) of the Company's net income for the Plan Year. The Committee shall allocate an incentive pool percentage to each designated Covered Employee for each Plan Year. In no event may the incentive pool percentage for any one Covered Employee exceed twenty-five percent (25%) of the total pool for the Plan Year. The sum of the incentive pool percentages for all Covered Employees cannot exceed one hundred percent (100%) of the total pool for the Plan Year.
- (b) *Determination of Covered Employees' Portions.* As soon as possible after the determination of the incentive pool for a Plan Year, the Committee shall calculate each Covered Employee's allocated portion of the incentive pool based upon the percentage established at the beginning of the Plan Year. Each Covered Employee's incentive award then shall be determined by the Committee based on the Covered Employee's allocated portion of the incentive pool subject to adjustment in the sole discretion of the Committee. In no event may the portion of the incentive pool allocated to a Covered Employee be increased in any way, including as a result of the reduction of any other Covered Employee's allocated portion. The Committee shall retain the discretion to reduce such Awards.

SECTION 12. Term, Amendment and Termination

- (a) *Term.* The Plan will terminate on the tenth anniversary of the effective date of the Plan, as provided in Section 18. Under the Plan, Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.
- (b) *Amendment, Modification, Suspension, and Termination.* Subject to Section 12(d), the Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan and any Award Agreement in whole or in part; *provided, however*, that, without the prior approval of the Company's shareholders and except as provided in Sections 3(d) and 5(k), Stock Options or SARs issued under the Plan will not be repriced, replaced, or regranted through cancellation, or by lowering



the option price of a previously granted Stock Option or the grant price of a previously granted SAR, and no amendment of the Plan shall be made without shareholder approval if shareholder approval is required by law, regulation, or stock exchange rule.

- (c) *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 3(e) hereof) affecting the Company or the financial conditions of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Eligible Individuals under the Plan.
- (d) *Awards Previously Granted.* Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension, or modification of the Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Eligible Individual holding such Award.

SECTION 13. Change of Control Provisions

- (a) *Impact of Event.* Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control:
 - (i) Any Stock Options and SARs outstanding as of the date such Change of Control is determined to have occurred, and which are not then exercisable and vested, shall become fully exercisable and vested to the full extent of the original grant.
 - (ii) The restrictions and deferral limitations applicable to any Restricted Stock or RSU shall lapse, and such Restricted Stock or RSU shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.
 - (iii) The incentive pool used to determine Covered Employee Annual Incentive Awards shall be based on the gross profit, consolidated operating earnings, operating cash flow or net income of the Plan Year immediately preceding the year of the Change of Control, or such other method of payment as may be determined by the Committee at the time of the Award or thereafter but prior to the Change of Control;
 - (iv) The target payout opportunities attainable under all outstanding Awards of Restricted Stock or Restricted Stock Units whose restrictions are based on performance criteria, Performance Units, and Performance Shares, shall be deemed to have been fully earned based on targeted performance being attained as of the effective date of the Change of Control;
 - (v) The vesting of all Awards denominated in Shares shall be accelerated as of the effective date of the Change of Control, and shall be paid out to Eligible Individuals within thirty (30) days following the effective date of the Change of Control. The Committee has the authority to pay all or any portion of the value of the Shares in cash;
 - (vi) Awards denominated in cash shall be paid to Eligible Individuals in cash within thirty (30) days following the effective date of the Change of Control;

- (vii) Upon a Change of Control, unless otherwise specifically provided in a written agreement entered into between the Eligible Individual and the Company, the Committee shall pay out all Cash-Based and Other Stock-Based Awards; and
 - (viii) The Committee may also make additional adjustments and/or settlements of outstanding Awards as it deems appropriate and consistent with the Plan's purposes.
- (b) *Definition of Change of Control.* For purposes of the Plan, a "Change of Control" shall mean the happening of any of the following events:
- (i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (a) the then outstanding Shares of the Company (the "Outstanding Company Shares") or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (w) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (x) any acquisition by the Company, (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (z) any acquisition pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (iii) of this Section 13(b); or
 - (ii) Individuals who, as of the effective date of the Plan, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual who becomes a member of the Board subsequent to such effective date of the Plan, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; but, *provided further*, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or
 - (iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Business Combination"); excluding, however, such a Business Combination pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Shares and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding Shares, and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Shares and Outstanding Company Voting Securities, as the case may be, (2) no Person (other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or such corporation



resulting from such Business Combination) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed with respect to the Company prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- (iv) The consummation of a complete liquidation or dissolution of the Company.

SECTION 14. Unfunded Status of Plan

It is presently intended that the Plan constitute an “unfunded” plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Shares or make payments; provided, however, that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the “unfunded” status of the Plan.

SECTION 15. Uncertificated Shares

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange on which Shares are listed.

SECTION 16. Withholding

- (a) *Tax Withholding.* The Company shall have the power and the right to deduct or withhold, or require an Eligible Individual to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.
- (b) *Share Withholding.* With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock and Restricted Stock Units, or upon the achievement of Performance Measures related to Performance Shares, or any other taxable event arising as a result of an Award granted hereunder, Eligible Individuals may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections shall be irrevocable, made in writing, and signed by the Eligible Individual, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

SECTION 17. General Provisions

- (a) The Committee may require each person purchasing or receiving Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to the distribution thereof. The certificates or book-entry registration for such Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.
- (b) Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any Shares under the Plan prior to fulfillment of all of the following conditions:



- (i) Listing or approval for listing upon notice of issuance, of such Shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Shares;
 - (ii) Any registration or other qualification of such Shares under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and
 - (iii) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.
- (c) Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting other or additional compensation arrangements for its employees.
- (d) The Plan shall not constitute a contract of employment, and neither adoption of the Plan nor the grant of an Award shall confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any employee at any time.
- (e) The Committee shall establish such procedures as it deems appropriate for an Eligible Individual to designate a beneficiary to whom any amounts payable in the event of the Eligible Individual's death are to be paid or by whom any rights of the Eligible Individual, after the Eligible Individual's death, may be exercised.
- (f) In the case of a grant of an Award to any employee of a Subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the Shares to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All Shares underlying Awards that are forfeited or canceled shall revert to the Company.
- (g) The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.
- (h) Each person who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the company to whom authority was delegated in accordance with Section 2 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 or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or any failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of his or her own willful misconduct or gross negligence or except as expressly provided by statute. 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 By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

- (i) In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- (j) Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company, its Affiliates, and/or its Subsidiaries operate or have employees, the Committee, in its sole discretion, shall have the power and authority to:
 - (i) Determine which Affiliates and Subsidiaries shall be covered by the Plan;
 - (ii) Determine which employees outside the United States are eligible to participate in the Plan;
 - (iii) Modify the terms and conditions of any Award granted to employees outside the United States to comply with applicable foreign laws;
 - (iv) Establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section by the Committee shall be attached to this Plan document as appendices; and
 - (v) Take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals.

Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate applicable law.

- (k) Unless otherwise exempt from Section 409A of the Code, payments under this Plan are intended to satisfy the short-term deferral exception under Section 409A of the Code and the Treasury Regulations thereunder and payment of amounts under this Plan shall be made no later than 74 days after the close of the calendar year in which there is no longer a substantial risk of forfeiture within the meaning of Section 409A of the Code and the Treasury Regulations promulgated thereunder.

SECTION 18. Effective Date of Plan

The Plan shall be effective as of the date it is approved by the shareholders of the Company.

Intermec, Inc.

2004 Long-Term Performance Share Program

Name of Program	The program will be called the Intermec, Inc. 2004 Long-Term Performance Share Program, and will be considered a “sub-plan” under the 2004 Omnibus Incentive Compensation Plan (the “Plan”).
Purpose	<p>The primary purposes of the program are to:</p> <ul style="list-style-type: none">• Reward officers and key employees for the overall success of Intermec, Inc. (the “Company”) as reflected through the Company’s financial performance and stock price; and• Provide a competitive long-term incentive program.
Effective Date	The original effective date of the program is May 6, 2004. The program has been amended and restated as of January 1, 2008. The program will remain in effect until terminated by the Compensation Committee (the “Committee”) of the Board.
Performance Period	The performance period under the program is three years, with the first performance period running from January 1, 2004 to December 31, 2006.
Grant Frequency	A new three-year performance period will begin annually, which will create overlapping performance periods.
Size of Awards	Target awards will be established for each participant, denominated in shares. Target award levels will be approved annually by the Committee.
Program Structure	Participants can earn from 0 percent to 200 percent of their target shares based on Company financial performance.
Performance Measure(s)	Before the commencement of each performance period, the Committee shall select performance measures from those set forth in Section 10(a) of the Plan. The Committee may choose to include or exclude any of the events set forth in Section 10(b) of the Plan to the evaluation of performance for such period.
Dividends	Dividends, if any, declared during the performance period will be converted into additional performance shares, based on each participant’s target award.

Form and Timing of Payout	Payouts will be made in shares of the Company's common stock within 74 days after the end of the performance period.
Certain Terminations of Employment	In the event of a participant's death, disability, or retirement at age 65 or later, pro rata awards based on the number of full months worked during the performance period will be calculated. Such awards will be based on goal achievement over the entire performance period. Awards in these situations will be calculated and paid after the end of the performance period. In the case of death, however, the performance during the next-ending performance period after death will be calculated as the performance for all open performance periods. Amounts paid on account of death will be paid to a beneficiary designated by the participant. If no beneficiary has been designated, amounts will be paid to the participant's estate.
Other Terminations of Employment	In the event of a termination of employment not constituting a disability, death, or retirement, as discussed above, the participant will forfeit any right to any payout for all performance periods in progress under the program.
Tax Withholding	The Company has the right to deduct any taxes or statutory deductions required by law to be withheld from all payments under the program.
Change in Capitalization	Any change in capitalization which results in a material change in the value of the Company's common stock (e.g., special dividend, spin-off) will result in an adjustment in the number of shares earned at target to reflect the recapitalization. While individual recapitalization "events" will be assessed by the Committee on a case-by-case basis, the overriding objective will be to avoid rewarding or penalizing participants specifically as a function of the event.
Change in Control	If a change in control occurs (as defined in the Plan), then all outstanding award cycles will automatically vest and be paid out (in cash) at the target level or the actual performance level as of the change in control, whichever is higher.
Accounting Considerations	The employer must recognize an expense for compensation over the performance period. An estimated expense is accrued by amortizing the initial value of the awards and any subsequent appreciation over the performance period based upon preestablished goals. The approach to expensing may change.
Tax Considerations	The Company will receive a tax deduction in the year in which the actual payout is determinable. The employee must report taxable income in the year the award is paid.

**Summary of Compensation Arrangements for
Patrick J. Byrne, President and Chief Executive Officer**

Appointment of President and Chief Executive Officer. On July 19, 2007, we announced that Mr. Byrne was appointed President and Chief Executive Officer of Intermec, Inc., effective July 19, 2007. Mr. Byrne was also elected as a Director of Intermec.

Compensation Arrangements for New Chief Executive Officer. Following the appointment of Mr. Byrne as Chief Executive Officer and President, our Board of Directors and its Compensation Committee approved compensation arrangements for Mr. Byrne as follows:

- An annual base salary of \$600,000,
- Eligibility for participation in the Management Incentive Compensation Plan (“MICP”),
- Eligibility for participation in the Long Term Incentive Compensation Plan (“LTIP”), including eligibility for awards of Performance Share Units (“PSUs”),
- Eligibility for Stock Options,
- Eligibility for the Change of Control Employment Agreement applicable to the Chief Executive Officer,
- Eligibility for the Severance Plan applicable to the Chief Executive Officer, and
- Eligibility for relocation and other benefits.

In addition, Mr. Byrne is required to enter into our standard agreements regarding non-disclosure, inventions and conflicts of interest.

2007 MICP

Our MICP program is an annual cash incentive program based on assigned performance targets related to company performance. The 2007 MICP program performance goals are (1) earnings before tax from continuing operations, which represents 70% of the overall goal, and (2) average net capital utilized as a percentage of sales, which represents 30% of the overall goal. Because Mr. Byrne has joined our company at approximately the midpoint of the year, the assigned performance targets for Mr. Byrne are based upon our updated plan for company performance for the period July 1 through December 31, 2007. The potential payout to Mr. Byrne at target performance is 100% of his base salary paid during the period covered, although the payout may range from 0% to 150% for performance at levels below or above the assigned targets, respectively.

LTIP

Our LTIP PSU program is a multi-year equity-based incentive program based on assigned performance targets over a 3-year period related to company performance. There are current grants outstanding to employees for the performance periods (or “performance cycles”) comprising 2005-2007, 2006-2008 and 2007-2009. Participants are awarded a number of PSUs that will be paid out in the form of shares of Intermec common stock upon the achievement of 100% of the performance targets, although the payout may range from 0% to 200% for performance at levels below or above the assigned performance targets, respectively. The performance goals for each performance cycle are (1) our planned cumulative return on average net capital utilized and (2) our cumulative earnings per share.

Because Mr. Byrne has joined the company at approximately the midpoint of 2007, he has been awarded PSUs for the abbreviated performance periods of July 1, 2007 to December 31, 2008 (the “2007-2008 CEO Performance Cycle”) and July 1, 2007 to December 31, 2009 (the 2007-2009 CEO Performance Cycle”). The assigned performance targets for Mr. Byrne are based upon our updated plan for company performance for the periods included in each of the CEO

Performance Cycles. Mr. Byrne has been awarded 33,350 PSUs for the 2007-2008 CEO Performance Cycle and 50,000 PSUs for the 2007-2009 CEO Performance Cycle. Mr. Byrne was not awarded any PSUs for the 2005-2007 performance cycle.

Stock Options

On July 19, 2007, we granted Mr. Byrne options to purchase 300,000 shares of Intermec common stock, vesting ratably over five years. The exercise price is \$27.35, which was the fair market value on the date of grant as determined under our 2004 Omnibus Incentive Compensation Plan. The options are granted as incentive stock options to the extent permissible under applicable government regulations, and are otherwise granted as non-qualified stock options.

Relocation Benefits

Mr. Byrne is eligible to receive up to \$90,000 toward qualified relocation expenses. In addition, we will reimburse:

- Certain costs associated with transporting and storing normal household goods,
- Broker's commissions and closing costs on the sale of his current residence, and
- Loan fees and closing costs for the purchase of a new residence.

We also will reimburse Mr. Byrne for additional federal income tax liability incurred if certain moving expenses are included in his earned income, subject to limitations based on actual salary and other deductions.

Under our company relocation program, Mr. Byrne must reimburse us for a pro rata portion of relocation costs incurred by the company if he terminates his employment within one year from his start date.

