AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 4, 2001

REGISTRATION NO. 333-55920

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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FMC TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

| DELAWARE | 3533 | 36-4412642 |
|---|---|---|
| (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION) | (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER) | (I.R.S. EMPLOYER IDENTIFICATION NUMBER) |

200 EAST RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
(312) 861-6000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

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WILLIAM H. SCHUMANN III
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
FMC TECHNOLOGIES, INC.
200 EAST RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
(312) 861-6000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

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COPIES TO:

| STEPHEN F. GATES, ESQ. | ANDREW R. BROWNSTEIN, ESQ. | JAMES M. PRINCE, ESQ. |
|---|---|---|
| FMC CORPORATION | WACHTELL, LIPTON, ROSEN & KATZ | VINSON & ELKINS L.L.P. |
| 200 EAST RANDOLPH DRIVE | 51 WEST 52ND STREET | 2300 FIRST CITY TOWER |
| CHICAGO, ILLINOIS 60601 | NEW YORK, NY 10019 | 1001 FANNIN STREET |
| (312) 861-6000 | (212) 403-1000 | HOUSTON, TEXAS 77002-6760 |
| | | (713) 758-2222 |

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act

registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

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CALCULATION OF REGISTRATION FEE

| TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED | AMOUNT TO BE REGISTERED(2) | PROPOSED MAXIMUM OFFERING PRICE PER UNIT | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(3) | AMOUNT OF REGISTRATION FEE(4) |
|---|---|---|---|---|
| Common Stock, par value $.01 per share (and associated preferred stock purchase rights)(1)..... | 12,707,500 | $22.00 | $279,565,000 | $69,891.25 |

(1) Each share of Common Stock is accompanied by a right to purchase Junior Participating Preferred Stock of the Registrant. Prior to the occurrence of certain events, none of which have occurred as of this date, the rights will not be exercisable or evidenced separately from the Common Stock.

(2) Includes an aggregate of 1,657,500 shares which the Underwriters have the option to purchase from the Registrant solely to cover over-allotments.

(3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(a) under the Securities Act of 1933.

(4) The Registrant previously paid $87,500 in connection with the initial filing of the Registration Statement, and accordingly no additional fee is necessary in connection with this amendment.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(A), MAY DETERMINE.

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EXPLANATORY NOTE

This registration statement contains two forms of prospectus to be used in connection with the offering of common stock, par value $.01 per share, of FMC Technologies, Inc.: one to be used in connection with an underwritten offering of the common stock in the United States and Canada and one to be used in a concurrent international offering of the common stock. The U.S. prospectus for the offering in the United States and Canada follows immediately after this explanatory note. After the U.S. prospectus are the alternate pages for the international prospectus. A copy of the complete U.S. prospectus and international prospectus in the forms in which they are used after effectiveness will be filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended.

+++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++
+THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY +
+NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE     +

+SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN +
+OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE +
+SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED. +
++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED MAY 4, 2001

PROSPECTUS

# 11,050,000 SHARES

# FMC TECHNOLOGIES, INC.

## COMMON STOCK

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This is FMC Technologies, Inc.'s initial public offering. FMC Technologies is selling all of the shares. The U.S. underwriters are offering 8,840,000 shares in the U.S. and Canada, and the international managers are offering 2,210,000 shares outside the U.S. and Canada.

We expect the public offering price to be between $18 and $22 per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "FTI."

FMC Technologies is currently a wholly owned subsidiary of FMC Corporation. After this offering, FMC Corporation will own approximately 83.0% of the outstanding shares of FMC Technologies, or approximately 80.9% if the underwriters fully exercise their over-allotment option.

INVESTING IN THE COMMON STOCK INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 10 OF THIS PROSPECTUS.

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| | PER SHARE | TOTAL |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discount | $ | $ |
| Proceeds, before expenses, to FMC Technologies | $ | $ |

The U.S. underwriters may also purchase up to an additional 1,326,000 shares from FMC Technologies at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments. The international managers may similarly purchase up to an additional 331,500 shares from FMC Technologies.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2001.

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MERRILL LYNCH & CO.

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LLC

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The date of this prospectus is , 2001.

[GRAPHIC: DEPICTION OF ENERGY SYSTEMS' SYSTEMS DEPLOYED OFFSHORE IN SURFACE AND SUBSEA APPLICATIONS]

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or other date stated in this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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## PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and combined financial statements and related notes. The terms "we," "us," "our" and "FMC Technologies" refer to the issuer in this offering and our predecessor, the Energy Systems, FoodTech and

Airport Systems businesses of FMC Corporation. The term "FMC Corporation" refers to FMC Corporation, a Delaware corporation. This prospectus gives effect to the execution of intercompany agreements between FMC Technologies and FMC Corporation. Unless we specifically state otherwise, the information in this prospectus does not take into account the possible issuance of up to 1,657,500 additional shares of our common stock, which the underwriters have the option to purchase from us solely to cover over-allotments.

## OUR COMPANY

We design, manufacture and service technologically sophisticated systems and products for our customers through our Energy Systems, FoodTech and Airport Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. FoodTech is a leading supplier of specialized food handling and processing systems and products to industrial food processing companies. Airport Systems provides technologically advanced equipment and services for airlines, airports and air freight companies. During the year ended December 31, 2000, we generated $1,875.2 million of revenue after intercompany eliminations. In 2000, Energy Systems generated $1,037.3 million of revenue, resulting in a 14.5% compound annual growth rate since 1994. FoodTech and Airport Systems generated $573.3 million and $267.2 million of revenue in 2000, respectively, resulting in compound annual growth rates of 10.4% and 12.5% since 1994, respectively.

Energy Systems is a global leader in the provision of subsea drilling and production systems, including subsea tree systems that control the flow of crude oil and natural gas from the well, systems for floating production solutions and surface drilling and production systems, to oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. Worldwide exploration and production spending by oil and gas companies has increased from approximately $43.7 billion in 1994 to approximately $91.0 billion in 2000, representing a compound annual growth rate of 13.0%. In addition, worldwide exploration and production spending is expected to increase an estimated 18.1% in 2001 to approximately $107.5 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

We are also a leading provider of specialized systems and products to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.

In subsea systems, our largest business area:

- We are a major supplier of subsea tree systems and associated services to five of the eight companies that are projected to be the most active developers of subsea oil and gas over the next five years based on projected subsea tree installations. In addition, during the first quarter of 2001, we entered into an alliance with BP Amoco p.l.c. regarding its deepwater development programs in the Gulf of Mexico.

- Since 1995, we have installed, or been awarded contracts for the installation of, more subsea tree systems than any other manufacturer.

- We set six of the ten water depth records established since 1987 for subsea tree installations.



Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, short-term market cycles and volatile commodity prices generally have affected Energy Systems' financial performance less than the financial performance of companies operating in other sectors of the oilfield services industry. We believe that, due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more likely to be subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital

intensive than companies operating in other sectors of the oilfield services industry due to factors such as high engineering content, outsourcing of certain low value-added manufacturing and advance payments received from customers.

FoodTech is a leading supplier of technologically sophisticated handling and processing systems and services used for, among other things, convenience food preparation and citrus juice extraction for industrial food processors. Our products include citrus juice extraction equipment, commercial freezing systems and sterilization systems. We believe that our equipment processes approximately 75% of the global production of orange juice, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes a significant portion of the world's canned foods.

Airport Systems designs, manufactures and services technologically advanced ground support equipment and systems for airlines, airports and air freight companies. We invented airline passenger boarding bridges and remain the leading supplier of this product. We believe that we also have the world's largest installed base of air cargo loaders.

## OUR INDUSTRIES

The primary factor influencing demand for the exploration and production systems and services that we provide is the level of exploration and production spending by oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs. Worldwide exploration and production spending is expected to increase approximately 18.1% in 2001, and subsea tree installations are projected to increase at a compound annual growth rate of 17.0% between 2000 and 2004.

In addition, exploration and production companies are increasingly focusing their efforts on more remote deepwater areas where geological formations have been less explored. The recent and anticipated increase in exploration and production activity in deepwater areas is evidenced by:

- an increase in major oil and gas company spending for deepwater exploration and production from approximately 23% of total exploration and production budgets in 1994 to approximately 50% in 2000;
- since 1994, the addition of 41 new drilling rigs that are capable of operating in water depths greater than 5,000 feet at a typical cost of between $160 million and $380 million per rig, representing approximately a six-fold increase from 1994 levels of drilling rigs with equivalent water depth capabilities; and
- an increase in the number of deepwater crude oil and natural gas discoveries, from 16 in 1994 to 68 in 1999.



The reduction in development costs of crude oil and natural gas and the development of efficient technological solutions in response to the extreme environmental and logistical challenges posed by deepwater have been, and we believe will continue to be, major factors influencing the growth of the subsea oilfield services industry. Also, consolidation among oil and gas companies, and the resulting cost-cutting initiatives, have led oil and gas companies to outsource more functions that they previously performed internally. These factors have driven three principal ongoing trends:

- technological improvements and refined installation techniques;
- growth in the use of subsea systems and services; and
- delivery of more integrated systems of related products and services for subsea developments.

As with the exploration and production industry, positive growth trends and further consolidation are forecast for the food processing industry served by FoodTech.

- Demand in several segments of the convenience food industry that we serve is expected to continue to grow. For example, worldwide retail sales of frozen ready-meals are forecast to increase at a compound annual rate of 4.5% through 2005.

- Food retailers are consolidating and increasing their purchasing power. In response, our food processing customers are seeking technologically sophisticated integrated systems and services like those we provide to maximize the efficiency of their operations, while maintaining high standards of food safety.

The air transportation industry served by Airport Systems is also undergoing change.

- The worldwide fleet of airplanes is expected to grow at a compound annual rate of 4.3% through 2019.

- The airline industry has become increasingly consolidated through mergers and alliances. For example, five airline alliances currently represent approximately 50% of total worldwide passenger traffic.

We believe that these trends will continue to result in both FoodTech's and Airport Systems' customers outsourcing an increasing amount of non-core services and seeking out suppliers to provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

## OUR GROWTH STRATEGY

We intend to pursue a growth strategy based on maintaining leading positions in our markets by providing differentiated technological solutions for our customers and capitalizing on our extensive customer relationships.

From 1994 to 2000, Energy Systems' revenue and segment operating profit increased at compound annual rates of 14.5% and 31.8%, respectively. During that same period, FoodTech's revenue and segment operating profit increased at compound annual rates of 10.4% and 24.1%, respectively, and Airport Systems' revenue and segment operating profit increased at compound annual rates of 12.5% and 57.4%, respectively.

We believe that growth in Energy Systems is based upon our ability to supply the integrated systems required by the high-growth deepwater sector of the exploration and production industry. We expect that demand for these systems will continue to increase as exploration and production of crude oil and natural gas in technologically challenging deepwater and remote areas increases. In addition to benefiting from the expected growth in the business areas we serve, we intend to pursue select, complementary acquisitions and the following internal growth strategy:



- FOCUS ON TECHNOLOGICAL INNOVATION. We have increased Energy Systems' research and development spending by a compound annual rate of 15.7% from 1994 to 2000 to $33.8 million in 2000. We believe that our technological innovations have optimized product performance and led to breakthrough installation techniques, yielding substantial cost savings that have helped to make deepwater production and development of smaller fields an economic reality.

- DEVELOP AND MAINTAIN ALLIANCES WITH KEY CUSTOMERS. We intend to expand our current alliances and form new alliances with other companies active in the oil and gas industry.

- PROVIDE A BROAD PACKAGE OF SYSTEMS AND SERVICES. We intend to develop and acquire additional systems and services that complement our current offerings and leverage our worldwide infrastructure in order to continue to provide integrated solutions to our customers' exploration and production needs through a single-source package of related systems and services.

We believe that FoodTech's and Airport Systems' historic growth, in large part, resulted from providing technology-based systems and products for our customers. In both of these segments, we intend to continue to broaden the

scope of the systems, equipment and services that we provide. We further intend to leverage our large installed base of products and systems to enhance customer relationships, generate new business and grow our aftermarket equipment and services operations. From 1994 to 2000, FoodTech's and Airport Systems' aftermarket revenue increased at compound annual rates of approximately 11.7% and approximately 7.3%, respectively.



## OUR RELATIONSHIP WITH FMC CORPORATION

We are currently a wholly owned subsidiary of FMC Corporation, which, in addition to our operations, is a diversified producer of industrial chemicals, specialty chemicals and agricultural products. After the completion of this offering, FMC Corporation will own approximately 83.0% of our outstanding common stock, or approximately 80.9% if the underwriters exercise their over-allotment option in full.

FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the Internal Revenue Service as to the tax-free nature of the distribution for U.S. Federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised us that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution.

We believe that we will realize benefits from our separation from FMC Corporation, including the following:

- MORE FOCUSED, ENTREPRENEURIAL APPROACH. As a smaller company with fewer business units and a Board of Directors and management team focused on our business, we expect to be in a better position to grow our business areas and serve our customers more effectively through quicker decision making, more efficient deployment of resources, increased operational agility and enhanced responsiveness to customers and markets.

- BETTER MARKET RECOGNITION OF THE VALUE OF OUR BUSINESS. As a separate, stand-alone company, we will offer a more focused investment opportunity in Energy Systems, FoodTech and Airport Systems than that currently presented by a diversified FMC Corporation. We expect that this will promote a more efficient equity valuation of our business than if we were to be valued as a part of a larger, diversified company.

- INCENTIVES FOR EMPLOYEES MORE DIRECTLY LINKED TO OUR PERFORMANCE. We expect to enhance our employees' motivation and to strengthen our management's focus through incentive compensation programs tied to the market performance of our common stock. The separation will enable us to offer our employees compensation more directly linked to the performance of our business than when we were a part of FMC Corporation, which we expect will enhance our ability to attract and

retain qualified personnel.



- INCREASED ABILITY TO PURSUE STRATEGIC ACQUISITIONS. With enhanced market recognition of the value of our businesses, we expect to be better positioned to pursue strategic acquisitions to grow our businesses.

Prior to this offering, we will enter into agreements with FMC Corporation related to the separation of our business operations from FMC Corporation. These agreements provide for, among other things, the transfer from FMC Corporation to us of assets, and the assumption by us of liabilities, primarily relating to our business. At the closing of this offering, the transfer of assets and liabilities in the United States will be complete, and the foreign transfers of assets and liabilities will be substantially complete. For more information regarding the assets and liabilities to be transferred to us, see "Arrangements Between FMC Technologies and FMC Corporation" and our combined financial statements and the notes to those statements that are included elsewhere in this prospectus.

The agreements between FMC Corporation and us also will govern our various interim and ongoing relationships. All of the agreements relating to the separation were made in the context of a parent-subsidiary relationship and were negotiated in the overall context of the separation from FMC Corporation. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See "Risk Factors--Risks Related to Our Relationship with FMC Corporation" and "Arrangements Between FMC Technologies and FMC Corporation."

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We were incorporated on November 13, 2000 as a wholly owned subsidiary of FMC Corporation. Our principal executive offices are located at 200 East Randolph Drive, Chicago, Illinois 60601, and our telephone number is (312) 861-6000.



## THE OFFERING

| | |
|---|---|
| Common stock offered by FMC Technologies: | |
| U.S. offering..... | 8,840,000 shares |
| International offering..... | 2,210,000 shares |
| Total..... | 11,050,000 shares |
| Shares to be held by FMC Corporation after the offering..... | 53,950,000 shares |
| Shares outstanding after the offering..... | 65,000,000 shares |
| Use of proceeds..... | We estimate that our net proceeds from this offering without the exercise of the over-allotment option will be approximately $204.9 million. We intend to use these estimated net proceeds to pay off all borrowings outstanding under a $200 million 180-day revolving credit facility and a portion of the borrowings outstanding under the $150 million 364-day revolving credit facility, both of which we will assume from FMC Corporation in connection with this offering. Our use of proceeds is more fully described under "Use of Proceeds." |
| Risk factors..... | See "Risk Factors" and other information included |

in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Proposed New York Stock Exchange symbol..... "FTI"

The number of shares of our common stock to be outstanding after this offering listed above does not include options that we expect to grant in connection with the offering or grants of FMC Corporation restricted stock or options that we expect to replace with our stock awards in connection with the offering and the distribution. In connection with the offering, we expect to grant options to employees and directors to purchase an aggregate of approximately 2,250,000 shares of our common stock at an exercise price equal to the initial public offering price. See "Management--Incentive Plans--The Stock Plan" and "Management--Executive Compensation." We will also replace all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with grants of our restricted stock in connection with the offering. See "Management--Treatment of FMC Corporation Restricted Stock." In connection with the distribution, we will replace all FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors with options to acquire our common stock. See "Management--Treatment of FMC Corporation Options." In connection with the distribution, we will also replace all FMC Corporation restricted stock granted to employees of FMC Corporation whom we hire as of the distribution date and a portion of the FMC Corporation restricted stock granted to our non-employee directors, other than the Chairman of our Board of Directors, with grants of our restricted stock. See "Management--Treatment of FMC Corporation Restricted Stock."



## SUMMARY HISTORICAL COMBINED FINANCIAL DATA

The following table presents summary historical and pro forma combined financial data for FMC Technologies for the periods and dates indicated. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1998, 1999 and 2000 are derived from, and are qualified by reference to, our audited combined financial statements included elsewhere in this prospectus. The combined operating results data for the three months ended March 31, 2000 and 2001 and the combined balance sheet data as of March 31, 2001 are derived from, and are qualified by reference to, our unaudited combined financial statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1996 and 1997 are derived from our unaudited combined financial data that are not included in this prospectus. The unaudited pro forma financial information gives effect to specified transactions as if those transactions had been consummated on January 1, 2000, January 1, 2001 or March 31, 2001, as described in "Unaudited Pro Forma Financial Information."

The historical combined financial information has been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses and gives effect to allocations of expenses from FMC Corporation. Our historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented.

| (IN MILLIONS, EXCEPT PER SHARE DATA) | YEAR ENDED DECEMBER 31, | | | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1999 | 2000 | 2000 | 2001 |
| COMBINED STATEMENTS OF | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| INCOME DATA: | | | | | | | | |
| Revenue | $1,689.7 | $2,031.6 | $2,185.5 | $1,953.1 | $1,875.2 | $441.9 | $429.4 | |
| Cost of sales or services | 1,312.9 | 1,551.1 | 1,669.3 | 1,479.8 | 1,421.1 | 340.0 | 333.9 | |
| Selling, general and administrative expenses | 299.9 | 324.1 | 337.8 | 302.4 | 291.2 | 74.7 | 72.8 | |
| Research and development | 41.5 | 46.7 | 50.7 | 51.8 | 56.7 | 14.3 | 13.1 | |
| Asset impairments | -- | 27.0 | -- | 6.0 | 1.5 | -- | 1.3 | |
| Restructuring and other charges | -- | 27.9 | -- | 3.6 | 9.8 | -- | 9.2 | |
| Interest expense (income), net | 2.8 | 3.8 | 1.9 | (0.5) | 4.3 | (0.1) | 1.1 | |
| Income (loss) from continuing operations before income taxes and the cumulative effect of a change in accounting principle | 32.6 | 51.0 | 125.8 | 110.0 | 90.6 | 13.0 | (2.0) | |
| Provision for income taxes | 5.4 | 34.1 | 38.6 | 33.5 | 22.7 | 3.4 | 1.6 | (5) |
| Income (loss) from continuing operations before the cumulative effect of a change in accounting principle | $ 27.2 | $ 16.9 | $ 87.2 | $ 76.5 | $ 67.9 | $ 9.6 | $ (3.6) | |
| Net income (loss) | $ 35.0 | $ 16.9 | $ 87.2 | $ 71.0 | $ 67.9 | $ 9.6 | $ (8.3) | (6) |
| Unaudited pro forma as adjusted diluted earnings (loss) per common share from continuing operations (1) | | | | | $ 0.91 | | $(0.09) | |
| OTHER FINANCIAL DATA: | | | | | | | | |
| Depreciation | $ 48.1 | $ 48.9 | $ 49.0 | $ 46.2 | $ 41.2 | $ 10.1 | $ 9.5 | |
| Amortization | 16.3 | 18.6 | 17.6 | 16.1 | 17.9 | 3.7 | 4.9 | |
| EBITDA from continuing operations (2) | 99.8 | 149.3 | 194.3 | 177.8 | 155.5 | 26.7 | 14.8 | |
| Capital expenditures | 93.5 | 66.3 | 59.4 | 40.9 | 43.1 | 13.9 | 12.8 | |
| Cash flows provided by (used in): | | | | | | | | |
| Operating activities of continuing operations | (270.1) | 268.0 | 196.4 | 152.7 | 8.0 | (32.7) | (22.2) | |
| Investing activities | (64.2) | (33.1) | (128.6) | (6.5) | 63.4 | (12.5) | (7.9) | |
| Financing activities | 328.3 | (237.0) | (65.4) | (133.9) | (88.9) | 31.2 | 26.1 | |
| Order backlog (at period end) (3) | 923.0 | 988.8 | 1,133.9 | 840.6 | 644.3 | 823.0 | 835.8 | |
| Average segment operating capital employed (4) | 998.1 | 1,062.4 | 917.8 | 832.8 | 868.4 | 820.6 | 934.0 | |

(footnotes on following page)



| (IN MILLIONS) | MARCH 31, 2001 | |
|---|---|---|
| | HISTORICAL | PRO FORMA AS ADJUSTED |
| COMBINED BALANCE SHEET DATA: | | |
| Working capital | $ 149.9 | $ 126.5 |
| Total assets | 1,407.7 | 1,407.7 |
| Total short-term debt | 31.7 | 55.1 |

| | | |
|---|---|---|
| Total long-term debt | -- | 250.0 |
| Stockholder's equity | 652.3 | 378.9 |

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(1) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Pro forma unaudited as adjusted diluted earnings per common share from continuing operations in 2000 is computed using unaudited pro forma as adjusted income from continuing operations divided by 66,044,955, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,950,000 shares of our common stock are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be granted to our employees and to the Chairman of our Board of Directors in replacement of FMC Corporation restricted stock is 1,044,955 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and using FMC Corporation's average 2000 stock price and our assumed offering price of $20.00 per share. Pro forma unaudited as adjusted diluted loss per common share from continuing operations in 2001 is computed using unaudited pro forma as adjusted loss from continuing operations divided by 65,000,000, which for pro forma diluted loss per share purposes is the assumed number of shares of our common stock outstanding after this offering with reference to (a) and (b) above. The pro forma effect of our restricted stock described in (c) above is antidilutive in 2001 and is therefore not included in the calculation.

(2) EBITDA from continuing operations consists of income from continuing operations before interest and income taxes and before the cumulative effect of a change in accounting principle, plus depreciation of property, plant and equipment, amortization of other long-term assets, primarily intangibles of acquired companies, and asset impairments. EBITDA from continuing operations is not a measure of financial performance under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, our EBITDA from continuing operations calculation may not be comparable to other similarly titled measures of other companies. We have included EBITDA from continuing operations as a supplemental disclosure because it may provide useful information regarding our ability to service debt and to fund capital expenditures. Our ability to service debt and fund capital expenditures in the future, however, may be affected by other operating or legal requirements.

(3) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

(4) Average segment operating capital employed is a two-point average of segment operating capital employed as of the beginning and end of the period. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate and other assets, which are principally cash equivalents, last-in, first-out inventory reserves, deferred income tax benefits, intercompany eliminations, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. Segment liabilities exclude substantially all debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment. Average segment operating capital employed is not a measure of financial position under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, stockholder's equity prepared in accordance with generally accepted accounting principles or as a measure of financial position. Our management views average segment operating capital employed as a primary measure of segment capital.

(5) Income tax expense for the three months ended March 31, 2001 included $3.3 million related to the repatriation of foreign-held cash in connection with our separation from FMC Corporation.

(6) Net loss for the three months ended March 31, 2001 is net of the after-tax

charge related to the cumulative effect of a change in accounting principle of $4.7 million.



## RISK FACTORS

You should carefully consider the following risks and the other information contained in this prospectus, including the combined financial statements and related notes, before investing in our common stock. If any of the events described below were to occur, our business, prospects, financial condition, results of operations or cash flow could be materially adversely affected. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment.

### INDUSTRY-RELATED RISKS

#### DEMAND FOR ENERGY SYSTEMS' SYSTEMS AND SERVICES DEPENDS ON OIL AND GAS INDUSTRY ACTIVITY AND EXPENDITURE LEVELS, WHICH ARE DIRECTLY AFFECTED BY TRENDS IN THE DEMAND FOR AND PRICE OF CRUDE OIL AND NATURAL GAS.

Energy Systems is substantially dependent on conditions in the oil and gas industry and that industry's willingness and ability to spend capital on the exploration for and development of crude oil and natural gas. Any substantial or extended decline in these expenditures may result in the reduced discovery and development of new reserves of crude oil and natural gas, which could adversely affect demand for Energy Systems' systems and services. The level of these capital expenditures is generally dependent on current and anticipated crude oil and natural gas prices, which have been characterized by significant volatility in recent years. Crude oil and natural gas prices are affected by many factors, including:

- the level of exploration and production activity;
- worldwide economic activity;
- interest rates and the cost of capital;
- environmental regulation;
- the policies of national governments with respect to energy and crude oil and natural gas exploration and production, including taxation and other related legislation;
- actions taken by, and effectiveness of coordination among, members of the Organization of Petroleum Exporting Countries, or OPEC;
- the cost of producing crude oil and natural gas;
- the cost of developing alternative energy sources;
- weather conditions; and
- technological advances.

#### DEMAND FOR FOODTECH'S AND AIRPORT SYSTEMS' SYSTEMS AND SERVICES IS SIGNIFICANTLY DEPENDENT UPON OUR CUSTOMERS EXPENDITURES FOR CAPITAL EQUIPMENT, AND A PROLONGED SUBSTANTIAL REDUCTION IN THOSE EXPENDITURES COULD ADVERSELY AFFECT THE DEMAND FOR OUR SYSTEMS AND SERVICES.

FoodTech and Airport Systems are greatly affected by changes in the levels of expenditures for capital equipment by companies operating in the industries we serve. These changes are influenced by a number of factors, many of which are beyond our control, such as our customers' overall profitability. Additionally, factors, such as the demand for processed and frozen foods, conditions in the agricultural sector affecting prices and public perception of food safety and contamination, influence FoodTech's food processing customers' expenditures for capital equipment. Factors influencing the level of expenditures for capital equipment by Airport Systems' air transportation customers include jet fuel prices, the level of passenger and air freight activity and changes in foreign and domestic regulation of the air transportation industry. If expenditures for capital equipment by either the food processing industry or air transportation industry decline, FoodTech or Airport Systems may experience reduced demand for our systems and services. A

prolonged or widespread reduction in the demand for FoodTech's or Airport Systems' systems and services could have a significant adverse impact on our results of operations or our financial condition.



WE MAY LOSE MONEY ON FIXED-PRICE CONTRACTS.

As is customary for several of the business areas in which we operate, many of our long-term contracts with our customers are performed on a fixed-price basis. Under these contracts, we are typically responsible for all cost overruns, other than the amount of any cost overruns resulting from requested changes in order specifications. Our actual costs and any gross profit realized on these fixed-price contracts will often vary from the estimated amounts on which these contracts were originally based. This may occur for various reasons, including:

- errors in estimates or bidding;
- changes in availability and cost of labor and materials; and
- variations in productivity from our original estimates.

These variations and the risks inherent in our projects may result in reduced profitability or losses on projects. Depending on the size of a project, variations from estimated contract performance could have a significant impact on our operating results.

THE INDUSTRIES IN WHICH WE OPERATE OR HAVE OPERATED EXPOSE US TO POTENTIAL LIABILITIES THAT MAY NOT BE COVERED BY INSURANCE.

Energy Systems is subject to inherent risks, such as equipment defects, malfunctions and failures, equipment misuse and natural disasters that can result in uncontrollable flows of gas or well fluids, fires and explosions. These risks could expose us to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages. Through FoodTech and Airport Systems, we are also subject to potential liabilities arising from sources, such as the manufacture and use of food processing and air transportation systems and services. The use of our systems or services could subject us to significant liability for personal injury, wrongful death, product liability or commercial claims. Although we have obtained insurance against many of these risks, we cannot assure you that our insurance will be adequate to cover our liabilities. Further, we cannot assure you that insurance will be generally available in the future or, if available, that premiums will be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, our business, results of operations or financial condition could be materially adversely affected. In addition, under the terms of the separation and distribution agreement, we will retain specified self-insured product liabilities associated with selected discontinued businesses of FMC Corporation related to past operations, primarily the construction equipment, marine and rail and mining equipment divisions.

OUR CUSTOMERS' INDUSTRIES ARE UNDERGOING CONTINUING CONSOLIDATION THAT MAY IMPACT OUR RESULTS OF OPERATIONS.

Each of the oil and gas, food processing and air transportation industries is rapidly consolidating. As a result, some of our largest customers have consolidated and are using their size and purchasing power to seek economies of scale and pricing concessions. This consolidation may result in reduced capital spending by customers or the acquisition of one or more of our primary customers, which may lead to decreased demand for our systems and services. We cannot assure you that we will be able to maintain our level of sales to a customer that has consolidated or replace that revenue with increased business activity with other customers. As a result, the acquisition of one or more of our primary customers may have a significant negative impact on our results of operations or our financial condition. We are unable to predict what effect consolidations in the industry may have on price, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

WE MAY BE UNABLE TO SUCCESSFULLY COMPETE WITH OTHER COMPANIES IN OUR INDUSTRIES.

The oilfield services, food processing equipment and air transportation equipment industries are highly competitive. Some of our competitors are large national and multinational companies that may have



significantly greater financial resources than we do. Like us, many of our competitors offer a wide variety of systems and services. If these competitors substantially increase the resources they devote to developing and marketing competitive systems and services, we may not be able to compete effectively. Similarly, consolidation among our competitors could enhance their system and service offerings and financial resources, further intensifying competition.

OUR OPERATIONS AND OUR CUSTOMERS' OPERATIONS ARE SUBJECT TO A VARIETY OF GOVERNMENTAL LAWS AND REGULATIONS THAT MAY INCREASE OUR COSTS, LIMIT THE DEMAND FOR OUR SYSTEMS AND SERVICES OR RESTRICT OUR OPERATIONS.

Our business and our customers' businesses may be significantly affected by:

- U.S. Federal, state and local and foreign laws and other regulations relating to the oil and gas, food processing and air transportation industries and companies operating globally;
- changes in these laws and regulations; and
- the level of enforcement of these laws and regulations.

We depend on the demand for our systems and services from oil and gas companies. This demand is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry. For example, the adoption of laws and regulations curtailing exploration and development for drilling for crude oil and natural gas in our areas of operation for economic, environmental or other policy reasons could adversely affect our operations by limiting demand for our systems and services.

In light of our foreign operations and sales, we are also subject to changes in foreign laws and regulations that may encourage or require hiring of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If we fail to comply with any applicable law or regulation, our business, results of operations or financial condition may be adversely affected.

OUR BUSINESSES AND OUR CUSTOMERS' BUSINESSES ARE SUBJECT TO ENVIRONMENTAL LAWS AND REGULATION THAT MAY INCREASE OUR COSTS, LIMIT THE DEMAND FOR OUR SYSTEMS AND SERVICES OR RESTRICT OUR OPERATIONS.

Our operations and the operations of our customers are also subject to U.S. Federal, state and local and foreign laws and regulations relating to the protection of the environment. These environmental laws and regulations affect the systems and services we design, market and sell, as well as the facilities where we manufacture our systems. In addition, environmental laws and regulations could limit our customers' exploration and production activities. We are required to invest financial and managerial resources to comply with environmental laws and regulations and anticipate that we will continue to be required to do so in the future. These laws and regulations change frequently, which makes it impossible for us to predict their cost or impact on our future operations. The modification of existing laws or regulations or the adoption of new laws or regulations imposing more stringent environmental restrictions could adversely affect our operations.

Current environmental laws and regulations restrict the amount and types of substances that we can release into the environment. Compliance with these and any future environmental laws and regulations could require significant capital investments in pollution control equipment or changes in the way we make our systems. In addition, because we use hazardous and other regulated materials in our product development programs and manufacturing processes, we are subject to risks of accidental contamination, personal injury claims and civil and criminal fines. For example:

- We are currently remediating two plant sites for which we have

reserved approximately $3.3 million.

- We are a potentially responsible party at several disposal sites for which we estimate the aggregate liability will be immaterial.



- We have agreed to indemnify FMC Corporation for any liability associated with contamination from past operations at all properties to be transferred from FMC Corporation to us and at selected sites used in our former businesses for which we are not aware of any material liability.

Some environmental laws and regulations provide for joint and several liability for remediation of spills and releases of hazardous substances. In addition, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances, as well as damage to natural resources. These laws and regulations also may expose us to liability for the conduct of, or conditions caused by, others, or for our acts that were in compliance with applicable laws and regulations at the time the acts were performed. Any of these laws and regulations could result in claims, fines or expenditures that could be material to our earnings, financial condition or cash flow.

## BUSINESS-RELATED RISKS

### DISRUPTIONS IN THE POLITICAL AND ECONOMIC CONDITIONS OF THE FOREIGN COUNTRIES IN WHICH WE CONDUCT BUSINESS OR FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES COULD ADVERSELY AFFECT OUR BUSINESS OR RESULTS OF OPERATIONS.

We operate significant manufacturing facilities in 14 countries other than the United States, and our international operations account for approximately 60% of our 2000 revenue. Multiple factors relating to our international operations and to particular countries in which we operate could have an adverse effect on our financial condition or results of operations. These factors include:

- changes in political, regulatory or economic conditions;
- trade protection measures and price controls;
- import or export licensing requirements;
- economic downturns, civil disturbances or political instability;
- currency restrictions;
- nationalization and expropriation; and
- potentially burdensome taxation.

Because a significant portion of our revenue is denominated in foreign currencies, changes in exchange rates will result in increases or decreases in our costs and earnings, and may also affect the book value of our assets located outside the United States and the amount of our stockholders' equity. We prepare our combined financial statements in U.S. dollars, but a significant portion of our earnings and expenditures are denominated in other currencies. Although we may seek to minimize our currency exposure by engaging in hedging transactions where we deem it appropriate, we cannot assure you that our efforts will be successful. To the extent we sell our systems and services in foreign markets, currency fluctuations may result in our systems and services becoming too expensive for foreign customers.

### WE EXPECT TO SUPPLEMENT OUR INTERNAL GROWTH THROUGH STRATEGIC COMBINATIONS, AND OUR SUCCESS DEPENDS ON OUR ABILITY TO SUCCESSFULLY INTEGRATE, OPERATE AND MANAGE THESE ACQUIRED BUSINESSES AND ASSETS.

We expect to supplement our internal growth through strategic combinations, asset purchases and other transactions that complement or expand our existing businesses. Each of these transactions involves a number of risks, including:

- the diversion of our management's attention from our existing businesses to integrating the operations and personnel of the

acquired or combined business or joint venture;

- possible adverse effects on our operating results during the integration process; and

- our possible inability to achieve the intended objectives of the transaction.



We may hire additional employees in connection with these acquisitions or joint ventures. We may not be able to successfully integrate all of the newly hired employees, or profitably integrate, operate, maintain and manage our newly acquired operations in a competitive environment. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies.

We may seek to finance an acquisition through borrowings or through the issuance of new debt or equity securities. If we make a relatively large acquisition, we could deplete a substantial portion of our financial resources to the possible detriment of our other operations. Any future acquisitions could also dilute the equity interests of our stockholders, require us to write off assets for accounting purposes or create other undesirable accounting results, such as significant expenses for amortization or impairment of goodwill or other intangible assets.

DUE TO THE TYPE OF CONTRACTS WE ENTER INTO, THE CUMULATIVE LOSS OF SEVERAL MAJOR CONTRACTS MAY HAVE AN ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

We often enter into large, project-oriented contracts or long-term equipment leases that, collectively, represent a significant portion of our revenues. These agreements may be terminated or breached, or our customers may fail to renew these agreements. If we were to lose several key agreements over a relatively short period of time and if we were to fail to develop alternative business opportunities, we could experience a significant adverse impact on our results of operations or our financial condition.

LOSS OF OUR KEY MANAGEMENT AND OTHER PERSONNEL COULD IMPACT OUR BUSINESS.

We depend on our senior executive officers and other key personnel. The loss of any of these officers or key personnel could adversely affect our operations. In addition, competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our ability to conduct research activities successfully and develop marketable systems and services.

OUR BUSINESS COULD BE ADVERSELY AFFECTED BY COMPETING TECHNOLOGY.

Technology is an important component of our business and growth strategy, and our success as a company depends to a significant extent on the development and implementation of new product designs and improvements. Whether we can continue to develop systems and services and related technologies to meet evolving industry requirements and, if so, at prices acceptable to our customers will be significant factors in determining our ability to compete in the industries in which we operate. Many of our competitors are large national and multinational companies that may have significantly greater financial resources than we have, and they may be able to devote greater resources to research and development of new systems, services and technologies than we are able to do. Moreover, some of our competitors operate in narrow business areas, allowing them to concentrate their research and development efforts directly on products and services for those areas.

OUR FAILURE TO COMPLY WITH THE LAWS AND REGULATIONS GOVERNING U.S. GOVERNMENT CONTRACTS OR THE TERMS OF ANY EXISTING OR FUTURE U.S. GOVERNMENT CONTRACTS THAT WE ENTER INTO COULD HARM OUR BUSINESS.

We have an agreement relating to the sale of our Next Generation Small Loader, which is a commercial air cargo loader, to the U.S. Air Force, and as a result we are subject to various laws and regulations that apply to companies doing business with the U.S. government. The laws governing U.S. government contracts differ in several respects from the laws governing private contracts. For example, many U.S. government contracts contain pricing terms and

conditions that are not applicable to private contracts. Moreover, U.S. defense contracts, in particular, are unilaterally terminable at the option of the U.S. government with compensation for work completed and costs incurred. Contracts with the U.S. government are also subject



to special laws and regulations, the noncompliance with which may result in various sanctions. Contractors, sometimes without their knowledge, are subject to investigations by the U.S. government initiated in various ways.

RISKS RELATED TO OUR RELATIONSHIP WITH FMC CORPORATION

OUR HISTORICAL FINANCIAL RESULTS AS BUSINESS SEGMENTS OF FMC CORPORATION MAY NOT BE REPRESENTATIVE OF OUR RESULTS AS A SEPARATE, STAND-ALONE ENTITY.

The historical financial information we have included in this prospectus has been carved out from FMC Corporation's consolidated financial statements and does not reflect what our financial position, results of operations or cash flows would have been had we been a separate, stand-alone entity during the periods presented. FMC Corporation did not account for us, and we were not operated, as a separate, stand-alone entity for the historical periods presented. Our historical costs and expenses reflected on our combined financial statements include an allocation of the historical costs and expenses that FMC Corporation incurred in connection with corporate and general administrative services. This allocation is based on what we and FMC Corporation consider to be reasonable reflections of the historical utilization levels of these services required in support of our businesses. The historical information does not necessarily indicate what our results of operations, financial position, cash flows or costs and expenses will be in the future. We have not made adjustments to reflect many significant changes that may occur in our cost structure, funding and operations as a result of the separation, including changes in our employee base, changes in our technology support, changes in our tax structure, potential increased costs associated with reduced economies of scale and potential increased costs associated with being a publicly traded, stand-alone entity. For additional information, see "Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements.

OUR ABILITY TO OPERATE OUR BUSINESSES MAY SUFFER IF WE DO NOT, QUICKLY AND COST-EFFECTIVELY, ESTABLISH OUR OWN FINANCIAL, ADMINISTRATIVE AND OTHER SUPPORT FUNCTIONS TO SUCCESSFULLY OPERATE AS A STAND-ALONE ENTITY, AND WE CANNOT ASSURE YOU THAT THE TRANSITIONAL SERVICES FMC CORPORATION HAS AGREED TO PROVIDE US WILL BE SUFFICIENT FOR OUR NEEDS.

Historically, our businesses have relied on financial, administrative and other resources of FMC Corporation. After this offering, we will need to create our own financial, administrative and other support systems or contract with a third party to replace FMC Corporation's systems. We have entered into an agreement with FMC Corporation under which FMC Corporation will provide transitional services to us, including services related to information technology systems, treasury, legal, financial and accounting services. Although FMC Corporation is contractually obligated to provide us with these services until the distribution, these services may not be sufficient to meet our needs, and we may not be able to replace these services at all or obtain these services at prices and on terms as favorable as we currently have them, after our agreement with FMC Corporation expires. Any failure or significant downtime in our own financial or administrative systems or in FMC Corporation's financial or administrative systems during the transitional period could prevent us from paying our employees, billing our customers or performing other administrative services on a timely basis and could materially harm our business or operations.

AFTER THE SEPARATION, WE MAY EXPERIENCE INCREASED COSTS RESULTING FROM DECREASED PURCHASING POWER CURRENTLY PROVIDED BY OUR ASSOCIATION WITH FMC CORPORATION.

We have been able to take advantage of FMC Corporation's size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit services. Following the separation and this offering, we will be a smaller and less diversified company than FMC Corporation was prior to the separation, and there is no guarantee that we will have access to financial and other resources

comparable to those available to FMC Corporation prior to the separation. As a separate, stand-alone entity, we may be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the separation.

OUR RELATIONSHIP WITH FMC CORPORATION MAY HINDER OUR ABILITY TO TAKE ADVANTAGE OF NEW BUSINESS OPPORTUNITIES SUCCESSFULLY.

Our ability to take advantage of specific business opportunities is subject to procedures in our Certificate of Incorporation relating to allocation of business opportunities between FMC Corporation and us. Although currently FMC Corporation does not directly compete with us, our Certificate of Incorporation provides that, unless otherwise provided in a written agreement between FMC Corporation and us, FMC Corporation will have no duty to refrain from engaging in the same or similar activities or lines of business as we engage in or propose to engage in at the time of this offering. Furthermore, subject to applicable law, FMC Corporation has no duty to communicate or offer to us any corporate opportunities that come to its attention. As a result, it may be more difficult for us to pursue successfully new business opportunities available to both FMC Corporation and us, which could limit our potential sources of revenue and growth. In addition, we have established procedures in our Certificate of Incorporation that govern the conduct of our directors or officers who also serve as directors or officers of FMC Corporation in the event that any of them acquires knowledge of a corporate opportunity for both FMC Corporation and us. Moreover, our ability to take advantage of specific business opportunities may be affected by FMC Corporation's representation on our Board of Directors and its voting control over us. See "Arrangements Between FMC Technologies and FMC Corporation--Allocation of Corporate Opportunities" for a description of allocation of business opportunities between FMC Corporation and us.

OUR RELATIONSHIP WITH FMC CORPORATION MAY LIMIT OUR ABILITY TO OBTAIN ADDITIONAL FINANCING.

Our business strategy anticipates future acquisitions and development of new technologies. Any acquisition or development project could be subject to our ability to access capital from outside sources on acceptable terms. Until the distribution to its stockholders, FMC Corporation will control our Board of Directors and be able to limit our ability to borrow funds or to issue additional equity. For the distribution of the remaining shares of our common stock to be tax free to FMC Corporation and its stockholders, FMC Corporation must, among other things, own at least 80% of all of our voting power at the time of the distribution. Therefore, prior to the distribution, we will not be able to issue equity, voting securities or convertible debt without FMC Corporation's prior consent, and FMC Corporation is unlikely to give that consent so long as it still intends to distribute the remaining shares. In addition, in certain cases, our ability to issue equity, voting securities and convertible debt will be limited during the thirty months following the date of the distribution due to our need to preserve the tax-free nature of the distribution.

WE MAY HAVE POTENTIAL BUSINESS CONFLICTS OF INTEREST WITH FMC CORPORATION WITH RESPECT TO OUR PAST AND ONGOING RELATIONSHIPS THAT COULD HARM OUR BUSINESS OPERATIONS.

Conflicts of interest may arise between FMC Corporation and us in a number of areas relating to our past and ongoing relationships, including:

- labor, tax, employee benefit, indemnification and other matters arising from the separation;
- intellectual property matters;
- solicitation and hiring of employees from each other and recruiting of new employees;
- business combinations involving us;
- business operations or business opportunities of FMC Corporation or us that would compete with the other party's business opportunities;

- sales or distributions by FMC Corporation of all or any portion of its ownership interest in us; and

- the nature, quality and pricing of transition services to be provided by FMC Corporation or us.



Our agreements with FMC Corporation may be amended upon agreement between FMC Corporation and us. During the time that we are controlled by FMC Corporation, FMC Corporation may be able to require us to agree to amendments to these agreements. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

CONTROL BY FMC CORPORATION WILL LIMIT YOUR ABILITY TO INFLUENCE THE OUTCOME OF MATTERS REQUIRING STOCKHOLDER APPROVAL AND COULD DISCOURAGE POTENTIAL ACQUISITIONS OF US BY THIRD PARTIES.

After the completion of this offering, FMC Corporation will own more than 80% of our outstanding common stock. Although FMC Corporation has advised us that it currently intends to distribute its remaining ownership interests in us to its stockholders prior to the end of 2001, we cannot assure you that this will occur. As long as FMC Corporation owns a majority of our outstanding common stock, FMC Corporation will have the power to elect our entire Board of Directors and take stockholder action without the vote of any other stockholder. As a result, FMC Corporation will control all matters affecting us, including:

- the composition of our Board of Directors and, through our Board of Directors, the making of decisions with respect to our business direction and policies, including the appointment and removal of our officers;

- any determinations with respect to mergers or other business combinations;

- our acquisition or disposition of any or all of our assets;

- our capital structure;

- changes to the agreements providing for the separation;

- the payment of dividends on our common stock;

- determinations with respect to our tax returns; and

- other aspects of our business direction and policies.

A majority of our directors following the offering will be directors or officers of FMC Corporation, including Robert N. Burt, who is Chairman and Chief Executive Officer of FMC Corporation, and Joseph H. Netherland, who is President and a director of FMC Corporation. FMC Corporation's voting control and board influence may discourage many types of transactions involving a change of control, including transactions in which you as a holder of our common stock might otherwise receive a premium for your shares over the then-current market price. Furthermore, FMC Corporation is not prohibited from selling a controlling interest in us to a third party.

OUR DIRECTORS AND EXECUTIVE OFFICERS MAY HAVE POTENTIAL CONFLICTS OF INTEREST BECAUSE OF THEIR OWNERSHIP OF FMC CORPORATION COMMON STOCK AND POSITIONS WITH FMC CORPORATION.

Our executive officers and some of our directors own a substantial amount of FMC Corporation common stock and options to purchase FMC Corporation common stock. In addition, a majority of our directors serve as officers or directors of FMC Corporation, and several of our executive officers may continue to serve as officers or directors of FMC Corporation until the distribution, if the distribution occurs. For example, Robert N. Burt, our Chairman, will continue to be Chairman and Chief Executive Officer of FMC Corporation, Joseph H. Netherland, our President, Chief Executive Officer and a director, will continue to be President and Director of FMC Corporation and William H. Schumann III, our Senior Vice President, Chief Financial Officer and a director, will continue to be Senior Vice President and Chief Financial Officer

of FMC Corporation. Ownership of FMC Corporation common stock by our directors and officers after the separation and the presence of FMC Corporation officers and directors on our Board of Directors and in our senior management could create, or appear to create, potential conflicts of interest when our directors and officers are faced with decisions that could have different implications for FMC Corporation than they do for us. In addition, our executive officers who are serving in officer positions at FMC Corporation may not be able to devote the same exclusive attention or efforts to our operations and business that individuals serving solely as our officers would be able to do.



OUR BUSINESS AND YOUR INVESTMENT IN OUR COMMON STOCK MAY BE ADVERSELY AFFECTED IF FMC CORPORATION DOES NOT COMPLETE THE DISTRIBUTION, BECAUSE WE WOULD REMAIN SUBJECT TO CONTROL BY FMC CORPORATION.

Although FMC Corporation has advised us that it currently intends to complete the distribution by the end of 2001, we cannot assure you whether or when the distribution will occur. In certain circumstances, FMC Corporation, in exercising its fiduciary duties to its stockholders, may need to alter or amend its course of action. FMC Corporation's obligation to complete the distribution is subject to receipt of a favorable ruling from the Internal Revenue Service to the effect that the distribution will be tax free to FMC Corporation and its stockholders for U.S. Federal income tax purposes and final approval of the distribution by the FMC Corporation Board of Directors, among other conditions. At the time of this offering, FMC Corporation does not have a ruling from the IRS regarding the tax treatment of the distribution. If FMC Corporation does not obtain a favorable tax ruling, FMC Corporation may not make the distribution in the expected time frame or, perhaps, at all. In order for the distribution to be tax free, FMC Corporation must satisfy various requirements, including owning at least 80% of all of our voting power at the time of the distribution.

In addition, until the distribution occurs, the risks discussed in this prospectus relating to FMC Corporation's control of us and the potential business conflicts of interest between FMC Corporation and us will continue to be relevant to you. If the distribution is delayed or not completed at all, the liquidity of shares of our common stock in the market may be constrained unless and until FMC Corporation elects to sell some of its significant ownership into the public market. A lack of liquidity in our common stock may affect our stock price.

IF WE TAKE ACTIONS THAT CAUSE THE DISTRIBUTION TO FAIL TO QUALIFY AS A TAX-FREE TRANSACTION, WE WILL BE REQUIRED TO INDEMNIFY FMC CORPORATION FOR ANY RESULTING TAXES, WHICH MAY PREVENT OR DELAY A CHANGE OF CONTROL OF US AFTER THE DISTRIBUTION.

FMC Corporation has advised us that it intends to distribute its shares of our common stock to its stockholders before the end of 2001. Prior to completing the distribution, FMC Corporation has advised us that it intends to obtain a favorable ruling from the IRS to the effect that the distribution will be tax free to FMC Corporation and its stockholders for U.S. Federal income tax purposes. Under the tax sharing agreement between FMC Corporation and us, if we breach any representations in the tax sharing agreement relating to the ruling, take or fail to take any action that causes our representations in the tax sharing agreement relating to the ruling to be untrue or engage in a transaction after the distribution that causes the distribution to be taxable to FMC Corporation, we will be required to indemnify FMC Corporation for any resulting taxes. The amount of any indemnification payments would be substantial, and we likely would not have sufficient financial resources to achieve our growth strategy after making those payments.

Current tax law generally provides for a presumption that the distribution, if it occurs, may be taxable to FMC Corporation if we undergo or enter into an agreement that would cause us to undergo a 50% or greater change in stock ownership during a four-year period beginning on the date that begins two years before the date of the distribution. Under the tax sharing agreement, FMC Corporation is entitled to require us to reimburse any tax costs incurred by FMC Corporation as a result of a transaction resulting in a change in control of us. These costs may be so great that they delay or prevent a strategic acquisition or change of control of us. The applicable tax law is relatively new and undeveloped, and final interpretive regulations have not yet been issued.

OUR AGREEMENTS WITH FMC CORPORATION MAY BE LESS FAVORABLE TO US THAN IF THEY HAD BEEN NEGOTIATED AT ARM'S LENGTH.

We negotiated and signed our agreements with FMC Corporation while we were a wholly owned subsidiary of FMC Corporation. If each of these agreements had been negotiated at arm's length, they may have been more favorable to us. The allocation of assets and liabilities between FMC Corporation and us may not reflect what two unaffiliated parties would have agreed to, and it is possible that we may be required to indemnify FMC Corporation for liabilities, or may not receive assets, related to our business or that we may be responsible for liabilities unrelated to our business.



PERSONS MAY SEEK TO HOLD US RESPONSIBLE FOR LIABILITIES OF FMC CORPORATION THAT WE DID NOT ASSUME IN OUR AGREEMENTS.

In the separation, FMC Corporation will retain all of its liabilities that we do not assume under our agreements with FMC Corporation. Persons may seek to hold us responsible for FMC Corporation's retained liabilities, such as environmental contamination liabilities relating to FMC Corporation's discontinued businesses or environmental or other liabilities relating to FMC Corporation's chemical businesses. Under the agreements, FMC Corporation has agreed to indemnify us for claims and losses relating to its retained liabilities. However, if those liabilities are significant and we are held liable for them, we cannot assure you that we will be able to recover the full amount of our losses from FMC Corporation.

RISKS RELATED TO THE SECURITIES MARKETS AND OWNERSHIP OF OUR COMMON STOCK

THE PRICE OF OUR COMMON STOCK MAY BE SUBJECT TO WIDE FLUCTUATIONS AND MAY TRADE BELOW THE INITIAL PUBLIC OFFERING PRICE.

Before this offering, there has not been a public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained after this offering. The market price of our common stock could be subject to significant fluctuations after this offering and may decline below the initial public offering price. The initial public offering price of our common stock will be determined by negotiations between us and representatives of the underwriters, based on numerous factors which we discuss under "Underwriting." This price may not be indicative of the market price of our common stock after this offering. We cannot assure you that you will be able to resell your shares at or above the initial public offering price. Among the factors that could affect our stock price are the risk factors described in this section and other factors including:

- quarterly variations in our operating results compared to market expectations;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts;
- strategic moves by us or our competitors, such as acquisitions or restructurings; and
- general market conditions.

Stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

PROVISIONS IN OUR ORGANIZATIONAL DOCUMENTS AND OUR RIGHTS AGREEMENT AS WELL AS DELAWARE LAW MAY DELAY OR PREVENT AN ACQUISITION OF US THAT STOCKHOLDERS MAY CONSIDER FAVORABLE, WHICH COULD DECREASE THE VALUE OF YOUR SHARES.

Our Certificate of Incorporation and Bylaws and Delaware law contain provisions that could make it harder for a third party to acquire us without the consent of our Board of Directors. These provisions include supermajority voting requirements for our stockholders to remove directors and amend our organizational documents, a classified board of directors and limitations on actions by our stockholders by written consent. Some of these provisions, such as the limitation on stockholder actions by written consent, become effective once FMC Corporation no longer controls us. In addition, our Board of Directors

has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquiror. Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. Our rights agreement imposes a significant penalty on any person or group that acquires 15% or more of our outstanding common stock without the approval of our Board of Directors. These restrictions under Delaware law and our rights agreement do not apply to FMC Corporation so long as it holds 15% or more of our common stock. Although we believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics and thereby provide for



an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by some stockholders.

OUR SHARE PRICE MAY DECLINE BECAUSE OF THE ABILITY OF FMC CORPORATION AND OTHERS TO SELL SHARES OF OUR COMMON STOCK.

Sales of substantial amounts of our common stock after this offering, or the possibility of those sales, could adversely affect the market price of our common stock and impede our ability to raise capital through the issuance of equity securities. See "Shares Eligible for Future Sale" for a discussion of possible future sales of our common stock.

After this offering, we will have 65,000,000 shares of common stock outstanding, approximately 83.0% of which will be owned by FMC Corporation, or, if the underwriters elect to exercise their over-allotment option in full, we will have 66,657,500 shares of common stock outstanding, approximately 80.9% of which will be owned by FMC Corporation. Additionally, we will have reserved an additional 2,250,000 shares of our common stock for issuance pursuant to options we expect to grant in connection with this offering. In connection with the offering, we will grant restricted stock in replacement of all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors. In connection with the distribution, we will also issue options in replacement of all FMC Corporation options held by our employees and in replacement of a portion of the FMC Corporation options held by our directors, and we will grant restricted stock in replacement of all FMC Corporation restricted stock granted to employees of FMC Corporation whom we hire as of the distribution date, and in replacement of a portion of the FMC Corporation restricted stock granted to our non-employee directors, other than the Chairman of our Board of Directors. FMC Corporation has advised us that it currently intends to complete the distribution by the end of calendar year 2001, subject to receipt of a favorable ruling from the IRS that the distribution will be tax free to FMC Corporation and its stockholders for U.S. Federal income tax purposes and final approval of the Board of Directors of FMC Corporation, among other conditions. Moreover, FMC Corporation has no contractual obligation to retain its shares of our common stock, except for a limited period described under "Underwriting" during which it will not sell any of its shares of our common stock without the underwriter's consent until 180 days after the date of this prospectus. Subject to applicable U.S. Federal and state securities laws, after the expiration of this 180-day waiting period (or before, with consent of the underwriters), FMC Corporation may sell any and all of the shares of our common stock that it beneficially owns or distribute any or all of these shares of our common stock to its stockholders. The separation and distribution agreement grants FMC Corporation the right to require us to register the shares of our common stock it holds in specified circumstances. In addition, after the expiration of this 180-day waiting period, we could sell additional shares of our common stock, subject to FMC Corporation's consent. Any sale or distribution by FMC Corporation or us of our common stock in the public market or to FMC Corporation's stockholders, or the perception that any such sale or distribution could occur, could adversely affect prevailing market prices for the shares of our common stock.

In connection with this offering, we intend to file a registration statement on Form S-8 to register 12,000,000 shares of our common stock that are or will be reserved for issuance under our stock plan.

WE DO NOT EXPECT TO PAY DIVIDENDS.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. In addition, our ability to pay dividends may be restricted

by any bank credit agreement or indenture we enter into in the future.

YOU WILL EXPERIENCE IMMEDIATE AND SUBSTANTIAL DILUTION IN NET TANGIBLE BOOK VALUE PER SHARE.

Dilution per share represents the difference between the initial public offering price and the net consolidated book value per share immediately after the offering of our common stock. Purchasers of our common stock in this offering would have experienced immediate dilution of $14.17 in pro forma net tangible book value per share had the offering occurred March 31, 2001.



## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

You should not rely on forward-looking statements in this prospectus. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These factors include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by such words or phrases as "will likely result," "is confident that," "expected," "should," "could," "may," "will continue to," "believes," "anticipates," "predicts," "forecasts," "estimates," "projects," "intends" or similar expressions, including the negative of those words and phrases. Although these forward-looking statements are based on our management's current views and assumptions regarding future events, future business conditions and the outlook for us based on currently available information, these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, these statements. We wish to caution readers not to rely on any of these forward-looking statements, which speak only as of the date made. Except as required by law, we assume no obligation to update any of the forward-looking statements after the date of this prospectus.



## USE OF PROCEEDS

Our net proceeds from the sale of the 11,050,000 shares of our common stock in this offering, assuming an initial public offering price of $20.00 per share, are estimated to be approximately $204.9 million, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters exercise their over-allotment option in full, we estimate that our net proceeds will be approximately $236.0 million. We expect to use the net proceeds from this offering to pay down all borrowings under a new $200 million 180-day revolving credit facility and to use the remaining net proceeds to pay down a portion of the borrowings under a new $150 million 364-day revolving credit facility, both of which facilities we will assume from FMC Corporation. As a part of FMC Corporation, we previously had access to funds available under FMC Corporation's revolving credit and other debt facilities, which will remain with FMC Corporation in the separation. In order to allocate debt between the remaining businesses of FMC Corporation and us in the separation, FMC Corporation and we entered into the $200 million 180-day revolving credit facility and the $150 million 364-day revolving credit facility, as well as a new $250 million 5-year credit agreement. FMC Corporation received all of the proceeds from, and we will assume the obligations under, those credit facilities. Our management believes that the amount of debt we will assume from FMC Corporation, as reduced by the application of the net proceeds from this offering, represents a reasonable and appropriate level of debt for our company. Under the terms of the $200 million 180-day revolving credit facility, the debt to be repaid matures at the earlier of August 23, 2001 or seven days after the closing of this offering and currently accrues interest at an annual rate of 65 basis points above the one-month London Interbank Offered Rate. Under the terms of the $150 million 364-day revolving credit facility, any amounts outstanding under the facility will mature on April 25, 2002 and are currently expected to accrue interest at an annual rate of 75 basis points above the one-month London Interbank Offered Rate.

## DIVIDEND POLICY

We do not intend to pay cash dividends on our common stock for the

foreseeable future. Instead, we currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business. Our Board of Directors will make any future determination regarding the payment of dividends based upon various factors then existing, including:

- our financial condition, operating results and current and anticipated cash needs;
- general economic and business conditions;
- our strategic plans and business prospects;
- legal, contractual and regulatory restrictions on our ability to pay dividends; and
- other factors that our Board of Directors may consider to be relevant.



## CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2001 on an historical basis and on a pro forma as adjusted basis to reflect the assumption of debt in connection with this offering, the sale of 11,050,000 shares of our common stock in this offering at an assumed initial public offering price of $20.00 per share and the application of the net proceeds from this sale as described under "Use of Proceeds."

You should read this table together with "Selected Historical Combined Financial and Operating Data," our historical combined financial statements and the notes to those statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

| (IN MILLIONS, EXCEPT FOR SHARE AND PAR VALUE AMOUNTS) | MARCH 31, 2001 | |
|---|---|---|
| | HISTORICAL | PRO FORMA AS ADJUSTED |
| | (UNAUDITED) | (UNAUDITED) |
| Cash and cash equivalents | $ 12.0 | $ 12.0 |
| Short-term debt | $ 31.7 | $ 55.1 |
| Long-term debt, excluding current portion | -- | 250.0 |
| Stockholder's equity: | | |
| Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding on an historical basis, and 195,000,000 shares authorized and 65,000,000 shares issued and outstanding on a pro forma as adjusted basis (1) | -- | 0.7 |
| Capital in excess of par value of common stock | -- | 505.1 |
| Accumulated other comprehensive loss | (126.9) | (126.9) |
| Owner's net investment | 779.2 | -- |
| Total stockholder's equity | 652.3 | 378.9 |
| Total capitalization | $ 684.0 | $ 684.0 |

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(1) The number of shares of our common stock outstanding does not include options that we expect to grant in connection with the offering and FMC Corporation restricted stock and options we expect to replace with our stock awards in connection with the offering and distribution.

## SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following table presents our selected historical and pro forma combined financial data for the periods and dates indicated. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1998, 1999 and 2000 and the combined balance sheet data as of December 31, 1999 and 2000 are derived from, and are qualified by reference to, our audited combined financial statements included elsewhere in this prospectus. The combined operating results data for the three months ended March 31, 2000 and 2001 and the combined balance sheet data as of March 31, 2001 are derived from, and are qualified by reference to, our unaudited combined financial statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1996 and 1997 and the combined balance sheet data as of December 31, 1996, 1997 and 1998 are derived from our unaudited combined financial data that is not included in this prospectus. The unaudited pro forma financial information gives effect to specified transactions as if those transactions had been consummated on January 1, 2000, January 1, 2001 or March 31, 2001, as described in "Unaudited Pro Forma Financial Information."

The historical combined financial information has been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses and gives effect to allocations of expenses from FMC Corporation. Our historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented.

| (IN MILLIONS, EXCEPT PER SHARE DATA) | YEAR ENDED DECEMBER 31, | | | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1999 | 2000 | 2000 | 2001 |
| COMBINED STATEMENTS OF INCOME DATA: | | | | | | | |
| Revenue | $1,689.7 | $2,031.6 | $2,185.5 | $1,953.1 | $1,875.2 | $441.9 | $429.4 |
| Cost of sales or services | 1,312.9 | 1,551.1 | 1,669.3 | 1,479.8 | 1,421.1 | 340.0 | 333.9 |
| Selling, general and administrative expenses | 299.9 | 324.1 | 337.8 | 302.4 | 291.2 | 74.7 | 72.8 |
| Research and development | 41.5 | 46.7 | 50.7 | 51.8 | 56.7 | 14.3 | 13.1 |
| Asset impairments | -- | 27.0 | -- | 6.0 | 1.5 | -- | 1.3 |
| Restructuring and other charges | -- | 27.9 | -- | 3.6 | 9.8 | -- | 9.2 |
| Interest expense (income), net | 2.8 | 3.8 | 1.9 | (0.5) | 4.3 | (0.1) | 1.1 |
| Income (loss) from continuing operations before income taxes and the cumulative effect of a change in accounting principle | 32.6 | 51.0 | 125.8 | 110.0 | 90.6 | 13.0 | (2.0) |
| Provision for income taxes | 5.4 | 34.1 | 38.6 | 33.5 | 22.7 | 3.4 | 1.6 (5) |
| Income (loss) from continuing operations before the cumulative effect of a change in accounting principle | $ 27.2 | $ 16.9 | $ 87.2 | $ 76.5 | $ 67.9 | $ 9.6 | $ (3.6) |
| Net income (loss) | $ 35.0 | $ 16.9 | $ 87.2 | $ 71.0 | $ 67.9 | $ 9.6 | $ (8.3)(6) |
| Unaudited pro forma as adjusted diluted earnings (loss) per | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| common share from continuing operations (1)..... | | | | | $ 0.91 | | $ (0.09) |
| OTHER FINANCIAL DATA: | | | | | | | |
| Depreciation..... | $ 48.1 | $ 48.9 | $ 49.0 | $ 46.2 | $ 41.2 | $ 10.1 | $ 9.5 |
| Amortization..... | 16.3 | 18.6 | 17.6 | 16.1 | 17.9 | 3.7 | 4.9 |
| EBITDA from continuing operations (2)..... | 99.8 | 149.3 | 194.3 | 177.8 | 155.5 | 26.7 | 14.8 |
| Capital expenditures.... | 93.5 | 66.3 | 59.4 | 40.9 | 43.1 | 13.9 | 12.8 |
| Cash flows provided by (used in): | | | | | | | |
| Operating activities of continuing operations..... | (270.1) | 268.0 | 196.4 | 152.7 | 8.0 | (32.7) | (22.2) |
| Investing activities.. | (64.2) | (33.1) | (128.6) | (6.5) | 63.4 | (12.5) | (7.9) |
| Financing activities.. | 328.3 | (237.0) | (65.4) | (133.9) | (88.9) | 31.2 | 26.1 |
| Order backlog (at period end) (3)..... | 923.0 | 988.8 | 1,133.9 | 840.6 | 644.3 | 823.0 | 835.8 |
| Total assets (at period end)..... | 1,699.2 | 1,563.7 | 1,665.1 | 1,473.2 | 1,373.7 | 1,496.2 | 1,407.7 |
| Long-term debt (at period end)..... | 8.4 | 8.3 | -- | -- | -- | -- | -- |
| Average segment operating capital employed (4)..... | 998.1 | 1,062.4 | 917.8 | 832.8 | 868.4 | 820.6 | 934.0 |

(footnotes on following page)



| (IN MILLIONS) | MARCH 31, 2001 | |
|---|---|---|
| | HISTORICAL | PRO FORMA AS ADJUSTED |
| COMBINED BALANCE SHEET DATA: | | |
| Working capital..... | $ 149.9 | $ 126.5 |
| Total assets..... | 1,407.7 | 1,407.7 |
| Total short-term debt..... | 31.7 | 55.1 |
| Total long-term debt..... | -- | 250.0 |
| Stockholder's equity..... | 652.3 | 378.9 |

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(1) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Pro forma unaudited as adjusted diluted earnings per common share from continuing operations in 2001 is computed using unaudited pro forma as adjusted income from continuing operations divided by 66,044,955, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,950,000 of our common stock shares are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be granted to our employees and to the Chairman of our Board of Directors in replacement of FMC Corporation restricted stock is 1,044,955 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and using FMC Corporation's average 2000 stock price and our assumed offering price of $20.00 per share. Pro forma unaudited as adjusted diluted loss per common share from continuing operations in 2001 is computed using unaudited pro forma as adjusted loss from continuing operations divided by 65,000,000, which for pro forma diluted loss per share purposes is the assumed number of shares of our common stock outstanding after this offering with reference to (a) and (b) above. The pro forma effect of our restricted stock described in (c) above is antidilutive in 2001 and is therefore not included in the calculation.

(2) EBITDA from continuing operations consists of income from continuing operations before interest and income taxes and before the cumulative effect of a change in accounting principle, plus depreciation of property, plant and equipment, amortization of other long-term assets, primarily intangibles of acquired companies, and asset impairments. EBITDA from continuing operations is not a measure of financial performance under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, our EBITDA from continuing operations calculation may not be comparable to other similarly titled measures of other companies. We have included EBITDA from continuing operations as a supplemental disclosure because it may provide useful information regarding our ability to service debt and to fund capital expenditures. Our ability to service debt and fund capital expenditures in the future, however, may be affected by other operating or legal requirements.

(3) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

(4) Average segment operating capital employed is a two-point average of segment operating capital employed as of the beginning and end of the period. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate and other assets, which are principally cash equivalents, last-in, first-out inventory reserves, deferred income tax benefits, intercompany eliminations, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. Segment liabilities exclude substantially all debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment. Average segment operating capital employed is not a measure of financial position under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, stockholder's equity prepared in accordance with generally accepted accounting principles or as a measure of financial position. Our management views average segment operating capital employed as a primary measure of segment capital.

(5) Income tax expense for the three months ended March 31, 2001 included $3.3 million related to the repatriation of foreign-held cash in connection with our separation from FMC Corporation.

(6) Net loss for the three months ended March 31, 2001 is net of the after-tax charge related to the cumulative effect of a change in accounting principle of $4.7 million.



## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma combined statements of income and unaudited pro forma condensed combined balance sheet should be read in connection with, and are qualified by reference to, our combined financial statements and related notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus. We believe that the assumptions used in the preparation of this unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the transactions discussed below. The unaudited pro forma combined statements of income and unaudited pro forma condensed combined balance sheet are not necessarily indicative of the results that would have been reported had such events actually occurred on the dates described below, nor are they indicative of our future results.

The unaudited pro forma combined statement of income for the year ended December 31, 2000 has been prepared to reflect the following adjustments to our historical results of operations and to give effect to the following transactions as if those transactions had been consummated on January 1, 2000:

- our assumption of $444.1 million of debt as of January 1, 2000 in connection with this offering;

- our sale of 11,050,000 shares of common stock in this offering at an

assumed initial public offering price of $20.00 per share;

- our use of the estimated $204.9 million net proceeds from this offering to pay off a portion of the assumed debt; and

- the replacement of all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with our restricted stock at the time of the closing of the offering.

| UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME (IN MILLIONS, EXCEPT PER SHARE AMOUNTS) | YEAR ENDED DECEMBER 31, 2000 | | |
|---|---|---|---|
| | HISTORICAL | PRO FORMA ADJUSTMENTS | PRO FORMA AS ADJUSTED |
| Revenue | $1,875.2 | | $1,875.2 |
| Cost of sales or services | 1,421.1 | | 1,421.1 |
| Selling, general and administrative expenses | 291.2 | | 291.2 |
| Research and development | 56.7 | | 56.7 |
| Asset impairments, restructuring and other charges | 11.3 | | 11.3 |
| Total costs and expenses | 1,780.3 | | 1,780.3 |
| Income from continuing operations before interest income, interest expense and income taxes | 94.9 | | 94.9 |
| Interest income | 2.3 | | 2.3 |
| Interest expense | 6.6 | $ 12.9 (1) | 19.5 |
| Income from continuing operations before income taxes | 90.6 | (12.9) | 77.7 |
| Provision for income taxes | 22.7 | (5.0)(2)(3) | 17.7 |
| Income from continuing operations | $ 67.9 | $ (7.9)(4) | $ 60.0 |
| Unaudited pro forma as adjusted basic earnings per common share from continuing operations | | | $ 0.92 |
| Shares used in computing unaudited pro forma as adjusted basic earnings per common share from continuing operations | | | 65.0(5) |
| Unaudited pro forma as adjusted diluted earnings per common share from continuing operations | | | $ 0.91 |
| Shares used in computing unaudited pro forma as adjusted diluted earnings per common share from continuing operations | | | 66.0(6) |



(1) Reflects interest expense associated with approximately $444.1 million of debt that will be assumed in connection with this offering less amounts repaid with the proceeds of this offering as described in footnote (2) to the March 31, 2001 unaudited pro forma condensed combined balance sheet. Under the separation and distribution agreement, this debt will be adjusted on the basis of our net cash flow subsequent to December 31, 2000. The interest expense assumes that these amounts were outstanding as of January 1, 2000 and remained outstanding for the entire period. Such debt was assumed to carry a current effective interest rate of 5.38%. A one-eighth

percent variance in that interest rate would have increased or decreased interest expense by approximately $0.3 million.

(2) The effect of taxes on the pro forma adjustments has been recognized using a blended statutory U.S. Federal and state rate of 39%.

(3) Subsequent to this offering, we expect to incur one-time tax expenses aggregating approximately $4.0 million as a result of the impact of the separation on our international entities. These expenses have been excluded from the calculation of our unaudited pro forma as adjusted income from continuing operations as these incremental expenses represent significant nonrecurring charges incurred subsequent to this offering.

(4) Subsequent to this offering, we expect to incur incremental compensation expense of approximately $2.5 million ($1.5 million after tax) over the period from the offering through December 31, 2001, and a total of $2.4 million ($1.5 million after tax) thereafter through the completion of vesting periods in 2004. This expense will result from the replacement of 316,972 shares of FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with our restricted stock in connection with this offering, and has been excluded from the calculation of our unaudited pro forma as adjusted income from continuing operations as this incremental expense represents a significant nonrecurring charge incurred subsequent to this offering.

(5) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Unaudited pro forma as adjusted basic earnings per common share from continuing operations has been calculated in accordance with the Securities and Exchange Commission rules for initial public offerings. These rules require that the weighted average share calculation gives retroactive effect to any changes in our capital structure as well as the number of shares whose proceeds will be used to pay any dividend or repay any debt as reflected in the pro forma adjustments. It is anticipated that all of the proceeds from the initial public offering will be used to repay debt. Therefore, pro forma weighted average shares are comprised of 53,950,000 shares of our common stock outstanding prior to this offering and 11,050,000 shares of our common stock included in the proposed offering assuming all such shares are outstanding as of January 1, 2000.

(6) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Unaudited pro forma as adjusted diluted earnings per common share from continuing operations is computed using unaudited pro forma as adjusted income from continuing operations divided by 66,044,955, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,950,000 shares of our common stock are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be granted to our employees and to the Chairman of our Board of Directors in replacement of FMC Corporation restricted stock is 1,044,955 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and using FMC Corporation's weighted average 2000 stock price of $61.75 per share and our assumed offering price of $20.00 per share.



The unaudited pro forma combined statement of income for the three months ended March 31, 2001 and unaudited pro forma condensed combined balance sheet as of March 31, 2001 have been prepared to reflect the following adjustments to our historical results of operations and to give effect to the following transactions as if those transactions had been consummated on January 1, 2001 for statement of income purposes and on March 31, 2001 for balance sheet purposes:

- our assumption of $478.3 million of debt as of January 1, 2001 in connection with this offering;

- our sale of 11,050,000 shares of common stock in this offering at an

assumed initial public offering price of $20.00 per share;

- our use of the estimated $204.9 million net proceeds from this offering to pay off a portion of the assumed debt; and

- the replacement of all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with our restricted stock at the time of the closing of the offering.

| UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME (IN MILLIONS, EXCEPT PER SHARE AMOUNTS) | THREE MONTHS ENDED MARCH 31, 2001 | | |
|---|---|---|---|
| | HISTORICAL | PRO FORMA ADJUSTMENTS | PRO FORMA AS ADJUSTED |
| Revenue | $429.4 | | $429.4 |
| Cost of sales or services | 333.9 | | 333.9 |
| Selling, general and administrative expenses | 72.8 | | 72.8 |
| Research and development | 13.1 | | 13.1 |
| Asset impairments, restructuring and other charges | 10.5 | | 10.5 |
| Total costs and expenses | 430.3 | | 430.3 |
| Loss from continuing operations before interest income, interest expense and income taxes | (0.9) | | (0.9) |
| Interest income | 0.5 | | 0.5 |
| Interest expense | 1.6 | $ 3.7 (1) | 5.3 |
| Loss from continuing operations before income taxes | (2.0) | (3.7) | (5.7) |
| Provision for income taxes | 1.6 | (1.4)(2)(3) | 0.2 |
| Loss from continuing operations | $ (3.6) | $(2.3)(4) | $ (5.9) |
| Unaudited pro forma as adjusted basic loss per common share from continuing operations | | | $(0.09) |
| Shares used in computing unaudited pro forma as adjusted basic loss per common share from continuing operations | | | 65.0(5) |
| Unaudited pro forma as adjusted diluted loss per common share from continuing operations | | | $(0.09) |
| Shares used in computing unaudited pro forma as adjusted diluted loss per common share from continuing operations | | | 65.0(6) |



(1) Reflects interest expense associated with approximately $478.3 million of debt that will be assumed in connection with this offering less amounts repaid with the proceeds of this offering as described in footnote (2) to the unaudited pro forma condensed combined balance sheet. Under the separation and distribution agreement, this debt will be adjusted on the basis of our cash flow subsequent to March 31, 2001. The interest expense assumes that these amounts were outstanding as of January 1, 2001 and remained outstanding for the entire three-month period. Such debt was assumed to carry a current effective interest rate of 5.38%. A one-eighth

percent variance in that interest rate would have increased or decreased interest expense by approximately $0.1 million.

(2) The effect of taxes on the pro forma adjustments has been recognized using a blended statutory U.S. Federal and state rate of 39%.

(3) Subsequent to this offering, we expect to incur one-time tax expenses aggregating approximately $4.0 million as a result of the impact of the separation on our international entities. These expenses have been excluded from the calculation of our unaudited pro forma as adjusted income from continuing operations as these incremental expenses represent significant nonrecurring charges incurred subsequent to this offering.

(4) Subsequent to this offering, we expect to incur incremental compensation expense of approximately $2.5 million ($1.5 million after tax) over the period from the offering through December 31, 2001, and a total of $2.4 million ($1.5 million after tax) thereafter through the completion of vesting periods in 2004. This expense will result from the replacement of 316,972 shares of FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with our restricted stock in connection with this offering, and has been excluded from the calculation of our unaudited pro forma as adjusted net loss as this incremental expense represents a significant nonrecurring charge incurred subsequent to this offering.

(5) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Unaudited pro forma as adjusted basic earnings per common share from continuing operations has been calculated in accordance with the Securities and Exchange Commission rules for initial public offerings. These rules require that the weighted average share calculation gives retroactive effect to any changes in our capital structure as well as the number of shares whose proceeds will be used to pay any dividend or repay any debt as reflected in the pro forma adjustments. It is anticipated that all of the proceeds from the initial public offering will be used to repay debt. Therefore, pro forma weighted average shares are comprised of 53,950,000 shares of our common stock outstanding prior to this offering and 11,050,000 shares of our common stock included in the proposed offering assuming all such shares are outstanding as of January 1, 2001.

(6) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Unaudited pro forma as adjusted diluted loss per common share from continuing operations is computed using unaudited pro forma as adjusted loss from continuing operations divided by 65,000,000, which for pro forma diluted loss per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,950,000 shares of our common stock are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be granted to our employees and our directors in replacement of FMC Corporation restricted stock is antidilutive to the unaudited pro forma as adjusted diluted loss per common share calculation and is therefore not considered in the calculation.



| UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET (IN MILLIONS, EXCEPT FOR SHARE AND PAR VALUE AMOUNTS) | AS OF MARCH 31, 2001 | | |
|---|---|---|---|
| | HISTORICAL | PRO FORMA ADJUSTMENTS | PRO FORMA AS ADJUSTED |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 12.0 | | $ 12.0 |
| Trade receivables, net | 315.6 | | 315.6 |

| | | | |
|---|---|---|---|
| Inventories | 278.8 | | 278.8 |
| Other current assets | 133.4 | | 133.4 |
| Total current assets | 739.8 | | 739.8 |
| Property, plant and equipment, net | 254.1 | | 254.1 |
| Other assets | 413.8 | | 413.8 |
| Total assets | $1,407.7 | | $1,407.7 |
| Liabilities and stockholder's equity | | | |
| Current liabilities: | | | |
| Accounts payable, trade and other | $ 333.9 | | $ 333.9 |
| Other current liabilities | 256.0 | $ 23.4 (1)(2) | 279.4 |
| Total current liabilities | 589.9 | 23.4 | 613.3 |
| Other liabilities | 165.5 | | 165.5 |
| Long-term debt | -- | 250.0 (1)(2) | 250.0 |
| Stockholder's equity: | | | |
| Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding on an historical basis, and 195,000,000 shares authorized and 65,000,000 shares issued and outstanding on a pro forma as adjusted basis | -- | 0.7 | 0.7 |
| Capital in excess of par value of common stock | -- | 505.1 (2) | 505.1 |
| Accumulated other comprehensive loss | (126.9) | | (126.9) |
| Owner's net investment | 779.2 | (779.2)(1)(2) | -- |
| Total stockholder's equity | 652.3 | (273.4) | 378.9 |
| Total liabilities and stockholder's equity | $1,407.7 | | $1,407.7 |

(1) Reflects the assumption by us in connection with the offering of $478.3 million of debt resulting in an increase in our short-term and long-term debt and a reduction in our owner's net investment. Under the separation and distribution agreement, this debt will be adjusted on the basis of our cash flow subsequent to March 31, 2001.

(2) Reflects (a) our sale of 11,050,000 shares of common stock in this offering at an assumed initial public offering price of $20.00 per share, which, after deducting estimated underwriting discounts and offering expenses payable by us, will result in net offering proceeds of approximately $204.9 million, and (b) the use of these net proceeds to pay off a portion of our debt.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the selected historical combined financial and operating data and the accompanying combined financial statements and related notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information."

### OVERVIEW

#### OUR SEPARATION FROM FMC CORPORATION

On October 31, 2000, FMC Corporation announced its intention to reorganize its Energy Systems, FoodTech and Airport Systems businesses as a new company, FMC Technologies, Inc., and to cause us to sell up to 19.9% of our common stock in an initial public offering. FMC Technologies, Inc. was

incorporated in Delaware on November 13, 2000 and currently is a wholly owned subsidiary of FMC Corporation. After the completion of this offering, FMC Corporation will own approximately 83.0% of our outstanding common stock, or approximately 80.9% if the underwriters exercise their over-allotment option in full. FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the IRS as to the tax-free nature of the distribution for U.S. Federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised us that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution. FMC Corporation and we have entered into various agreements governing our relationship following the offering. For a description of these agreements, see "Arrangements Between FMC Technologies and FMC Corporation."

## OUR ENERGY SYSTEMS BUSINESS

Energy Systems is a global leader in the provision of subsea drilling and production systems, including subsea tree systems that control the flow of crude oil and natural gas from the well, systems for floating production solutions and surface drilling and production systems, to oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. We are also a leading provider of specialized, high-performance fluid control systems and products, measurement systems, loading systems and blending and transfer systems to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.



The primary factor influencing demand for the exploration and production systems and services that we provide is the exploration and production spending of oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs. During 1998, crude oil prices declined to their lowest level in over 12 years, reaching $10.76 per barrel of West Texas Intermediate crude and averaging $14.38 per barrel for the year. This decline resulted in many exploration and production companies canceling or deferring a significant portion of their exploration and development activities. Crude oil prices substantially recovered during the second half of 1999, averaging $23.10 per barrel, and exploration and production companies enjoyed improved operating results and cash flows. Oil prices continued their upward trend through 2000, averaging $30.37 per barrel.

Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, Energy Systems' financial performance generally has been less affected by short-term market cycles and volatile commodity prices than the financial performance of companies operating in other sectors of the oilfield services industry. Most of the systems that we supply are highly engineered to meet the unique demands of our customers and are typically ordered one or two years prior to installation. We believe that,

due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital intensive than companies operating in other sectors of the oilfield services industry due to factors such as high engineering content, outsourcing of certain low value-added manufacturing and advance payments received from customers.

ENERGY SYSTEMS OUTLOOK

Worldwide exploration and production spending by oil and gas companies is expected to increase an estimated 18.1% in 2001 to approximately $107.5 billion from an estimated $91.0 billion in 2000. While revenues from large deepwater exploration and production contracts have been slower to materialize following the recent recovery of crude oil and natural gas prices than we previously expected, we have recently begun to realize benefits from increasing deepwater production spending. During the first quarter of 2001, we entered into an alliance with BP Amoco p.l.c. regarding BP Amoco's deepwater development programs in the Gulf of Mexico. Hardware deliveries are expected to begin in late 2002, with the initial project management and engineering work beginning in the second quarter of 2001. During the third quarter of 2000, we entered into alliances with Agip Exploration and Production and Norsk Hydro to provide systems used in deepwater exploration and production and expect to begin realizing revenue from these agreements in the second half of 2001. Our alliances establish important ongoing relationships with our customers. While most of our alliances do not commit our customers to purchase our systems and services, they have historically led to, and we expect that they will continue to result in, such purchases. For example, as a result of our alliance with Norsk Hydro, in the first quarter of 2001, we were awarded a $35 million order for subsea trees and related equipment and systems for its Fram Vest development in the North Sea. In addition, recently we were awarded two orders from Petroleo Brasileiro S.A. for subsea tree systems: a $13 million order for the Marlim and Marlim Sul developments and a $15.3 million order for the Marimba Leste development, all of which are off the coast of Brazil. While we view the increased activity as a positive indicator of strengthening oil and gas industry exploration and production activity, pricing remains competitive. We believe that many of our major oil and gas customers that have announced mergers have essentially completed the integration of the merged entities, and that they will focus on exploration and development efforts, including the development of large offshore deepwater basins.

OUR FOODTECH BUSINESS AND OUTLOOK

FoodTech is a leading supplier of specialized handling and processing systems and services to food processing companies. We design, manufacture and service technologically sophisticated food handling and processing systems used by industrial food processors for, among other things, convenience food preparation and citrus juice extraction.



The food industry is undergoing continuing consolidation. Major food retailers are increasing their purchasing power through combinations. To maintain profitability, food processors are being pressured to become more efficient and to lower costs. As a result, they are consolidating and are seeking technologically sophisticated integrated systems and services, such as those we provide, to maximize the efficiency of their operations, while maintaining high standards of food safety.

Consumer demand in several segments of the convenience food industry we serve has increased during the last decade, and is expected to continue to grow. For example, worldwide retail sales of frozen ready meals are forecast to increase at a compound annual rate of 4.5% through 2005. In addition, the fast-food industry is growing, and fast-food companies are expanding geographically. For example, McDonald's international restaurant sales grew at an annual rate of 17.0% from 1985 through 1999. Trends such as these have increased the demand for systems and services that we supply to food processors, which in turn use our systems and services to supply processed food to food retailers and fast food restaurants.

We believe that projected growth in these industries and the trend toward consolidation will continue to result in food processors outsourcing an

increasing amount of non-core services and seeking suppliers to provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

Currently, we are responding to the impact on the FoodTech business in North America of lower tomato, citrus and chicken commodity prices. We expect to be able to offset the effect of these economic factors through our international sales, particularly in Europe and the Middle East.

OUR AIRPORT SYSTEMS BUSINESS AND OUTLOOK

Airport Systems designs, manufactures and services technologically advanced equipment and systems for airlines, airports and air freight companies.

The worldwide fleet of airplanes is forecast to grow at a compound annual rate of 4.3% through 2019, primarily driven by global economic development, increased trade and the deregulation of airline markets and supported by growth in both passenger traffic and air cargo. To accommodate this growth, airports, airlines and air freight companies are expected to expand their existing infrastructure. As a result of the projected airline fleet growth and the demand that this growth is placing on current systems and infrastructure, airports, airlines and air freight companies are seeking suppliers that can provide total solutions such as integrated systems and processes to support their operations.

Significant consolidations and strategic alliances are reshaping the air transportation industry causing it to seek broader solutions to support the efficient use of the airplane fleets. We believe that projected growth in the air transportation industry and the trend toward consolidation will continue to result in airlines, airports and air freight companies outsourcing an increasing amount of non-core services and seeking out suppliers like us who can provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

We currently do not expect purchases of airline ground support equipment and systems to change significantly in 2001 from the levels in 2000; however, increased operating costs for airlines may negatively impact airlines' investment in capital assets while more favorable fuel prices could generate incremental opportunities for sales of ground support equipment. In addition, revenue generated from the Next Generation Small Loader Contract with the U.S. Air Force could favorably impact our operating results in 2001 as compared with 2000. The five-year contract is valued at $180 million and has the potential to generate revenue of $458 million over the next 15 years.



BASIS OF PRESENTATION

FMC Corporation has operated the businesses it will transfer to us in the separation as internal units of FMC Corporation through various divisions and subsidiaries or through investments in unconsolidated affiliates. Our combined financial statements have been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses. FMC Corporation has provided general and administrative services to our businesses, including accounting, treasury, tax, legal, human resources, information technology and other corporate and infrastructure services. The costs of these services have been allocated to us and included in our combined financial statements based upon the relative levels of use of those services causing the incurrence of the expenses. The expense allocations have been determined on the basis of assumptions and estimates that management believes to be a reasonable reflection of our utilization of those services. These allocations and estimates, however, are not necessarily indicative of the costs and expenses that would have resulted if we had operated as a separate entity in the past, or of the costs we may incur in the future. For information relating to our relationship with FMC Corporation and services and arrangements between FMC Corporation and us following the separation, see "Arrangements Between FMC Technologies and FMC Corporation." For more information regarding these or other allocations made in connection with the preparation of our combined financial statements, see Note 2 and the other notes to those statements.

The financial information presented in this prospectus does not reflect the debt or interest expense we would have incurred if we were a stand-alone

entity. In addition, the financial information presented in this prospectus may not be indicative of our combined financial position, operating results or cash flows in the future or what our financial position, operating results and cash flows would have been had we been a separate, stand-alone entity during the periods presented. The financial information presented in this prospectus does not reflect any changes that will occur in our funding or operations as a result of this offering, the distribution and our becoming a stand-alone entity.



RESULTS OF OPERATIONS

The following table summarizes our combined operating results for the years ended December 31, 1998, 1999 and 2000, which were derived from our audited combined financial statements included elsewhere in this prospectus, and our combined operating results for the three months ended March 31, 2000 and 2001, which were derived from our unaudited combined financial statements included elsewhere in this prospectus. The information contained in the table should be read in conjunction with the selected historical combined financial data and the historical combined financial statements and notes thereto included elsewhere in this prospectus. Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, interest income and expense associated with corporate debt facilities and investments, income taxes, asset impairments and restructuring and other charges (See Note 5 to our combined financial statements), last-in, first-out, or LIFO, inventory adjustments and other income and expense items.

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2000 | 2001 |
| | | | | (UNAUDITED) | |
| REVENUE | | | | | |
| Energy Systems | $1,320.9 | $1,129.4 | $1,037.3 | $256.4 | $246.8 |
| FoodTech | 549.3 | 537.3 | 573.3 | 124.8 | 108.5 |
| Airport Systems | 320.0 | 290.9 | 267.2 | 60.7 | 74.7 |
| Intercompany eliminations | (4.7) | (4.5) | (2.6) | -- | (0.6) |
| Total revenue | $2,185.5 | $1,953.1 | $1,875.2 | $441.9 | $429.4 |
| SEGMENT OPERATING PROFIT | | | | | |
| Energy Systems | $ 95.2 | $ 97.1 | $ 72.4 | $ 11.0 | $ 9.0 |
| FoodTech | 43.5 | 50.3 | 53.8 | 10.5 | 3.5 |
| Airport Systems | 29.3 | 13.9 | 15.2 | 1.6 | 5.9 |
| Total segment operating profit | 168.0 | 161.3 | 141.4 | 23.1 | 18.4 |
| Corporate expenses | (36.4) | (35.3) | (33.7) | (8.4) | (8.1) |
| Other expense, net | (3.9) | (6.9) | (1.5) | (1.8) | (0.7) |
| Operating profit, before asset impairments, restructuring and other charges, net interest income (expense) and income tax expense | 127.7 | 119.1 | 106.2 | 12.9 | 9.6 |
| Asset impairments | -- | (6.0) | (1.5) | -- | (1.3) |
| Restructuring and other charges | -- | (3.6) | (9.8) | -- | (9.2) |
| Net interest income (expense) | (1.9) | 0.5 | (4.3) | 0.1 | (1.1) |
| Income (loss) from continuing operations, before income taxes and the cumulative effect of a change in accounting principle | 125.8 | 110.0 | 90.6 | 13.0 | (2.0) |
| Provision for income taxes | 38.6 | 33.5 | 22.7 | 3.4 | 1.6 |

| | | | | | |
|---|---|---|---|---|---|
| Income (loss) from continuing operations before the cumulative effect of a change in accounting principle..... | 87.2 | 76.5 | 67.9 | 9.6 | (3.6) |
| Discontinued operations, net of income taxes..... | -- | (5.5) | -- | -- | -- |
| Income (loss) before the cumulative effect of a change in accounting principle..... | 87.2 | 71.0 | 67.9 | 9.6 | (3.6) |
| Cumulative effect of a change in accounting principle, net of income taxes..... | -- | -- | -- | -- | (4.7) |
| Net income (loss)..... | $ 87.2 | $ 71.0 | $ 67.9 | $ 9.6 | $ (8.3) |



THREE MONTHS ENDED MARCH 31, 2001 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2000

Overview. Our profit for the three months ended March 31, 2001 before significant non-recurring items was $8.5 million before tax ($6.2 million after tax), compared with earnings for the three months ended March 31, 2000 of $13.0 million ($9.6 million after tax). Significant one-time items in the first quarter of 2001 consisted of impairment and restructuring charges of $10.5 million ($6.5 million after tax), the cumulative effect of a change in accounting principle of $7.5 million ($4.7 million after tax), and tax expense related to the repatriation of offshore earnings of $3.3 million. No significant one-time items occurred during the first quarter of 2000.

Revenue. Our total revenue for the three months ended March 31, 2001 decreased $12.5 million, or 2.8%, to $429.4 million, compared to $441.9 million for the three months ended March 31, 2000. Lower sales for Energy Systems and FoodTech were partly offset by increased revenue from Airport Systems. Energy Systems sales in the first three months of 2001 decreased $9.6 million, or 3.7%, to $246.8 million, from $256.4 million in the first three months of 2000. FoodTech's revenue in the first three months of 2001 decreased $16.3 million, or 13.1%, to $108.5 million, from $124.8 million in the first three months of 2000. Airport Systems' revenue in the first three months of 2001 increased $14.0 million, or 23.1%, to $74.7 million, from $60.7 million in the first three months of 2000.

Lower Energy Systems' revenue in the first three months of 2001 reflected a reduction in sales of floating production equipment and, to a lesser extent, subsea systems. This decline was partially offset by continued strength in demand for fluid control equipment. In the first three months of 2001, lower subsea systems sales for projects in the North Sea and offshore West Africa were partly offset by increased sales of subsea systems for projects in the Gulf of Mexico and offshore Brazil.

FoodTech's revenue declined in the first three months of 2001, primarily as a result of lower sales of fruit and tomato processing equipment and food sterilization systems. Lower sales were due in large part to the timing of major projects and reduced capital investment by customers because of lower prices for tomatoes, poultry and citrus. An increase in sales of freezing equipment in the first three months of 2001, attributable to the acquisition of Northfield Freezing Systems Group on February 16, 2000, partially offset this reduction in revenue.

Increased revenue for Airport Systems in the first three months of 2001 reflects higher volumes for all types of our airport ground support equipment consisting of deicers, cargo loaders and push-back tractors. Purchases of deicers were postponed by customers in the fourth quarter of 2000, and higher sales of cargo loaders and push-back tractors were attributable to the air freight market. Also contributing to improved sales in the first three months of 2001 when compared with the same period in 2000 is revenue from the Next Generation Small Loader contract with the United States Air Force.

Segment Operating Profit. Total segment operating profit decreased $4.7

million, or 20.3%, to $18.4 million in the three months ended March 31, 2001 from $23.1 million in the three months ended March 31, 2000. Energy Systems' operating profit in 2001 decreased $2.0 million, or 18.2%, to $9.0 million from $11.0 million in the first three months of 2000. FoodTech's operating profit decreased $7.0 million, or 66.7%, to $3.5 million from $10.5 million in the first three months of 2000. Airport Systems' operating profit increased $4.3 million, or 268.8%, to $5.9 million from $1.6 million in the first three months of 2000.

Energy Systems' lower operating profit in the first three months of 2001 was primarily due to lower subsea volumes in the North Sea and West Africa and was offset somewhat by improvements in business areas for surface wellhead and fluid control equipment and the subsea systems business in the Gulf of Mexico and offshore Brazil.

FoodTech's operating profit decreased in the first three months of 2001 as a result of lower sales of fruit and tomato processing equipment and food sterilization systems. This reduction was partially offset by lower costs, primarily due to the benefit of cost reduction initiatives that began in 2000 and involved reductions in headcount and process improvements.



Airport Systems' operating profit increased in the first three months of 2001, primarily reflecting the timing of deicer sales, increased volumes of cargo loaders sold to the air freight market and improved manufacturing efficiencies realized from the higher volumes. In addition, increased profitability was realized from the Next Generation Small Loader business. Lower margins on Jetway(R) Systems, primarily related to spending on new product releases for two domestic projects, partially offset the increased profitability.

Corporate Expenses. Due to ongoing and prior restructuring efforts, corporate expenses decreased $0.3 million, or 3.6%, from $8.4 million for the three months ended March 31, 2000, to $8.1 million for the three months ended March 31, 2001.

Other Expense, net. Other expense, net, which is comprised primarily of LIFO inventory adjustments and pension income or expense, decreased from $1.8 million to $0.7 million for the three months ended March 31, 2000 and 2001, respectively. This is the result of a decrease in the LIFO inventory expense in 2001.

Asset Impairments and Restructuring and Other Charges. In the first quarter of 2001, we recorded an asset impairment and one-time restructuring charges of $10.5 million before taxes ($6.5 million after tax). An asset impairment of $1.3 million was required to write off goodwill associated with a small FoodTech product line which we do not intend to develop further. Restructuring charges were $9.2 million, of which $5.2 million related to planned reductions in force of 91 individuals in the Energy Systems businesses, $2.5 million related to planned reductions in force of 72 positions in the FoodTech businesses, and $1.5 million related to a planned plant closing and restructuring of an Airport Systems facility, including 73 planned workforce reductions. Restructuring spending of $1.1 million related to the 2001 programs occurred during the three months ended March 31, 2001.

Net Interest Income (Expense). Net interest is associated with cash balances and third-party debt in our operating companies. Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies have been minimal and are not representative of what our actual debt or cash balances would have been had we been a separate, stand-alone entity. Net interest expense for the three months ended March 31, 2001 was $1.1 million, compared to interest income of $0.1 million during the three months ended March 31, 2000. The increase in net interest expense in 2001 was primarily the result of a reduction of short-term marketable securities in foreign businesses.

Income Tax Expense. Income tax expense for the three months ended March 31, 2001 was $1.6 million on a pretax loss of $2.0 million from continuing operations. Excluding the effects of restructuring and impairment charges and the tax expense related to the repatriation of offshore earnings, income tax expense for the quarter was $2.3 million on adjusted pretax earnings of $8.5 million, resulting in an effective tax rate of 27%. Income tax expense of $3.4

million for the first quarter of 2000 resulted in an effective tax rate of 26%. The differences between the effective tax rates for these periods and the statutory U.S. Federal income tax rate relate primarily to differing foreign tax rates, foreign sales corporation benefits, incremental state taxes and non-deductible goodwill amortization and expenses.

Cumulative Effect of a Change in Accounting Principle, Net of Income Taxes. On January 1, 2001, the Company implemented, on a prospective basis, Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, resulting in a loss from the cumulative effect of a change in accounting principle of $4.7 million, net of an income tax benefit of $3.0 million. See Notes 3 and 14 to the combined financial statements and "Recently Adopted Accounting Pronouncements" below.

Net Income (Loss). Net income (loss) in 2001 decreased $17.9 million to $(8.3) million, compared with $9.6 million in 2000, due primarily to the recording of the cumulative effect of a change in accounting principle consisting of an after-tax charge of $4.7 million in the first quarter of 2001. Also in the first quarter of 2001, we recorded asset impairments and one-time restructuring charges totaling $6.5 million on an after-tax basis and had a pretax decrease in segment operating profit of $4.7 million when compared with first quarter 2000.



Order Backlog. Our combined order backlog as of March 31, 2001 was $835.8 million, of which $548.5 million was related to Energy Systems, $129.3 million was related to FoodTech, and $158.0 million was related to Airport Systems. At December 31, 2000, our combined order backlog was $644.3 million, of which $425.1 million was related to Energy Systems, $88.6 million was related to FoodTech and $130.6 million was related to Airport Systems.

The increase in Energy Systems' backlog is primarily the result of strengthening in the subsea market and an increase in orders for surface systems. FoodTech's backlog increased, primarily reflecting the tendency of customers to place orders for capital equipment at the beginning of the calendar year. The increase in backlog for Airport Systems is, in large part, the result of our contract to provide the United States Air Force with Next Generation Small Loaders. Additionally, air freight carriers placed substantial orders early in 2001. Partially offsetting the increases to Airport Systems' backlog is a reduction in Jetway(R) backlog due to the completion of several large projects in 2001, combined with lower Jetway(R) orders received in late 2000.

YEAR ENDED DECEMBER 31, 2000 COMPARED WITH YEAR ENDED DECEMBER 31, 1999

Overview. Our profit for the year ended December 31, 2000 before significant non-recurring items was $101.9 million before tax ($74.8 million after tax), compared with profit before one-time items for the year ended December 31, 1999 of $119.6 million ($82.4 million after tax). Significant one-time items in 2000 consisted of impairment and restructuring and other charges of $11.3 million ($6.9 million after tax). Significant one-time items in 1999 consisted of impairment and restructuring and other charges of $9.6 million ($5.9 million after tax) and a charge related to discontinued operations of $9.0 million ($5.5 million after tax).

Revenue. Our total revenue for the year ended December 31, 2000 decreased $77.9 million, or 4.0%, to $1,875.2 million, compared to $1,953.1 million for the year ended December 31, 1999, as a result of declines in Energy Systems' and Airport Systems' revenue, partially offset by increased FoodTech revenue. Energy Systems' revenue in 2000 decreased $92.1 million, or 8.2%, to $1,037.3 million from $1,129.4 million in 1999. FoodTech's revenue in 2000 increased $36.0 million, or 6.7%, to $573.3 million, compared to $537.3 million in 1999. Airport Systems' revenue in 2000 decreased $23.7 million, or 8.1%, to $267.2 million from $290.0 million in 1999.

Lower Energy Systems' revenue in 2000 reflected continued delays by oil and gas companies in the awarding of new contracts for large subsea projects. The delays were attributable in part to restructuring and merger activity in the oil and gas industry and to delays experienced by oil and gas companies in obtaining required government approvals for subsea projects located offshore West Africa. Higher sales of surface wellhead and fluid control equipment in

2000, historically considered a leading indicator of market activity, partly offset the lower subsea revenue.

FoodTech's 2000 revenue increased by $36.0 million, of which $38.5 million was attributable to the acquisition of Northfield Freezing Equipment in February 2000, $19.0 million was attributable to growth in our aftermarket services and $5.5 million was attributable to higher volumes of tomato and fruit processing equipment, particularly to customers in Asia. These increases were partially offset by a $21.7 million decrease in our sales of agricultural machinery and by a $5.5 million decrease in sales of poultry processing equipment.

Airport Systems' revenue decreased in 2000 compared to 1999 by $12.1 million due to lower sales of domestic loaders and $9.4 million, as a result of decreased sales of loaders in Europe and the Middle East. The reduced loader sales resulted as airlines responded to higher operating costs, primarily driven by higher fuel costs in 2000, by restricting capital purchases. The reduction in revenue was partly offset by an increase of $6.5 million in sales of our Jetway(R) passenger boarding bridges.

Segment Operating Profit. Total segment operating profit decreased $19.9 million, or 12.3%, to $141.4 million in 2000 from $161.3 million in 1999. Energy Systems' operating profit in 2000 decreased $24.7 million, or 25.4%, to $72.4 million from $97.1 million in 1999. Operating profit for FoodTech and Airport Systems increased $3.5 million and $1.3 million, respectively. FoodTech's operating profit increased 7.0% to $53.8 million, and Airport Systems operating profit increased 9.4% to $15.2 million.



Energy Systems' operating profit in 2000 and 1999 included pre-tax gains of $0.5 million and $4.6 million, respectively, from the sale of assets. Excluding these gains, Energy Systems' operating profits decreased 22.3% to $71.9 million in 2000 from $92.5 million in 1999. This decrease was primarily the result of lower sales volumes of subsea and floating production systems due to delays in the awarding of new contracts by oil and gas companies, and an $8.1 million increase in research and development expense, primarily directed at new subsea market initiatives.

FoodTech's operating profit increased in 2000 due primarily to cost reductions from prior restructuring activities. This increase was partially offset by reduced profits from lower sales of poultry processing equipment and lower margins on freezers, the latter being the result of an increase in competitive pressure in response to industry consolidation in the freezer market.

Airport Systems' operating profit increased in 2000 as compared to 1999 due primarily to higher sales volumes of our Jetway(R) systems and the effect of a cost overrun that occurred in 1999 associated with an international Jetway(R) project. The higher operating profit was partly offset by lower profits on ground support equipment due to reduced margins that were driven by lower sales volumes and changes in customer mix.

Corporate Expenses. Corporate expenses decreased $1.6 million, or 4.5%, to $33.7 million in 2000 from $35.3 million in 1999, due to ongoing and prior restructuring efforts.

Other Expense, net. Other income and expense is comprised primarily of LIFO inventory adjustments and pension income or expense. Pension and other postretirement benefit expense decreased from $8.7 million in 1999 to $5.2 million as a result of an increase in the discount rate used to calculate pension expense for 2000.

Asset Impairments and Restructuring and Other Charges. In the second quarter of 2000, we recorded asset impairments and restructuring and other one-time charges totaling $11.3 million before taxes, or $6.9 million after taxes. Asset impairments of $1.5 million were required to write down selected Energy Systems' machinery to its estimated recoverable amount after a decision was made to withdraw from several non-core manufacturing activities. An analysis of estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. Restructuring and other one-time charges were $9.8 million before taxes, and included $8.0 million, which resulted primarily from strategic decisions to restructure selected FoodTech operations due to economic downturns in a number of markets in which we participate as

well as decisions to withdraw from several manufacturing activities which are no longer considered core competencies. The restructuring consisted of reductions in force of 236 individuals and is expected to result in reduced compensation expense beginning in 2001. Restructuring charges of $1.4 million at Energy Systems consisted of severance costs related to reductions in force of 68 individuals as a result of the delay in orders received from oil and gas companies for major systems. The Energy Systems restructuring is also expected to result in reduced compensation expense beginning in 2001. Restructuring charges of $0.4 million related to a corporate reduction in force. The remaining 53 workforce reductions associated with these restructuring programs were completed during the first quarter of 2001.

Net Interest Income (Expense). Net interest is associated with cash balances and third-party debt in our operating companies. Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies have been minimal and are not representative of what our actual debt or cash balances would have been had we been a separate, stand-alone entity. Net interest expense in 2000 was $4.3 million, compared to interest income of $0.5 million in 1999. The increase in net interest expense in 2000 was primarily the result of a reduction of short-term marketable securities in foreign businesses.

Income Tax Expense. Income tax expense in 2000 was $22.7 million, resulting in an effective tax rate of 25.0%, as compared to income tax expense of $33.5 million and an effective tax rate of 30.4% in 1999. The differences between the effective tax rates for these periods and the statutory U.S. Federal income tax rate relate primarily to differing foreign tax rates, foreign sales corporation benefits, incremental state taxes and non-deductible goodwill amortization and expenses. A greater benefit from lower foreign tax rates in 2000 accounted for the overall decreased effective rate compared to 1999.



Discontinued Operations. In 1999, we recorded a provision for discontinued operations of $9.0 million ($5.5 million after tax) to increase our actuarially-determined product liability reserves associated with discontinued machinery businesses. See Note 12 to our combined financial statements for further information regarding this provision, our discontinued operations reserves and related product liability claims.

Net Income. Net income in 2000 decreased $3.1 million, or 4.4%, to $67.9 million, compared to $71.0 million in 1999.

Order Backlog. Our combined order backlog as of December 31, 2000 was $644.3 million, of which $425.1 million was related to Energy Systems, $88.6 million was related to FoodTech and $130.6 million was related to Airport Systems. Our combined order backlog as of December 31, 1999 was $840.6 million, of which $593.4 million was related to Energy Systems, $114.3 million was related to FoodTech and $132.9 million was related to Airport Systems. The decline in Energy Systems' order backlog in 2000 as compared with 1999 was primarily related to delays by oil and gas companies in the awarding of new contracts for large subsea projects. The decline in order backlog for FoodTech in 2000 as compared with 1999 was primarily the result of our increased deliveries of food processing equipment and the receipt of fewer orders in 2000.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Overview. Our profit for the year ended December 31, 1999 before significant non-recurring items was $119.6 million before tax ($82.4 million after tax), compared with earnings for the year ended December 31, 1998 of $125.8 million ($87.2 million after tax). Significant one-time items in the 1999 period consisted of impairment and restructuring and other charges of $9.6 million ($5.9 million after tax) and a charge related to discontinued operations of $9.0 million ($5.5 million after tax). No significant one-time items occurred during 1998.

Revenue. Our total revenue for the year ended December 31, 1999 decreased $232.4 million, or 10.6%, to $1,953.1 million, compared to $2,185.5 million for the year ended December 31, 1998, as a result of a decline in revenue across all of our segments. Energy Systems' revenue in 1999 decreased $191.5 million, or 14.5%, to $1,129.4 million from $1,320.9 million in 1998. FoodTech's revenue in 1999 decreased $12.0 million, or 2.2%, to $537.3 million from $549.3 million

in 1998. Airport Systems' revenue in 1999 decreased $29.1 million, or 9.1%, to $290.9 million, compared to $320.0 million in 1998.

Lower Energy Systems' revenue reflected reduced customer exploration and production spending in 1999 compared to 1998, due to lower crude oil and natural gas prices in 1998 and in the first half of 1999. In addition, market uncertainty related to the direction of oil and natural gas prices and consolidation by major oil companies resulted in delays in subsea projects. Energy Systems' revenue in 1999 also declined following the disposition of our Crosby Valve business to a subsidiary of Tyco International Ltd. in 1998. Crosby Valve, which had revenue of $52.5 million through the date of divestiture in July 1998, was not strategically aligned with other Energy Systems businesses. Partly offsetting these declines were higher deliveries relating to the Elf Girassol Angola and Terra Nova Canada projects and higher sales to several of Energy Systems' alliance customers, including Shell Exploration and Production U.S.A. and Exxon.

FoodTech's lower revenue in 1999 was mainly the result of lower sales of our freezing systems and the divestiture of our converting equipment product line in 1998. Partly offsetting these reductions were increased sales in 1999 of food processing equipment to major food processors, primarily canning systems and tomato and citrus equipment sales to global markets.

The decline in Airport Systems' revenue in 1999 compared to its revenue in 1998 was primarily due to lower domestic sales of cargo loaders, as most of the major airlines completed replacement programs of older fleets in 1998 and returned to more normal purchasing patterns in 1999. Lower revenue was also attributable to decreased volumes in 1999 in our Jetway(R) business. This reduction was partially offset by increased sales of ground support equipment to European airports and airlines.



Segment Operating Profit. Total segment operating profit decreased $6.7 million, or 4.0%, in 1999 to $161.3 million, compared to $168.0 million in 1998. Energy Systems' operating profit in 1999 increased $1.9 million, or 2.0%, to $97.1 million from $95.2 million in 1998. FoodTech's operating profit increased $6.8 million, or 15.6%, in 1999 to $50.3 million, compared to $43.5 million in 1998. Operating profit for Airport Systems declined $15.4 million, or 52.6%, to $13.9 million in 1999 from $29.3 million in 1998.

Energy Systems' operating profit in 1999 and 1998 included pre-tax gains of $4.6 million and $16.0 million, respectively, from the sale of assets. Excluding these gains, Energy Systems' operating profit increased by 16.8% from $79.2 million in 1998 to $92.5 million in 1999. Energy Systems' increased operating profit in 1999 compared to 1998 resulted from improved margins driven by product mix and cost reduction efforts.

FoodTech's higher operating profit in 1999 compared to 1998 was the result of improved pricing, a higher percentage of sales to the food and citrus processing industries and lower operating expenses in our freezer business.

Airport Systems' lower operating profit in 1999 compared to 1998 was a result of lower sales volumes, particularly for loaders, and lower profits for passenger boarding bridge projects due to a cost overrun in 1999 associated with an international Jetway(R) project.

Corporate Expenses. Corporate expenses decreased $1.1 million, or 3.1%, to $35.3 million in 1999 from $36.4 million in 1998, due to ongoing and prior cost reduction efforts.

Other Expense, net. Other income and expense is comprised primarily of LIFO inventory adjustments and pension income or expense. Pension and postretirement benefit expense of $8.7 million in 1999 increased from $2.9 million in 1998 because of a decrease in the discount rate used to calculate pension expense in 1999 and a 1999 provision for nonqualified pension benefits.

Asset Impairments and Restructuring and Other Charges. In the third quarter of 1999, we recorded asset impairments and restructuring and other one-time charges totaling $9.6 million before taxes, or $5.9 million after taxes. Asset impairments of $6.0 million before taxes were required to write-down selected FoodTech assets as estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. The

restructuring and other one-time charges of $3.6 million before taxes resulted primarily from strategic decisions to divest or restructure selected corporate departments and a number of businesses, including selected Energy Systems and FoodTech operations.

Net Interest Income (Expense). Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies have been minimal and are not representative of what our actual debt or cash balances would have been had we been a separate, stand-alone entity. Net interest income in 1999 was $0.5 million, compared to net interest expense in 1998 of $1.9 million. The reduced net interest expense in 1999 resulted from lower average debt balances.

Income Tax Expense. Income tax expense in 1999 was $33.5 million, resulting in an effective tax rate of 30.4%, compared to income tax expense of $38.6 million and an effective tax rate of 30.7% in 1998. The differences between the effective tax rates for these periods and the statutory U.S. Federal income tax rate relate primarily to differing foreign tax rates, foreign sales corporation benefits, incremental state taxes and non-deductible goodwill amortization and expenses.

Discontinued Operations. In 1999, we recorded a provision for discontinued operations of $9.0 million ($5.5 million after tax) to increase our actuarially-determined product liability reserves associated with discontinued businesses. See Note 12 to our combined financial statements for further information regarding this provision, our discontinued operations reserves and related product liability claims.

Net Income. Net income in 1999 decreased $16.2 million, or 18.6%, to $71.0 million, compared to $87.2 million in 1998.



Order Backlog. Our combined order backlog as of December 31, 1999 was $840.6 million, of which $593.4 million was related to Energy Systems, $114.3 million was related to FoodTech and $132.9 million was related to Airport Systems. Our combined order backlog as of December 31, 1998 was $1,133.9 million, of which $877.9 million was related to Energy Systems, $128.3 million was related to FoodTech and $127.8 million was related to Airport Systems.

The lower order backlog for Energy Systems reflected reduced customer exploration and production spending in 1999 as compared to 1998. Lower backlog for FoodTech in 1999 compared with 1998 was the result of timing of significant projects, primarily $19.0 million that related to two orders completed during 1999. Higher backlog for Airport Systems in 1999 was attributable to Jetway(R) passenger boarding bridges and was partly offset by a decrease in backlog for other airport ground support equipment.

LIQUIDITY AND CAPITAL RESOURCES

We had cash and cash equivalents of $12.0 million at March 31, 2001, and $17.8 million and $40.1 million at December 31, 2000 and 1999, respectively. Cash required by operating activities was $22.2 million and $32.7 million for the three months ended March 31, 2001 and 2000, respectively. We generated cash from operating activities of $8.0 million in 2000, compared to $152.7 million in 1999 and $196.4 million in 1998. Operating working capital, which excludes cash and cash equivalents, short-term debt and income tax balances, increased $110.4 million from $40.6 million at December 31, 1999 to $151.0 million at December 31, 2000. Operating working capital increased $18.6 million from December 31, 2000 to $169.6 million at March 31, 2001. Our working capital balances vary significantly depending on the payment terms and timing of delivery on key contracts, particularly for Energy Systems' customers. During 1998 and 1999, working capital requirements declined significantly due to favorable advance payment terms on key contracts, many of which were approaching completion in 2000. Working capital requirements rose significantly in 2000 and in the first quarter of 2001 due to the delay by oil and natural gas companies in awarding significant new long-term contracts, and a trend toward lower advance payments.

During the fourth quarter of 1999, FMC Corporation entered into an accounts receivable financing facility under which accounts receivable are sold without recourse through a wholly owned, bankruptcy remote subsidiary. As part of FMC Corporation, we have participated in the receivable financing facility,

which resulted in a reduction of accounts receivable of $38.0 million and $22.3 million on our combined balance sheets at December 31, 2000 and 1999, respectively. Net discounts recognized on sales of receivables are included in selling, general and administrative expenses in the combined statements of income and amounted to $0.1 million and $0.3 million for the years ended December 31, 2000 and 1999, respectively.

Cash required by investing activities was $7.9 million and $12.5 million for the three months ended March 31, 2001 and 2000, respectively. Cash provided by investing activities was $63.4 million in 2000, compared to cash required by investing activities of $6.5 million in 1999 and $128.6 million in 1998. Cash inflows in 2000 include the redemption of Tyco preferred stock received in conjunction with the sale of Crosby Valve for $128.7 million, including dividends of $1.2 million. In addition, in 2000, we acquired Northfield Freezing Equipment for $39.8 million in cash and the assumption of liabilities. In 1998, we acquired a majority interest in an energy services business for $82.8 million, net of cash acquired, and in 1999, we acquired additional outstanding shares of the same business for $21.7 million and now own approximately 98%. We routinely evaluate potential acquisitions, divestitures and joint ventures in the ordinary course of business. We are not currently engaged in any negotiations or discussions with third parties regarding any material transactions.

During 2000 and 1999, we entered into agreements for the sale and leaseback of $13.7 million and $29.1 million of equipment, respectively. We received net proceeds of $22.5 million in 2000 and $52.1 million in 1999 in connection with these transactions. Non-amortizing deferred credits were recorded in conjunction with the sale transactions. These credits totaled $31.8 and $23.4 million at December 31, 2000 and 1999, respectively, and are included in other long-term liabilities. For more information on these sale and leaseback transactions, see Note 7 to our combined financial statements.



Total borrowings were $31.7 million at March 31, 2001, and $41.1 million and $12.0 million at December 31, 2000 and 1999, respectively. Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies has been minimal and is not representative of what our actual debt balances would have been had we been a separate stand-alone entity.

We anticipate that our debt after giving effect to this offering will be approximately $305.1 million or $274.1 million if the underwriters' over-allotment option is fully exercised. In addition, the amount of debt we will assume will be adjusted for the cash flow from operations from April 1, 2001 to the closing of this offering. After this offering, our committed credit will consist of two revolving credit facilities: a $250 million five-year credit agreement and a $150 million 364-day revolving credit facility, both of which we will assume from FMC Corporation as of May 31, 2001. As a part of FMC Corporation, we previously had access to funds available under FMC Corporation's revolving credit and other debt facilities, which will remain with FMC Corporation in the separation. In order to allocate debt between the remaining businesses of FMC Corporation and us in the separation, FMC Corporation and we entered into the $250 million five-year credit agreement and the $150 million 364-day revolving credit facility, as well as a $200 million 180-day revolving credit facility. FMC Corporation received all of the proceeds from, and we will assume the obligations under, those credit facilities. We expect to use the estimated $204.9 million of net proceeds from this offering to pay down all borrowings outstanding under the $200 million 180-day revolving credit facility and to use the remaining net proceeds to pay down a portion of the borrowings outstanding under the $150 million 364-day revolving credit facility. Our management believes that the amount of debt that we will assume, reduced by the application of the net proceeds from this offering, represents a reasonable and appropriate level of debt for our company.

After this offering, we expect to be able to borrow up to $250 million from FMC Corporation on a revolving basis from time to time. We anticipate that this arrangement will be governed by a credit agreement to be entered into between FMC Corporation and us on an arm's-length basis and with interest rates approximating those in the credit facilities we have assumed. We expect that this credit agreement will terminate, and any amounts outstanding under the credit agreement will become payable, at the time of the distribution.

We expect to meet our operating needs, fund capital expenditures and potential acquisitions and meet debt service requirements through cash generated from operations and the credit facilities discussed above. On or before the completion of this offering, we will discontinue selling accounts receivable. Consequently, it is expected that receivables will increase over time with a corresponding increase in debt. As of March 31, 2001, the balance of accounts receivable we sold was approximately $33.0 million. Capital spending is forecast to be approximately $60 million for 2001, compared with $43.1 million in 2000.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISKS

We are subject to financial market risks, including fluctuations in currency exchange rates. In managing our exposure to these risks, we may use derivative financial instruments in accordance with the established policies and procedures discussed below. We do not use derivative financial instruments for trading purposes. At March 31, 2001 and December 31, 2000, our derivative holdings consisted primarily of foreign currency forward contracts.

When our operations sell or purchase products or services, transactions are frequently denominated in currencies other than the particular operation's functional currency. We mitigate our exposure to variability in currency exchange rates when possible through the use of natural hedges, whereby purchases and sales in the same foreign currency and with similar maturity dates offset one another. Additionally, we initiate hedging activities, generally by entering into foreign exchange forward contracts with third parties when natural hedges are not feasible. The maturity dates and currencies of the exchange agreements that provide hedge coverage are synchronized with those of the underlying purchase or sales commitments, and the amount of hedge coverage related to each underlying transaction does not exceed the amount of the underlying purchase or sales commitment.



To monitor our currency exchange rate risks, we use a sensitivity analysis, which measures the impact on earnings of an immediate 10% devaluation in the foreign currencies to which we have exposure. This calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar. Based on the sensitivity analysis at March 31, 2001, such a fluctuation in currency exchange rates in the near term would not materially affect our combined operating results, financial position or cash flows. We believe that our hedging activities have been effective in reducing our risks related to historical currency exchange rate fluctuations.

As of December 31, 1999 and 2000, we held foreign exchange forward contracts with notional amounts of approximately $388.7 million and $417.8 million, respectively, in which foreign currencies (primarily Norwegian krone, Singapore dollars and British pounds) were purchased. As of those same dates, we also held foreign exchange forward contracts with notional amounts of approximately $254.2 million and $335.7 million, respectively, in which foreign currencies (primarily Singapore dollars, British pounds, euros and Norwegian krone in 1999 and Norwegian krone, Swedish krona, Singapore dollars and British pounds in 2000) were sold. Notional amounts are used to measure the volume of derivative financial instruments and do not represent potential gains or losses on these agreements.

During September 1998, we entered into $33.0 million of forward contracts to offset risks associated with the portions of our Brazilian investments denominated in the Brazilian real. During the first quarter of 1999, the Brazilian real devalued. Losses from the decline in value of our real-denominated investments during the 1999 devaluation, as well as 1999 economic losses related to the Brazilian economic crisis, were offset by gains on these forward contracts.

Our debt instruments will subject us to the risk of loss associated with movements in interest rates. We may from time to time enter into arrangements to manage or mitigate interest rate risk utilizing derivative financial instruments.

For more information on derivative financial instruments, see Notes 3 and 14 to the combined financial statements.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, was effective for our combined financial statements beginning January 1, 2001. This statement requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in fair value of the hedged item through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings immediately. Our adoption of this statement on January 1, 2001 resulted in the recognition of a net loss of $4.7 million after tax in the combined statement of income and a charge of $1.3 million after tax to other comprehensive income in the first quarter of 2001, both of which were accounted for as the cumulative effect of a change in accounting principle.

CONVERSION TO THE EURO

On January 1, 1999, 11 European Union member states adopted the euro as their common national currency. During the transition period ending January 1, 2002, either the euro or a participating country's present currency will be accepted as legal tender. Beginning on January 1, 2002, euro-denominated bills and coins will be issued, and by July 1, 2002, the euro will be the only currency that the member states will use.

We continue to address the strategic, financial, legal and systems issues related to the various phases of the transition. We are evaluating customer and business needs on a timely basis and are attempting to anticipate and prevent complications related to the conversion. Throughout the transition period, we have incurred and will continue to incur minor costs related primarily to programming changes in our information systems.



# BUSINESS

OVERVIEW

We design, manufacture and service technologically sophisticated systems and products for our customers through our Energy Systems, FoodTech and Airport Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. FoodTech is a leading supplier of specialized food handling and processing systems and products to industrial food processing companies. Airport Systems provides technologically advanced equipment and services for airlines, airports and air freight companies. During the year ended December 31, 2000, we generated $1,875.2 million of revenue after intercompany eliminations. In 2000, Energy Systems generated $1,037.3 million of revenue, resulting in a 14.5% compound annual growth rate since 1994. FoodTech and Airport Systems generated $573.3 million and $267.2 million of revenue in 2000, respectively, resulting in compound annual growth rates of 10.4% and 12.5% since 1994, respectively.

ENERGY SYSTEMS

Energy Systems is a global leader in the provision of subsea drilling and production systems, including subsea tree systems that control the flow of crude oil and natural gas from the well, systems for floating production solutions and surface drilling and production systems, to oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. Worldwide exploration and production spending by oil and gas companies has increased from approximately $43.7 billion in 1994 to approximately $91.0 billion in 2000, representing a compound annual growth rate of 13.0%. In addition, worldwide exploration and production spending is expected to increase an estimated 18.1% in 2001 to approximately $107.5 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

We are also a leading provider of specialized, high-performance fluid

control systems and products, measurement systems, loading systems and blending and transfer systems to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.

We supply subsea systems to leading exploration and production companies. We are a major supplier of subsea tree systems and associated services to five companies projected to be among the eight most active developers of subsea oil and gas over the next five years based on projected subsea tree installations. In addition, during the first quarter of 2001, we entered into an alliance with BP Amoco p.l.c. regarding its deepwater development programs in the Gulf of Mexico. We believe that the continuing consolidation in the oil and gas industry will lead to further outsourcing by the major oil companies and the selection of a limited number of vendors. We believe our customers prefer vendors that can provide comprehensive systems and services that are engineered to fit their individual needs--particularly for highly capital-intensive and technologically challenging subsea deepwater projects.

With our integrated systems for subsea exploration and production, we have aggressively pursued alliances with oil and gas companies that are actively engaged in the subsea development of crude oil and natural gas. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments by our customers. Our customers have sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide an integrated solution to their needs. Our alliances establish important ongoing relationships with our customers. While most of our alliances do not commit our customers to purchase our systems and services, they have historically led to, and we expect that they will continue to result in, such purchases.



We have an established presence in more than 30 countries and are involved in all of the world's major subsea crude oil and natural gas basins currently under development. Since 1995, we have installed, or been awarded contracts for the installation of, more subsea tree systems than any other manufacturer. Since 1994, we have installed more than 315 subsea trees, which reside on the ocean floor and are used to control and regulate the flow of crude oil and natural gas from wells. Of the trees that we have installed since 1994, approximately 89% are located off the coast of Brazil, in the Gulf of Mexico, off the coast of West Africa or in the North Sea. Deepwater fields are forecasted to account for 90% of the reserves to be developed in fields off the coast of Brazil, 89% in the Gulf of Mexico and 45% off the coast of West Africa.

We have developed our leadership position through our investment in and application of technology to our systems and products. In 1987, we set a world record for the deepest subsea tree completion at 1,348 feet off of the coast of Brazil, and between 1987 and 2000, we set another five world records. To maintain our leading technology, between 1994 and 2000, we have increased our research and development spending by an average of 15.7% per year. Our research and development teams have focused on introducing new systems and services that lower our customers' operating costs and capital requirements to access deepwater reserves. To meet the demands of crude oil and natural gas production in increasingly deeper water, we are currently focusing on developing subsea systems for use in up to 10,000 feet of water under conditions that involve extreme well pressures and temperatures. In addition, to enhance the recovery of subsea crude oil and natural gas reserves and improve the financial returns associated with subsea developments, we are developing systems that are intended to lower the cost of intervening into subsea wells and to put subsea processing and other production-related activities on the ocean floor.

Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, Energy Systems' financial performance generally has been less affected by short-term market cycles and volatile commodity prices than the financial performance of companies operating in other sectors of the oilfield services industry. Most of the systems that we supply are highly engineered to meet the unique demands of our customers and are typically ordered one or two years prior to installation. We believe that, due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital intensive than companies operating in other sectors of the oilfield services

industry due to factors such as high engineering content, the outsourcing of certain low value-added manufacturing and advance payments received from customers.

GROWTH STRATEGY

Worldwide exploration and production spending is expected to increase approximately 18.1% in 2001, and subsea tree installations are projected to increase at a compound annual growth rate of 17.0% between 2000 and 2004. Worldwide exploration and production spending is expected to increase an estimated 21.5% in 2001 to $107.5 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

From 1994 to 2000, Energy Systems' revenue and segment operating profit increased at compound annual rates of 14.5% and 31.8%, respectively. Energy Systems' revenue for 1994 includes the first full year of its ownership of two acquired subsea businesses, Kongsberg Offshore A.S. and SOFEC, Inc. These two acquisitions substantially expanded Energy Systems' scope of subsea products and contributed to the development of our subsea systems and floating production offerings.



We believe that growth in Energy Systems is based upon our ability to supply the integrated systems required by the high-growth deepwater sector of the exploration and production industry. We expect that demand for these systems will continue to increase as exploration and production of crude oil and natural gas in technologically challenging deepwater and remote areas increases. In addition to benefiting from the expected growth in the business areas we serve, we intend to pursue select, complementary acquisitions and the following internal growth strategy:

- FOCUS ON TECHNOLOGICAL INNOVATION. We have increased Energy Systems' research and development spending by a compound annual rate of 15.7% from 1994 to 2000 to $33.8 million in 2000. We believe that our technological innovations have optimized product performance and led to breakthrough installation techniques, yielding substantial cost savings that have helped to make deepwater production and the development of smaller fields an economic reality. We believe that reductions in the total cost of production of an offshore field and the technological challenges posed by ultra-deepwater production have been, and will continue to be, major factors influencing the development of subsea products and services.

- DEVELOP AND MAINTAIN ALLIANCES WITH KEY CUSTOMERS. We intend to expand our current alliances and form new alliances with other companies active in the oil and gas industry. Through our relationships with our customers, we are able to refine and standardize our systems and services over many projects and to optimize offshore installation techniques for the lowest total cost and maximum reservoir recovery.

- PROVIDE A BROAD PACKAGE OF SYSTEMS AND SERVICES. We intend to develop and acquire additional systems and services that complement our current offerings and leverage our worldwide infrastructure. As major oil companies increasingly outsource non-core operations, we believe that they will continue to seek suppliers, like us, that can provide an integrated solution to their exploration and production needs through a single-sourced package of related systems and services.

INDUSTRY

The primary factor influencing demand for the exploration and production systems and services that we provide is the exploration and production spending of oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs.

The oil and gas industry has increasingly focused on deepwater field development. This heightened focus has resulted in increases in new deepwater

discoveries, deepwater exploration and production spending, offshore crude oil and natural gas production volume and the number of deepwater drilling rigs. For example, the number of deepwater crude oil and natural gas discoveries has increased from 16 during 1994 to 68 during 1999. Deepwater fields are forecast to account for 90% of the reserves to be developed in fields off the coast of Brazil, 89% in the Gulf of Mexico and 45% off the coast of West Africa. Since 1978, a total of 40 billion barrels of oil equivalent has been discovered in deepwater locations, and only 4% of those barrels have been produced.

We estimate that, in 1994, the major oil and gas companies spent approximately 23% of their exploration and production budgets on deepwater activities. We further estimate that, in 2000, they spent approximately 50% of their exploration and production budgets on deepwater activities. This increased exploration and production activity in offshore fields has resulted in significant increases in the amount of crude oil and natural gas produced from offshore areas in recent years. In 1990, worldwide non-OPEC offshore oil production was 10.9 million barrels of oil per day, representing 26% of the worldwide non-OPEC production.



In 2000, worldwide non-OPEC offshore oil production was 19.3 million barrels of oil per day, representing 40% of the worldwide non-OPEC production.

The oilfield services industry has recognized this movement to offshore and deepwater exploration and production and are investing the capital required to meet the demands of this increasing activity. For example, offshore drilling contractors are increasing the number of drilling rigs capable of operating in deepwater. A drilling rig capable of operating in ultra-deepwater, which involves depths beyond 5,000 feet, represents a significant investment, typically between $160 million and $380 million for a new rig. Since 1994, 41 new drilling rigs were added to operate in ultra-deepwater. This represents approximately a six-fold increase from 1994 levels of drilling rigs with equivalent water depth capabilities.

The reduction in development costs of crude oil and natural gas and the development of efficient technological solutions in response to the extreme environmental and logistical challenges presented by deepwater have been, and we believe will continue to be, major factors influencing the growth of the subsea oilfield services industry. In addition, consolidation among oil and gas companies, and the cost-cutting initiatives that have resulted, have led to more outsourcing of functions previously performed by the oil and gas companies. These factors have driven three principal ongoing trends:

- technological improvements and refined installation techniques;
- growth in the use of subsea systems and services; and
- delivery of more integrated systems of related products and services for subsea developments.

Technological improvements and refined installation techniques. Oil and gas companies have increasingly relied upon more sophisticated technologies to reach remote crude oil and natural gas reserves deep below the ocean's surface. Advances in exploration and production techniques, such as three-dimensional seismic data collection and interpretation, directional drilling, deepwater completion technology and floating production facilities, have contributed significantly to the ability of oil and gas companies to economically recover these remote reserves. For example, oil and gas companies have increasingly used technologically sophisticated floating production platforms, as opposed to fixed platforms, as they permit oil and gas companies to produce, process and offload crude oil and natural gas from offshore fields having widely differing production characteristics and water depths. These include:

- floating production, storage and offloading vessels, or FPSOs, which are ships fitted with crude oil and natural gas production and processing systems;
- tension leg platforms, or TLPs, which are floating production and drilling structures that are anchored to the ocean floor with tendons; and
- SPARs, which are cylindrical floating production and drilling structures anchored to the seabed by a spread mooring pattern of

cables.

In 1994, there were only four TLPs and no SPARs in operation worldwide. In 2001, it is anticipated that the number of units in operation worldwide will increase to 14 TLPs and four SPARs. Likewise, currently, there are 72 FPSOs in operation or under construction, as compared to 23 in 1994.

Technological improvements and refined installation techniques provide opportunities for Energy Systems to expand our subsea offerings to new, complementary technologies that are used in deepwater production.

Growth in the use of subsea products and services. As improved subsea technology has increased the water depths at which this technology may be applied, the number of subsea completions installed each year on a worldwide basis has increased significantly, from 123 in 1994 to an estimated 206 in 2000, representing a 9.0% compound annual growth rate. In addition, oil and gas companies have used subsea technology in conjunction with floating production technology to develop reservoirs where a fixed platform is not economical



or practical. These techniques have become increasingly important as cost-efficient methods to recover crude oil and natural gas reserves.

In response to this trend, we intend to continue to expand and improve our capabilities for engineering, project management, global procurement, manufacturing, construction and testing, as well as field support for installation, commissioning, intervention and maintenance of subsea developments throughout the life of the field.

Delivery of more integrated solutions for subsea developments. To further reduce the cost of subsea developments, oil and gas companies are increasingly relying on a primary subsea contractor to provide extensive project coordination and management. As a result of this trend, engineering, procurement, installation and commissioning, or EPIC, turnkey contracting has emerged as one alternative to customary, segmented contracts. One form of subsea EPIC turnkey contracting involves a single contractor providing global project coordination and management for a broad range of products and services. In EPIC turnkey contracting, significant cost efficiencies can be realized by a primary contractor with extensive internal resources. As such, a primary contractor like us is generally able to engineer and design integrated systems that have a minimum number of interface gaps between otherwise independent products and systems.

Consolidation among oil and gas companies, as evidenced by the publicly-announced mergers and acquisitions within the oil and gas sector, has also driven the demand for integrated solutions for subsea developments. These consolidations and the resulting cost-cutting initiatives have led to more outsourcing of functions previously performed by the oil and gas companies, such as project engineering and project management. We believe this will lead to a greater demand for integrated subsea systems and services like those we provide.

In addition to the total level of exploration and production of crude oil and natural gas, the spending of oil and gas companies on the delivery and distribution of crude oil and natural gas influences the demand for transportation and processing systems and products. Economic factors influencing this spending include the demand for natural gas, the need for liquid petroleum and natural gas custody transfer solutions, the importation of liquid natural gas, facility upgrades in refineries and distribution terminals and new pipeline construction.

SYSTEMS, PRODUCTS AND SERVICES

Energy Systems provides customers with systems consisting of a package of technologically sophisticated products and services. We design and manufacture each system to provide our customers with a customized combination of products and services that offer integrated solutions to help solve the problems they face in the exploration, production, transportation and processing of crude oil and natural gas.

We market our systems through our own sales force comprised of over 150 technically-oriented sales personnel, as well as agents in selected countries who operate on a commission basis. Approximately 39% of Energy Systems' sales

are made on a percentage of completion basis as opposed to a "ship and bill" basis.

Subsea Systems. We are a leading supplier of systems used in the production of crude oil and natural gas reserves located below the ocean's surface. Subsea systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host facility, such as an FPSO, TLP, SPAR or fixed platform. A host facility remotely controls the subsea equipment and acts as a distribution hub to receive the crude oil and natural gas produced from the subsea wells. The distance between a subsea system and the host facility can vary from near proximity to 20 or more miles. Subsea systems require sophisticated technology, requiring a high degree of technical expertise and innovation. These systems are designed to withstand exposure to the extreme atmospheric pressure that deepwater environments present as well as internal pressures of up to 15,000 pounds per square inch from the well. For deepwater developments, subsea systems are installed with the assistance of remotely operated vehicles that are deployed from a drilling rig or support vessel.



We provide integrated subsea development systems, including the initial engineering design studies, subsea completion systems, control systems, manifolds, templates, flow line connection and tie-in systems, installation and workover tools and wellheads. In order to provide these systems and services, we have developed capabilities, such as system and detail engineering, project management and global procurement, manufacturing, construction and testing, as well as field support for installation, commissioning, intervention and maintenance of subsea developments throughout the life of the field.

Floating Production. We are a global supplier of turret and mooring systems for FPSOs. We also design and supply marine import and export terminals.

A key component of the economical development of offshore crude oil and natural gas reserves is the use of floating production systems as the host facility. An FPSO is one type of floating production system that permits oil and gas companies to produce, process and offload crude oil and natural gas from offshore fields having widely differing production characteristics and water depths. FPSOs typically perform the same function as fixed offshore platforms in the production of crude oil and natural gas, but FPSOs cannot be used as a platform for drilling and heavy well maintenance. In many circumstances, FPSOs provide a number of advantages over fixed platforms. For example, FPSOs are suitable for a wide range of field sizes and water depths, may be reused on more than one development, generally cost less and are easier to install and remove than fixed platforms and may reduce the time from the discovery of crude oil and natural gas to production.

A typical field development involving an FPSO consists of wells completed using subsea systems that are connected to the FPSO by flexible or rigid pipes referred to as "risers" that carry the crude oil and natural gas from the ocean floor to the vessel. The risers are connected to a turret, which is anchored in place by a mooring system, allowing the FPSO to rotate according to the prevailing weather and sea conditions. The FPSO controls the flow of crude oil and natural gas from the subsea wells through a subsea control system that communicates with each subsea well through an umbilical line. The crude oil and natural gas are pre-processed onboard the FPSO and are exported to shuttle tankers via off-take systems.

In addition to our capabilities for designing and producing turret and mooring systems, we own a 37.5% interest in MODEC International LLC, a joint venture with a wholly owned subsidiary of Mitsui Group. MODEC International designs and supplies FPSOs and TLPs. Like FPSOs, TLPs provide a number of advantages over fixed platforms, including the ability to operate in a wider range of water depths, generally lower installation and operating costs, ability to reuse on other fields, easier installation and removal and, potentially, a shorter period of time to construct and install. FPSOs are currently used in operations off the coast of West Africa and Brazil and in the North Sea. Although FPSOs currently are prohibited from being used off the coast of the United States, we believe they will be approved for use in the Gulf of Mexico within the next several years.

Surface. We provide a full range of surface wellheads and trees for standard and critical service applications. Surface wellhead equipment is used

to support the casing and tubing strings in a well. In addition, the surface wellhead equipment contains the well pressure, while the surface tree is used to control and regulate the flow from the well. Our surface products and systems are used worldwide on both land and offshore applications, including TLP and SPAR platforms. Our technical and engineering expertise makes us a leading supplier of critical service products used in difficult climatic conditions, such as Arctic cold or high temperatures. Our surface business supports its customers through leading engineering, manufacturing, field installation support and aftermarket services.

Fluid Control. We are a leading supplier of flowline products, reciprocating pumps and compact manifold systems for a range of oilfield applications.

Our flowline products include high-pressure swivels, fittings and valves used by other oilfield services companies in pressure pumping applications. These products provide the conduit between the well service pumps and the wellhead during cementing or well stimulation operations. The high-pressure and corrosive nature of the chemicals used in cementing and well stimulation operations dictates that flow line products typically are replaced frequently.



Our reciprocating pump product line includes duplex, triplex and quintuplex pumps utilized in a variety of applications. Typical applications include charge pumps for blow-out preventor accumulators, injection pumps for enhanced production and pumps utilized in reverse osmosis systems for producing potable water on offshore and other remote locations. In addition, we are a leading supplier of pumps to the trenchless drilling industry, which has emerged as the primary means of laying fiber optic cable.

We are a leading supplier of compact production manifolds for the offshore industry. Building upon a uniquely designed family of compact valves and fittings, we assume turnkey responsibility for the design, engineering, manufacturing, fabrication and installation of high-pressure production manifolds suited for applications where weight and space are of paramount importance. As a result, our systems are used throughout the world on offshore fixed platforms, TLPs, SPARs and FPSOs.

Loading Systems. We are a leading supplier of land and marine-based fluid loading and transfer systems to the oil and gas industry. Our systems are capable of loading and offloading marine vessels transporting a wide range of fluids, such as crude oil, liquefied natural gas and refined products. While these systems are typically constructed on a fixed jetty platform, we also supply advanced loading systems that can be mounted on a vessel to facilitate ship-to-ship loading and offloading operations.

Measurement Systems. We are a leading supplier of precision measurement systems for use in custody transfer of crude oil, natural gas and refined products. We combine the strength of advanced metering technology with state-of-the-art electronics and supervisory control systems to provide the precise measurement of fluids for purposes such as verifying ownership and determining revenue or tax obligations.

Blending and Transfer. We are a leading supplier of blending systems for the petroleum industry, and we supply bulk conveying systems to the power industry. Our process and software engineering, mechanical design and project management expertise enables us to execute these projects on a turnkey basis.

FOODTECH

FoodTech is a leading supplier of specialized handling and processing systems and services to food processing companies. We design, manufacture and service technologically sophisticated food handling and processing systems used for, among other things, convenience food preparation and citrus juice extraction for industrial food processors. Our products include citrus juice extraction equipment, sterilization systems and commercial freezing systems.

Our historical and current strong positions in business areas in which we operate have provided us with a large installed base of systems and equipment. We currently have an installed base of more than 5,800 industrial freezers, 2,850 juice extractors, 1,200 sterilizer units and 1,000 coating systems.

FoodTech's equipment is located in more than 100 countries around the

world. We estimate that our equipment processes approximately 75% of the global production of orange juice, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes a significant portion of the world's canned foods. Through our global presence, we are able to follow the geographical expansion and consolidation of our customers and continue to provide the same high level of service and aftermarket support around the world.

We believe that we have leading positions in most of the business areas in which we operate as a result of our application of superior technology to create solutions for our customers' specific requirements. For example, our flat product freezer is a leading technology used for freezing products such as hamburgers. We estimate that our freezers process approximately 60% of the hamburgers sold by McDonald's restaurants. Our continuing presence with our customers in our aftermarket business enables us to tailor our research and development efforts to fit our customers' specific requirements.



Growth Strategy

From 1994 to 2000, FoodTech's revenue and segment operating profit increased at compound annual rates of 10.4% and 24.1%, respectively.

We believe FoodTech's historical growth resulted from providing technologically based systems and products for food processing companies. In addition to benefiting from the expected growth in many of the industry segments we serve, we intend to continue to broaden the scope of systems, equipment and services that we provide. We further intend to leverage our installed base of products and systems to enhance customer relationships, generate new business and grow our aftermarket equipment and service operations.

- PROVIDE BROADER SOLUTIONS. We intend to grow through increasing our scope of systems, equipment and services, such as through the integration of coating, cooking and freezing systems. As our customers continue to consolidate and expand geographically, they are reducing their supplier base and developing stronger relationships with their remaining suppliers. In the fragmented food equipment industry, our strong customer relationships, strong industry position and large installed base give us a unique opportunity to provide our customers with additional systems and support.

- INCREASE AFTERMARKET OPERATIONS. We intend to continue to leverage our large installed base of industrial freezers, sterilizer units, coating systems and juice extractors to grow our aftermarket equipment and services operations. From 1994 to 2000, FoodTech's aftermarket revenue increased at a compound annual rate of approximately 11.7%. We provide retrofits to accommodate changing operational requirements and continuous, proactive service, including, in some cases, on-site personnel.

Industry

The food industry is undergoing continuing consolidation. Major food retailers are increasing their purchasing power through combinations. To maintain profitability, food processors are being pressured to become more efficient and to lower costs. As a result, they are consolidating and are seeking technologically sophisticated integrated systems and services, such as those we provide, to maximize the efficiency of their operations, while maintaining high standards of food safety.

Consumer demand in several segments of the convenience food industry we serve has increased during the last decade, and is expected to continue to grow. For example, worldwide retail sales of frozen ready meals are forecast to increase at a compound annual rate of 4.5% through 2005. In addition, the fast food industry is growing, and fast food companies are expanding geographically. For example, McDonald's international restaurant sales grew at an annual rate of 17.0% from 1985 through 1999. Trends such as these have increased the demand for systems and services that we supply to food processors which in turn use our systems and services to supply processed food to food retailers and fast food restaurants.

We believe that projected growth in these industries and the trend toward consolidation will continue to result in food processors outsourcing an increasing amount of non-core services and seeking suppliers to provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

Systems, Products and Services

We offer a broad portfolio of systems, equipment and services to our customers. We market our systems through our own sales force comprised of approximately 170 technically oriented sales personnel as well as in some cases, through independent distributors and sales representatives. The majority of FoodTech's sales are made on a "ship-and-bill" basis as opposed to under percentage-of-completion contracts. Some of our equipment is provided under full-service leases for which we are paid fixed rates, plus payments based on



actual production volumes. The majority of these full-service leases are three to five years in duration and incorporate the provision of equipment and, in many cases, full-time, on-site maintenance personnel. Our customers typically renew such contracts upon expiration.

Food Processing Systems. We are a leading supplier of commercial citrus processing equipment. We estimate that our citrus extraction equipment processes approximately 75% of the global production of orange juice. Our primary products and services include citrus juice extractors, by-product systems and processing plants and aseptic juice and pulp systems.

We are also a leading global supplier of sterilization systems used for the production of shelf-stable and pasteurized packaged foods including fruits, vegetables, soups, milk and a broad range of ready meals. Components of these systems include a filler, a closer, a sterilizer and a control system. In addition, we are among the leading suppliers of tomato processing equipment.

Food Systems and Services. We are the largest supplier of industrial freezing equipment to the world's food processing industry. We estimate that our industrial freezer equipment freezes about 50% of commercially frozen foods on a global basis. We design, assemble and sell a number of industry-leading freezing technologies including fluidization, self-stacking spiral and flat product freezing technologies. Our equipment is used for a variety of frozen food products, such as meat, seafood, poultry, bakery products, ready meals, fruits, vegetables and dairy products.

We also manufacture and supply an array of equipment and services that enable us to provide integrated coating and cooking systems for a variety of convenience foods. We believe that our installed base of systems processes more meat, seafood and poultry products in North America than that of any other supplier. Our products include continuous batter-breading, frying and oven-cooking equipment. In addition, we supply complete processing lines for the production of french fries and potato chips.

Aftermarket Services. We also provide aftermarket services and products for our systems and equipment. We provide retrofits to accommodate changing operational requirements and continuous, proactive service, including, in some cases, on-site personnel. These systems and other services enable us to provide an integrated approach to addressing critical problems faced by our customers.

AIRPORT SYSTEMS

Airport Systems is a leading supplier of air cargo loaders and passenger boarding bridges to commercial airlines and air freight companies. We also design, manufacture and service technologically advanced equipment and systems for airlines, airports and air freight companies.

Through our leading positions in the business areas in which we operate, we have an installed base of more than 5,500 cargo loaders, which we believe to be the world's largest. We also have an installed base of more than 5,000 passenger boarding bridges, 750 deicers and 700 push-back tractors.

We are able to successfully deliver products around the world and continue to provide a high level of service and aftermarket support. Airport Systems' equipment is located in more than 70 countries around the world.

We believe that our leading positions in most of the business areas in which we operate resulted from our ability to apply superior technology to create solutions for the specific requirements of our customers. We invented airline passenger boarding bridges and remain the leading supplier of this product. In addition, as a result of our relationship with passenger boarding bridge customers, we developed additional features such as power and preconditioned air generators and potable water suppliers, that provide comfort for our customers' passengers and are intended to simplify and expedite airplane turnaround at gates.



Growth Strategy

From 1994 to 2000, Airport Systems' revenue and segment operating profit increased at compound annual rates of 12.5% and 57.4%, respectively.

We believe Airport Systems' historical growth resulted from providing technology-based systems and products for airlines, airports and air freight companies. In addition to benefiting from the expected growth in the industry segments we serve, we intend to continue to broaden the scope of systems, equipment and services that we provide and to grow our aftermarket products and services.

- PROVIDE BROADER SOLUTIONS. We intend to grow through increasing the scope of systems, equipment and services that we provide to our customers. As our air transportation customers consolidate, expand geographically and form alliances, our existing customer relationships and technologically advanced systems provide us the customer knowledge, reputation and installed base that will help us provide more comprehensive systems and services.

- INCREASE AFTERMARKET OPERATIONS. We intend to continue to leverage our large installed base of cargo loaders, passenger boarding bridges and deicers to grow our aftermarket equipment and services operations to provide improved operational efficiency for our customers. From 1994 to 2000, Airport Systems' aftermarket revenue increased at a compound annual rate of approximately 7.3%.

Industry

The worldwide fleet of airplanes is forecast to grow at a compound annual rate of 4.3% through 2019, primarily driven by global economic development, increased trade and the deregulation of airline markets and supported by growth in both passenger traffic and air cargo. To accommodate this growth, airports, airlines and air freight companies are expected to expand their existing infrastructure. As a result of the projected airline fleet growth and the demand that this growth is placing on current systems and infrastructure, airports, airlines and air freight companies are seeking suppliers that can provide total solutions such as integrated systems and processes to support their operations.

Significant consolidations and strategic alliances are reshaping the air transportation industry. Five airline alliances currently represent approximately 50% of the total worldwide passenger traffic, causing the industry to seek broader solutions to support the efficient use of the airplane fleets.

As with the industries served by FoodTech, we believe that the projected growth in the air transportation industry and the trend toward consolidation will continue to result in airlines, airports and air freight companies outsourcing an increasing amount of non-core services and seeking out suppliers like us who can provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

Systems, Products and Services

We offer a broad portfolio of systems, equipment and services to our customers. We market our systems through our own sales force of technically oriented sales personnel as well as in some cases through independent distributors and sales representatives. The majority of Airport Systems' sales

are made on a "ship-and-bill" basis as opposed to under percentage-of-completion contracts.



Air Cargo Loaders and Other Ground Support Equipment. We are a leading supplier of air cargo loaders to commercial airlines and air freight service providers. Our loaders service wide-body jet aircraft and can be configured to lift up to 30 tons. We provide what we believe to be the loader of choice for most major customers. From 1995 to present, we have been the sole supplier of cargo loaders to FedEx Corporation. Our installed base of approximately 5,500 loaders in operation around the world is greater than that of any of our competitors. Additionally, in 2000, we were awarded a contract to supply the U.S. Air Force with a commercial air cargo loader known as the Next Generation Small Loader, which is expected to generate revenue of approximately $180 million over the next five years. We also manufacture deicers and push-back tractors.

Passenger Boarding Bridges. We manufacture Jetway(R) passenger boarding bridges, which have been a market leader for more than 40 years. We have an installed base of more than 5,000 Jetway(R) bridges.

Aftermarket Services. We also provide aftermarket services and products for our systems and equipment. We provide retrofits to accommodate changing operational requirements and continuous, proactive service, including, in some cases, on-site personnel. These systems and other services enable us to provide an integrated approach to addressing critical problems faced by our customers.

RESEARCH AND DEVELOPMENT

The objectives of our research and development programs are to discover new products and business opportunities in relevant fields, and to improve existing products. Worldwide expenditures for research and development by business segment for the three most recent fiscal years were as follows:

| | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| | 1998 | 1999 | 2000 |
| | (IN MILLIONS) | | |
| Energy Systems | $24.7 | $25.7 | $33.8 |
| FoodTech | 18.0 | 17.9 | 15.1 |
| Airport Systems | 8.0 | 8.2 | 7.8 |
| Total | $50.7 | $51.8 | $56.7 |

INTELLECTUAL PROPERTY

We own a number of U.S. and foreign patents, trademarks and licenses that are cumulatively important to our business. We own approximately 1,460 U.S. and foreign patents and have approximately 850 patent applications pending in the United States and abroad. Further, we license certain intellectual property rights to or from third parties. We also own numerous U.S. and foreign trademarks and trade names and have approximately 1,040 registrations and pending applications in the United States and abroad. We do not believe that the loss of any one or group of related patents, trademarks or licenses would have a material adverse effect on our overall business.

COMPETITION

We market our products primarily through our own technically-oriented sales organization, and, in some cases, through independent distributors and sales representatives. We conduct business worldwide in more than 100 countries. Energy Systems competes with other companies that supply subsea systems and floating production products, and with smaller companies that are focused on a specific application, technology or geographical area in our other

product areas. FoodTech and Airport Systems compete with a variety of local and regional companies, which typically are focused on a specific application, technology or geographical area, and with a few large multinational companies.

We compete by leveraging our industry experience to provide advanced technology, integrated systems, high product quality and reliability and quality aftermarket service. In Energy Systems, we differentiate ourselves by the depth of our industry experience, engineering and design capabilities, product performance, integrated systems, global manufacturing capability, quality, reliability, service and price. In FoodTech and Airport Systems, we differentiate ourselves on many of the same bases as in Energy Systems--the depth of our industry experience, engineering and design capabilities, product performance, integrated



systems, reliability, service and price--and, in the food processing industry in particular, on the basis of yield and hygiene.

ORDER BACKLOG

Our combined order backlog as of March 31, 2001 was $835.8 million, of which $548.5 million was related to Energy Systems, $129.3 million was related to FoodTech and $158.0 million was related to Airport Systems. Our combined order backlog as of December 31, 2000 was $644.3 million, of which $425.1 million was related to Energy Systems, $88.6 million was related to FoodTech, and $130.6 million was related to Airport Systems. Although we provide many of our systems, equipment and services pursuant to long-term agreements entered into in advance of the delivery of those items to our customers, orders are not entered into order backlog until formally recognized by receipt of a confirmed customer order.

EMPLOYEES

As of December 31, 2000, approximately 9,300 people were employed in our U.S. and foreign operations. Approximately 500 of our employees are represented by collective bargaining agreements in the United States. Outside the United States, various local agreements apply. In 2000, three of our collective bargaining agreements in the United States covering approximately 360 employees were renegotiated. In 2001, one additional contract will expire, which is under negotiation at the present time. We maintain good employee relations and have successfully concluded virtually all of our recent negotiations without a work stoppage. In those rare instances where a work stoppage has occurred, there has been no material effect on our combined revenue and earnings. We, however, cannot predict the outcome of future contract negotiations.

FACILITIES AND PROPERTIES

We lease executive offices in Chicago, Illinois. Most of our plant sites are owned. We believe our properties and facilities meet our current operating requirements and are in good operating condition and that each of our significant manufacturing facilities is operating at a level consistent with the industry in which we operate. The significant production properties for our Energy Systems operations currently are:

| LOCATION | SQ. FEET (APPROXIMATE) | LEASED OR OWNED |
|---|---|---|
| United States: | | |
| Tupelo, Mississippi | 330,000 | Owned |
| Oklahoma City, Oklahoma | 40,000 | Owned |
| Erie, Pennsylvania | 350,000 | Owned |
| Corpus Christi, Texas | 15,000 | Owned |
| Houston, Texas | 390,000 | Owned |
| Stephenville, Texas | 300,000 | Owned |
| International: | | |
| Rio de Janeiro, Brazil | 225,000 | Owned |
| Sens, France | 185,000 | Owned |

| | | |
|---|---|---|
| Ellerbek, Germany | 200,000 | Owned |
| Kongsberg, Norway | 568,000 | Leased |
| Singapore, RS | 97,000 | Owned |
| Dunfermline, Scotland | 152,000 | Owned |
| Maracaibo, Venezuela | 60,000 | Owned |



The significant production properties for our FoodTech operations currently are:

| LOCATION | SQ. FEET (APPROXIMATE) | LEASED OR OWNED |
|---|---|---|
| United States: | | |
| Madera, California | 250,000 | Owned |
| Stockton, California | 58,000 | Owned/Leased |
| Lakeland, Florida | 208,000 | Owned |
| Hoopeston, Illinois | 359,000 | Owned |
| Northfield, Minnesota | 48,000 | Owned |
| Sandusky, Ohio | 140,000 | Owned |
| Smithville, Ohio | 52,000 | Owned |
| Newberg, Oregon | 101,000 | Leased |
| Chalfont, Pennsylvania | 350,000 | Leased |
| Homer City, Pennsylvania | 267,000 | Owned |
| International: | | |
| St. Niklaas, Belgium | 539,000 | Owned |
| Araraquara, Brazil | 94,000 | Owned |
| Collecchio, Italy | 34,000 | Leased |
| Parma, Italy | 68,000 | Owned |
| Helsingborg, Sweden | 227,000 | Owned/Leased |
| Fakenham, United Kingdom | 117,000 | Owned |

The significant production properties for our Airport Systems operations currently are:

| LOCATION | SQ. FEET (APPROXIMATE) | LEASED OR OWNED |
|---|---|---|
| United States: | | |
| Orlando, Florida | 253,000 | Owned |
| Ogden, Utah | 350,000 | Owned |
| International: | | |
| Madrid, Spain | 27,000 | Owned |

LEGAL PROCEEDINGS

Pursuant to the separation and distribution agreement, at the time of our separation from FMC Corporation, we will assume liabilities related to specified legal proceedings. As a result, although FMC Corporation will remain the named defendant, we will manage the litigation and indemnify FMC Corporation for costs, expenses and judgments arising from this litigation. The following describes legal proceedings to which FMC Corporation or we are a party and for which we will assume any liabilities or receive any benefits.

We are involved in a patent infringement lawsuit entitled IMODCO Inc. v. FMC Corporation and SOFEC, Inc., CA No. H-99-2174, involving FPSO turret mooring systems. Pursuant to the separation and distribution agreement, we will assume any and all liabilities of FMC Corporation that have arisen or may arise in the future in connection with this lawsuit. There are currently no specific,

quantified liabilities that have arisen in connection with this lawsuit. IMODCO brought this action against FMC Corporation and our wholly owned subsidiary SOFEC in the U.S. District Court for the Southern District of Texas on July 7, 1999. The relief IMODCO seeks includes preliminary and permanent injunctions to stop the alleged infringement, damages, attorney's fees, costs and interest. FMC Corporation and SOFEC filed a counterclaim seeking a declaratory judgment that the patent is invalid and that no infringement has occurred as well as attorney's fees



and costs. We believe that our design does not infringe the IMODCO patent and that the IMODCO patent is invalid and unenforceable. We are confident that we will prevail in this litigation, but, like all litigation, the ultimate result cannot be reliably predicted. If we do not prevail, significant damages could be assessed against SOFEC and us, but would be limited to two systems installed to date. Even in these two cases, there are additional defenses to any award. In addition, any recovery supporting the validity of the IMODCO patent could affect the types of products SOFEC or we could offer to the oil and gas industries. Nevertheless, we do not believe this lawsuit will have a material effect on our results of operations, financial condition or liquidity.

We are aware of other potential claims that may arise in the ordinary course of our business. For example, Cooper Cameron Corporation has brought a patent infringement action against Kvaerner Oilfield Products, Inc. alleging that a Cooper Cameron patent on a horizontal tree system has been infringed. While FMC Corporation and we are not parties to that litigation, we produce a similar system. We believe, however, that the Cooper Cameron patent is invalid and unenforceable. If the Cooper Cameron patent is found to be valid and enforceable, however, they could demand significant royalty costs from us for installed and future systems, and they could possibly attempt to enforce that demand through litigation. Any remedy could affect the types of products we could offer to the oil and gas industry. In addition, we have developed, applied for a patent regarding and are now selling a new design that we also believe does not infringe any patents.

In addition, under the separation and distribution agreement, we have assumed specified liabilities relating to discontinued machinery businesses of FMC Corporation. Among the assumed liabilities are those arising in connection with cranes and other equipment that several of these businesses manufactured and sold. From time to time personal injury and other claims have been made regarding cranes or other equipment. We have reserved $30.6 million as of December 31, 2000, which we believe to be an adequate amount to cover any liabilities arising in connection with any of these claims.

We are involved in other legal proceedings arising in the ordinary course of business. Although the results of litigation cannot be predicted with certainty, we do not believe that the resolution of the proceedings that we are involved in, either individually or taken as a whole will have a material adverse effect on our business, results of operations or financial condition.

RAW MATERIALS

For all of our business segments, we purchase carbon steel, stainless steel, aluminum and steel castings and forgings both domestically and internationally. We do not use single source suppliers for the majority of our raw material purchases and believe the available supplies of raw materials are adequate. Moreover, raw materials essential to our business are generally readily available.

DEPENDENCE ON KEY CUSTOMERS

No single customer accounts for more than 10% of our 2000 combined revenue.

Energy Systems' customers include large oil and gas companies, and we have signed multiyear alliances and agreements to supply certain of their major projects with our systems and services. In any given year, purchases by these large oil and gas companies vary significantly. The loss of one or more of these customers could have a material adverse effect on Energy Systems.

Our Airport Systems business has been the sole supplier of air cargo loaders to FedEx Corporation since 1995. The loss of FedEx as our customer could have a material adverse effect on Airport Systems.

GOVERNMENT CONTRACTS

Our contract to supply the U.S. Air Force with our commercial air cargo loader, the Next Generation Small Loader, is expected to generate revenue of approximately $180 million over the next five years, with the potential for the value of the contract to increase to $458 million over the next 15 years. U.S. defense contracts are unilaterally terminable at the option of the U.S. government with compensation for work completed and costs incurred. Contracts with the U.S. government are subject to special laws and regulations, the noncompliance with which may result in various sanctions.



GOVERNMENTAL REGULATION AND ENVIRONMENTAL MATTERS

Our operations are subject to various federal, state, local and foreign laws and regulations governing the prevention of pollution and the protection of environmental quality. If we fail to comply with these environmental laws and regulations, administrative, civil and criminal penalties may be imposed, and we may become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. We may also be subject to civil claims arising out of a pollution event. These laws and regulations may expose us to liability for the conduct of or conditions caused by others or for our own acts even though these actions were in compliance with all applicable laws at the time they were performed.

Under the Comprehensive Environmental Response, Compensation and Liability Act, referred to as CERCLA, and related state laws and regulations, joint and several liability can be imposed without regard to fault or the legality of the original conduct on certain classes of persons that contributed to the release of a hazardous substance into the environment. These persons include the owner and operator of a contaminated site where a hazardous substance release occurred and any company that transported, disposed of or arranged for the transport or disposal of hazardous substances that have been released into the environment, and including hazardous substances generated by any closed operations or facilities. In addition, neighboring landowners or other third parties may file claims for personal injury, property damage and recovery of response cost. In addition, we may be subject to the corrective action provisions of the Resource, Conservation and Recovery Act, or RCRA, and analogous state laws that require owners and operators of facilities that treat, store or dispose of hazardous waste to clean up releases of hazardous waste constituents into the environment associated with their operations.

We are currently remediating two contaminated properties, one in Lakeland, Florida and another in Orlando, Florida. We have set aside reserves of $2.7 million for these sites, which we believe will be adequate to complete the remediation projects at those sites. We are currently not aware of any additional liability related to hazardous waste disposal sites, although other sites may exist. Under the separation and distribution agreement between FMC Corporation and us, we are responsible for environmental liabilities and obligations relating to specified closed businesses, including liability for any contamination at any former properties used in connection with those closed businesses. We believe that it is unlikely that any material liability will be incurred in connection with those closed businesses.

Our businesses historically have resulted in significantly less remediation liability than those businesses remaining with FMC Corporation under the separation and distribution agreement. For instance, as of December 31, 1999, FMC Corporation had set aside $266.8 million for environmental liabilities, but only $3.3 million of this amount was attributable to our businesses. We anticipate that our future exposure to environmental liabilities associated with contaminated properties will be consistent with our past experiences, and therefore we do not expect any material liabilities to arise in connection with those businesses.

Some of our facilities and operations are also governed by laws and regulations relating to worker health and workplace safety, including the Federal Occupational Safety and Health Act, or OSHA. We believe that appropriate precautions are taken to protect our employees and others from harmful exposure to potentially hazardous materials handled and managed at our facilities, and that we operate in substantial compliance with all OSHA or similar regulations.

# MANAGEMENT

## DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning our directors and executive officers. Unless otherwise indicated, each position was with us. Prior to the closing of this offering, we intend to add seven additional directors, two of whom will be unaffiliated with us or FMC Corporation. All ages are as of January 1, 2001.

| NAME | AGE | POSITION(S) |
|---|---|---|
| Robert N. Burt | 63 | Chairman and Director |
| Joseph H. Netherland | 54 | Chief Executive Officer, President and Director |
| William H. Schumann III | 50 | Senior Vice President, Chief Financial Officer and Director |
| Mike R. Bowlin | 58 | Nominee for Director |
| B.A. Bridgewater, Jr. | 66 | Nominee for Director |
| Asbjorn Larsen | 64 | Nominee for Director |
| Edward J. Mooney | 59 | Nominee for Director |
| William J. Reilly | 62 | Nominee for Director |
| James M. Ringler | 55 | Nominee for Director |
| James R. Thompson | 64 | Nominee for Director |
| Charles H. Cannon, Jr. | 48 | Vice President |
| Jeffrey W. Carr | 44 | Vice President and General Counsel |
| Peter D. Kinnear | 52 | Vice President |
| Robert L. Potter | 50 | Vice President |
| Ronald D. Mambu | 51 | Vice President and Controller |
| Stephanie K. Kushner | 45 | Vice President and Treasurer |
| Michael W. Murray | 54 | Vice President--Human Resources |

ROBERT N. BURT has served as our Chairman of the Board of Directors since February 16, 2001. Since November 1991, Mr. Burt has served as, and he continues to be, Chairman and Chief Executive Officer of FMC Corporation. From 1977 to 1983, Mr. Burt was General Manager of FMC Corporation's Agricultural Chemical Group, and, from 1983 to 1988, was General Manager of its Defense Systems Group. Mr. Burt also served as a Vice President of FMC Corporation from 1978 to 1988 and as Executive Vice President of FMC Corporation from September 1988 until his appointment as Chairman and Chief Executive Officer. He is a director of Phelps-Dodge Corporation and Pfizer Inc. He serves on the Board of Trustees of the Orchestral Association of Chicago, and serves on the Boards of Directors of the Rehabilitation Institute of Chicago, Evanston Hospital Corporation and the Chicago Abused Women Coalition. He is Chairman of the Business Roundtable and is on the Board of Trustees and the Executive Committee of Manufacturers Alliance for Productivity and Innovation.

JOSEPH H. NETHERLAND has served as our Chief Executive Officer and President and a director since February 16, 2001. Since June 1999, Mr. Netherland has served as, and he continues to be, President of FMC Corporation. After the distribution, Mr. Netherland will no longer serve FMC Corporation in any capacity. Mr. Netherland was Executive Vice President of FMC Corporation from 1998 until his appointment as President. He was also the General Manager of FMC Corporation's Energy and Transportation Group from 1992 to 2001. Mr. Netherland joined FMC Corporation in 1973 as a Business Planner for its Machinery Group, and he held several management positions over the next few years. Mr. Netherland became General Manager of FMC Corporation's former Petroleum Equipment Group in 1985. He was elected a Vice President of FMC Corporation in 1987, and became General Manager of FMC Corporation's former Specialized Machinery Group in April 1989. Mr. Netherland is a former chairman and currently serves on the Board of Directors of the Petroleum Equipment Suppliers Association. He also serves on the Board of Directors of the American Petroleum Institute. Mr. Netherland is also a member of the Advisory Board of the Department of Engineering at Texas A&M University, and is a member of the President's Council at Georgia Institute of Technology.



WILLIAM H. SCHUMANN III has served as our Senior Vice President, Chief

Financial Officer and a director since February 16, 2001. Upon completion of this offering, Mr. Schumann will no longer serve as a director. Since December 1999, Mr. Schumann has served as, and he continues to be, Senior Vice President and Chief Financial Officer of FMC Corporation. After the distribution, Mr. Schumann will no longer serve FMC Corporation in any capacity. Mr. Schumann joined FMC Corporation in 1981 as Director of Pension Investments. Since then, he has served in a variety of finance and line roles at FMC Corporation, including Director of Investor Relations from 1985 to 1987, Treasurer from 1987 to 1990, General Manager of Agricultural Products from 1995 to 1998, and Vice President of Corporate Development from 1998 to 1999. Mr. Schumann serves on the Board of Directors of Great Lakes Advisors, Inc. and is a Trustee of Feltre School.

MIKE R. BOWLIN has been nominated to serve as one of our directors effective upon the completion of this offering. From 1995 to April 2000, he was Chairman of Atlantic Richfield Company's Board of Directors. Mr. Bowlin was Chief Executive Officer of ARCO from 1994 to April 2000. He was a member of ARCO's Board of Directors since 1992. Mr. Bowlin joined ARCO in 1969 as a human resources representative and he held several human resources and management positions over the next few years in various ARCO operations. He became President of ARCO Coal Company in 1985 until 1987 when he became Senior Vice President of International Oil and Gas Acquisitions. Mr. Bowlin served as Senior Vice President and President of ARCO International Oil and Gas Company from 1987 to 1992 and from 1992 to 1993, he served as Executive Vice President of ARCO. Mr. Bowlin is a director of Wells Fargo and Company and Edwards Lifesciences Corporation. He is a Trustee of the Los Angeles World Affairs Council and of the California Institute of Technology. Mr. Bowlin is a member of the World Economic Forum. Mr. Bowlin is a former Chairman of the Board of the American Petroleum Institute and the California Business Roundtable and a former member of the Business Council and the National Petroleum Council. He is a member of the Board of Visitors of the M.D. Anderson Cancer Center, the Claremont Graduate School's Center for Politics and Economics and the National Council of the House Ear Institute. Mr. Bowlin is also a director of the University of North Texas Foundation and the Autry Museum of Western Heritage.

B. A. BRIDGEWATER, JR. has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1979, Mr. Bridgewater has served as, and he continues to be, a director of FMC Corporation. After the distribution, Mr. Bridgewater will no longer serve FMC Corporation in any capacity. He held the following positions at Brown Group, Inc.: President, 1979-1989 and again from 1990- 1999; Chief Executive Officer, 1982-1999; and Chairman of the Board of Directors, 1985-1999. Brown Group is a diversified marketer and retailer of footwear. From 1975 to 1979, he was Executive Vice President of Baxter Travenol Laboratories. From 1964 to 1975, Mr. Bridgewater was associated with McKinsey & Company Inc., as a Director from 1972 to 1975. He also served as Associate Director of National Security and International Affairs in the Office of Management and Budget in the Executive Office of the President of the United States. He is currently a director of EEX Corporation (Houston, TX); and a trustee of Mitretek Systems (McLean, VA); and Washington University (St. Louis, MO). He is an Advisory Director of Schroder Venture Partners, LLC (New York, NY).

ASBJORN LARSEN has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1999, Mr. Larsen has served as, and he continues to be, a director of FMC Corporation. After the distribution, Mr. Larsen will no longer serve FMC Corporation in any capacity. He became President and Chief Executive Officer of Saga Petroleum ASA in January 1979, which merged with Sagapart a.s. on January 1, 1980. He retired on May 15, 1998. He served as President of Sagapart a.s. (limited) in 1973 and from 1976 as Vice President (Economy and Finance) of Saga Petroleum. He was manager of the Norwegian Shipowners' Association from 1966 to 1973 and prior to that held different positions in the Ministry of Foreign Affairs and abroad in the Norwegian Diplomatic Service. He is currently Chairman of the Board of Belships ASA and Vice Chairman of the Board of Saga Fjordbase AS. Mr. Larsen is also a member of the Board of Den norske Bank Holding ASA and Chairman of its Audit Committee, and he is a member of the Boards of DSND Sondenfjeldske ASA, Filadelfia AS, the Norwegian Cancer Hospital, Selvaag Gruppen AS and the Tom Wilhelmsen Foundation.



EDWARD J. MOONEY has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1997, Mr. Mooney has served as, and he continues to be, a director of FMC Corporation. Since March

2000 until his retirement in March 2001, Mr. Mooney has served as Delegue General-North America, Suez Lyonnaise des Eaux. He was Chairman and Chief Executive Officer of Nalco Chemical Company from 1994 to 2000. Mr. Mooney serves as a director of The Northern Trust Company.

WILLIAM F. REILLY has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1992, Mr. Reilly has served as, and he continues to be, a director of FMC Corporation. Mr. Reilly is the Founder of PRIMEDIA Inc. and a Founding Partner of Aurelian Communications. He served as Chairman and Chief Executive Officer of PRIMEDIA from February 1990 to 1999. From 1980 to 1990, he was with Macmillan, Inc., where he served as President and Chief Operating Officer since 1981. Prior to that, he was with W.R. Grace beginning in 1964, serving as Assistant to the Chairman from 1969 to 1971 and serving successfully from 1971 to 1980 as President and Chief Executive Officer of its Textile, Sporting Goods and Home Center Divisions. Mr. Reilly serves on the Board of Trustees of The University of Notre Dame and the Board of Directors of Barnes & Noble.com, Citymeals-on-Wheels and WNET, the public television station serving the New York area.

JAMES M. RINGLER has been nominated to serve as one of our directors effective upon the completion of this offering. Mr. Ringler is Vice Chairman of Illinois Tool Works Inc. Prior to joining Illinois Tool Works, he was Chairman, President and Chief Executive Officer of Premark International Inc. which merged with Illinois Tool Works in November 1999. Mr. Ringler joined Premark in 1990 and served as Executive Vice President and Chief Operating Officer until 1996. From 1986 to 1990, he was President of White Consolidated Industries' Major Appliance Group, and from 1982 to 1986 he was President and Chief Operating Officer of The Tappan Company. Prior to joining The Tappan Company in 1976, Mr. Ringler was a consulting manager with Arthur Andersen & Co. He serves on the board of directors of the Dow Chemical Company, National Association of Manufacturers, Evanston Northwestern Hospital and The Lyric Opera of Chicago. He is a Trustee of the Manufacturer's Alliance for Productivity and Innovation and a National Trustee of the Boys & Girls Clubs of America, Midwest Region.

JAMES R. THOMPSON has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1991, Governor Thompson has served as, and he continues to be, a director of FMC Corporation. Governor Thompson was named Chairman of the Chicago law firm of Winston & Strawn in January 1993. He joined the firm in January 1991 as Chairman of the Executive Committee after serving four terms as Governor of the State of Illinois from 1977 until January 14, 1991. Prior to his terms as Governor, he served as U.S. Attorney for the Northern District of Illinois from 1971-1975. Governor Thompson served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State's Attorney of Cook County. He is a former Chairman of the President's Intelligence Oversight Board and a member of the Board of Directors of the Chicago Board of Trade; Prime Retail, Inc.; Navigant Consulting Group, Inc.; Jefferson Smurfit Group, plc; Prime Group Realty Trust; and Hollinger International, Inc. He serves on the Boards of the Museum of Contemporary Art, the Lyric Opera and the Illinois Math & Science Academy Foundation.

CHARLES H. CANNON, JR. has served as our Vice President since February 16, 2001. Since 1998, Mr. Cannon has served as Vice President and General Manager--FMC FoodTech and Transportation Systems Group. After this offering, Mr. Cannon will no longer serve FMC Corporation in any capacity. Mr. Cannon joined FMC Corporation in 1982 as a Senior Business Planner in the Corporate Development Department. He became Division Manager of FMC Corporation's Citrus Machinery Division in 1989, Division Manager of its Food Processing Systems Division in 1992 and Vice President and General Manager of FMC FoodTech in 1994. Mr. Cannon serves on the Boards of Directors of the National Food Processors Association and the Food Machinery Europe Association.



JEFFREY W. CARR has served as our Vice President and General Counsel since April 20, 2001. Since May 1997, Mr. Carr has served as Associate General Counsel for the Energy Systems Group of FMC Corporation. After the distribution, Mr. Carr will no longer serve FMC Corporation in any capacity. Mr. Carr joined FMC Corporation in 1993 as International Counsel in Philadelphia. Prior to joining FMC Corporation, Mr. Carr was a founder, Director and the General Counsel of International Advisory Services Group, Ltd. in Washington, D.C. He began his legal career in 1982 with the Washington D.C.

office of Cadwalader Wickersham & Taft, served as a judicial law clerk to the Honorable Murray M. Schwartz (U.S. Dist. Ct. Del.) and later practiced international trade law as an associate with the law firms of Wald Harkrader & Ross and Willkie Farr & Gallagher.

PETER D. KINNEAR has served as our Vice President since February 16, 2001. Since February 2000, Mr. Kinnear has served as Vice President of FMC Corporation. After this offering, Mr. Kinnear will no longer serve FMC Corporation in any capacity. Mr. Kinnear joined FMC Corporation in 1971 as a Planning Assistant for FMC Corporation's Machinery Group, and held several management positions over the years. He became Division Manager of FMC Corporation's Fluid Control Division in 1985, Division Manager of its Wellhead Equipment Division in 1992 and General Manager of its Petroleum Equipment and Systems Division in 1994. Mr. Kinnear is a former chairman and currently serves on the Board of Directors of the Petroleum Equipment Suppliers Association. He also serves on the Boards of Directors of the National Ocean Industries Association, the Ocean Energy Center and Spindletop, an oil-related organization in Houston.

ROBERT L. POTTER has served as our Vice President since February 16, 2001. Since 1995, Mr. Potter has served as Division President of the Energy Transportation and Measurement Division of FMC Corporation. After this offering, Mr. Potter will no longer serve FMC Corporation in any capacity. Mr. Potter joined FMC Corporation in 1973 as a Sales Representative for FMC Corporation's Wellhead Equipment Division and held several sales management positions over the years. He was named Operations Manager for the Houston plant of FMC Corporation's Wellhead Equipment Division in 1988. Mr. Potter became Manager of the Western Region and of FMC Corporation's Wellhead Equipment Division in 1990 and Division Manager of its Fluid Control Division in 1992. He serves on the Board of Directors of the Gateway Foundation in Texas.

RONALD D. MAMBU has served as our Vice President and Controller since February 23, 2001. Since September 1995, Mr. Mambu has served as, and continues to be, Vice President and Controller of FMC Corporation. After the distribution, Mr. Mambu will no longer serve FMC Corporation in any capacity. Mr. Mambu was Director of Financial Planning of FMC Corporation from 1994 until his appointment as Controller. Mr. Mambu joined FMC Corporation in 1974 as a financial manager in Philadelphia. Since then, he has served in a variety of finance and line roles at FMC Corporation, including Controller of its former Food and Pharmaceutical Products Division from 1977 to 1982, Controller of Machinery Europe Division from 1982 to 1984, Controller of Agricultural Products Group from 1984 to 1987, Director of Financial Control from 1987 to 1993 and Director of Strategic Planning from 1993 to 1994.

STEPHANIE K. KUSHNER has served as our Vice President and Treasurer since February 23, 2001. Since February 1999, Ms. Kushner has served as, and continues to be, Vice President and Treasurer of FMC Corporation. After the distribution, Ms. Kushner will no longer serve FMC Corporation in any capacity. She was Director of Financial Planning of FMC Corporation from 1997 to 1999. Ms. Kushner joined FMC Corporation in 1989 as Vice President of Finance and Chief Financial Officer of FMC Gold Company, a subsidiary of FMC Corporation. She became Group Financial Director for FMC Corporation's businesses in the U.K. and Division Controller for its former Process Additives Division in 1992. Prior to joining FMC Corporation, Ms. Kushner was Director of Financial Planning and Analysis for Homestake Gold Company, a gold mining company based in San Francisco. She began her financial career with Amoco Corporation, holding positions of increasing responsibility in its Chemicals, International Oil and Minerals Divisions. Ms. Kushner serves on the Board of Directors of Hydro One, a Canadian utility.

MICHAEL W. MURRAY has served as our Vice President--Human Resources since February 16, 2001. Since 1995, Mr. Murray has served as, and continues to be, Vice President--Human Resources of FMC Corporation. After the distribution, Mr. Murray will no longer serve FMC Corporation in any capacity. Mr. Murray joined FMC Corporation in 1972 as a personnel assistant in New York. He became Industrial Relations Manager for FMC Corporation's Fiber Division in 1974. Subsequently, Mr. Murray served as Human



Resources Manager for FMC Corporation's Bayport Chemical Plant and Compensations and Benefits Manager for its Agricultural Chemicals Group, Defense Systems Group and Chemical Products Group, consecutively. He became Human Resources Director for FMC Europe N.V. in 1992. He serves on the Board of

Directors of Junior Achievement of Chicago and the Human Resources Institute.

BOARD STRUCTURE

Immediately before the closing of this offering, our directors will be divided into three classes serving staggered three-year terms. At each annual meeting of our stockholders, directors will be elected to succeed the class of directors whose terms have expired. Class I's term will expire at the 2002 annual meeting of our stockholders, Class II's term will expire at the 2003 annual meeting of our stockholders, and Class III's term will expire at the 2004 annual meeting of our stockholders. Our classified board could have the effect of increasing the length of time necessary to change the composition of a majority of our Board of Directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of the Board of Directors.

COMMITTEES

Our Board of Directors is expected to have the following two committees: an audit committee and a compensation and organization committee. The functions of a nominating committee will be performed by our Board of Directors. The membership and function of each committee are described below.

Audit Committee. Our audit committee, which will be composed solely of independent directors, as determined in accordance with the rules of the New York Stock Exchange, will assist our Board of Directors in fulfilling its responsibilities to oversee our accounting, auditing and financial reporting practices, internal control policies and procedures and corporate compliance policies. The committee will:

- recommend to our Board of Directors the selection of our independent auditors;
- review our annual and quarterly financial statements and discuss them with our auditors and our internal financial staff prior to their submission to our Board of Directors;
- review the independence of the independent accountants conducting the audit;
- review the effectiveness and scope of the activities provided by the independent accountants and our internal audit program;
- discuss with our management and the auditors our accounting system and related systems of internal control;
- review our compliance programs;
- consult, as it deems necessary, with the independent accountants, internal auditors and our internal financial staff; and
- review the effectiveness and adequacy of our financial organization and internal control, significant changes in our accounting policies, U.S. Federal income tax issues and related reserves and potential significant litigation.

Members. We expect that the audit committee will have the following members: Messrs. Reilly (Chair), Larsen and Ringler. All of the members of the audit committee will be "Independent" as defined in the listing requirements for the New York Stock Exchange.

Compensation and Organization Committee. Our compensation and organization committee, which will be composed of non-employee directors, will:

- review and approve compensation policies and practices for our top executives;
- establish the total compensation for our Chief Executive Officer and President;



- review and approve major changes in our employee benefit plans;

- review short- and long-term incentive plans and equity grants;
- review significant organizational changes and management succession planning; and
- recommend to our Board of Directors candidates for executive officer positions at our company.

Members. We expect that the compensation and organization committee will have the following members: Messrs. Bridgewater (Chair), Mooney, Thompson and Bowlin.

## BOARD OF DIRECTORS' COMPENSATION AND RELATIONSHIPS

### COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Prior to this offering, as a part of the FMC Technologies, Inc. Incentive Compensation and Stock Plan, we intend to adopt a compensation plan for non-employee directors that will replicate in all material respects the FMC Corporation Compensation Plan for Non-Employee Directors.

Retainer and Other Fees. Under this plan, each director who is not also an officer of our company or FMC Corporation will be paid as of the time of this offering $40,000 as an annual retainer. At least $25,000 of this annual retainer fee will be paid in deferred units representing our common stock at a price equal to the offering price per share in this offering with an initial value equal to the deferred amount. The remainder will be paid in quarterly installments in cash or, at the election of the non-employee director, may be deferred and invested in a stock account that will be credited with units representing our common stock at the fair market value of our common stock on the date of that election with an initial value equal to the deferred amount. Each non-employee director will also receive $1,000 for each Board of Directors' meeting and Board of Directors' committee meeting attended, and will be reimbursed for reasonable incidental expenses. Each non-officer director who chairs a committee will be paid an additional $4,000 per year.

Options. Under the compensation plan for non-employee directors, we will grant to each non-employee director at the time of this offering an option to purchase a number of shares of our common stock designed to have an approximate present value of $24,000 with an exercise price equal to the offering price per share in this offering. The options will have a 10-year life and will become exercisable approximately one year after the date of grant.

### OTHER COMPENSATION

Officers of our company and of FMC Corporation will not receive any additional compensation for their service as our directors. No other remuneration is paid to our board members in their capacity as directors. Except as specified above, directors who are not our employees do not participate in our employee benefit plans.

### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Governor Thompson is chairman of the law firm of Winston & Strawn, which provides legal services to FMC Corporation. In addition, we did business in 2000 with certain organizations where our directors and director nominees now serve, or during 2000 did serve, as officers or directors. In no case have the amounts involved been material in relation to our business or, to the knowledge and belief of our management, to the business of the other organizations or to the individuals concerned. These transactions were on terms no less favorable to us than were reasonably available from unrelated third parties.

## STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

All of our common stock is currently owned by FMC Corporation, and thus none of our present or future officers or directors currently own any shares of our common stock. Our officers and directors will receive shares of our common stock in the distribution in respect of any shares of FMC Corporation common



stock that they hold on the record date of the distribution. In addition, FMC Corporation restricted stock granted to our employees and to the Chairman of

our Board of Directors will be replaced as of the closing of this offering with a grant of our restricted stock, and a portion of the FMC Corporation restricted stock granted to our remaining directors will be replaced as of the date of the distribution with grants of our restricted stock. All FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors will be replaced as of the date of the distribution with comparable options to purchase shares of our common stock.

The following table sets forth the FMC Corporation common stock and options to purchase FMC Corporation common stock held by our directors and executive officers as of December 31, 2000.

| NAME | SHARES OF FMC CORPORATION COMMON STOCK BENEFICIALLY OWNED (1) | PERCENT OF CLASS |
|---|---|---|
| Mike R. Bowlin..... | -- | * |
| B. A. Bridgewater, Jr..... | 11,912 | * |
| Robert N. Burt..... | 481,560 | 1.58% |
| Asbjorn Larsen..... | 3,557 | * |
| Edward J. Mooney..... | 5,475 | * |
| Joseph H. Netherland..... | 144,705 | * |
| William F. Reilly..... | 20,773 | * |
| James M. Ringler..... | -- | * |
| William H. Schumann III..... | 74,196 | * |
| James R. Thompson..... | 8,339 | * |
| Charles H. Cannon, Jr..... | 75,850 | * |
| Michael W. Murray..... | 51,351 | * |
| Peter D. Kinnear..... | 34,070 | * |
| All directors and executive officers as a group (17 persons).. | 1,001,816 | 3.27 |

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* Indicates less than 1% of FMC Corporation outstanding common stock.

(1) Shares "beneficially owned" include: (a) shares of FMC Corporation common stock owned by the individual, (b) shares of FMC Corporation common stock held by the FMC Corporation Savings and Investment Plan for the account of the individual as of December 31, 2000, (c) FMC Corporation restricted stock granted to the individual, and (d) shares of FMC Corporation common stock subject to FMC Corporation options that are exercisable within 60 days. Shares of FMC Corporation common stock included in clause (d) in the aggregate are 3,300 shares for Mr. Bridgewater, 373,400 shares for Mr. Burt, 1,500 shares for Mr. Larsen, 2,400 shares for Mr. Mooney, 107,900 shares for Mr. Netherland, 3,300 shares for Mr. Reilly, 56,500 shares for Mr. Schumann, 3,300 shares for Mr. Thompson, 47,400 shares for Mr. Cannon, 33,400 shares for Mr. Murray, 14,600 shares for Mr. Kinnear, and 689,700 shares for all directors and executive officers as a group.

EXECUTIVE COMPENSATION

The following table contains compensation information for our Chairman, our Chief Executive Officer and President and four of our other executive officers who, based on employment with FMC Corporation and its subsidiaries, were the most highly compensated for the year ended December 31, 2000. All of the information included in this table reflects compensation earned by the individuals for services with FMC Corporation and its subsidiaries.



SUMMARY COMPENSATION TABLE

| | | | LONG-TERM COMPENSATION | |
|---|---|---|---|---|
| | ANNUAL COMPENSATION | | AWARDS | PAYOUTS |

| NAME AND PRINCIPAL FMC TECHNOLOGIES POSITION | YEAR | SALARY | BONUS (1) | RESTRICTED STOCK AWARD (2)(3) | NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS | LTIP PAYOUTS (1)(2) | ALL OTHER COMPENSATION (4) |
|---|---|---|---|---|---|---|---|
| Robert N. Burt..... | 2000 | $928,175 | $1,439,042 | $535,669 | 49,700 | $ -- | $193,655(5) |
| Chairman | 1999 | 883,986 | 371,275 | 106,059 | 76,320 | 1,087,304 | 94,007 |
| | 1998 | 841,890 | 400,021 | 44,822 | 63,600 | 451,078 | 79,007 |
| Joseph H. Netherland.... | 2000 | 583,533 | 735,076 | 350,438 | 32,500 | -- | 140,222(5) |
| Chief Executive Officer | 1999 | 530,828 | 187,341 | 337,767 | 40,000 | 596,632 | 106,797 |
| and President | 1998 | 465,388 | 141,579 | 765,015 | 21,000 | 681,784 | 522,738(5) |
| William H. Schumann III..... | 2000 | 372,294 | 352,339 | 140,175 | 12,700 | -- | 34,244 |
| Senior Vice President and | 1999 | 309,948 | 104,607 | 294,875 | 13,800 | 199,359 | 100,703(5) |
| Chief Financial Officer | 1998 | 277,716 | 34,437 | -- | 11,500 | -- | 13,207 |
| Charles H. Cannon, Jr... | 2000 | 333,930 | 174,946 | 650,206 | 10,600 | -- | 35,391 |
| Vice President | 1999 | 303,093 | 67,893 | 33,767 | 13,800 | 346,142 | 193,713(5) |
| | 1998 | 276,432 | 61,921 | 19,040 | 10,100 | 191,518 | 226,522(5) |
| Michael W. Murray..... | 2000 | 261,837 | 224,526 | 409,050 | 5,900 | -- | 25,045 |
| Vice President--Human | 1999 | 248,763 | 69,653 | -- | 9,000 | 149,258 | 17,733 |
| Resources | 1998 | 234,742 | 61,033 | -- | 7,500 | 19,555 | 11,582 |
| Peter D. Kinnear..... | 2000 | 277,862 | 129,429 | 75,094 | 6,600 | -- | 33,511 |
| Vice President | 1999 | 250,788 | 54,170 | 465,720 | -- | 293,422 | 38,566 |
| | 1998 | 234,990 | 52,638 | -- | 3,400 | 474,034 | 20,367 |

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(1) Beginning in 2000, the FMC Corporation incentive plan provided for annual bonuses to be paid based on performance against specified objectives for individual and overall corporation results. Previously, the incentive plan provided for bonuses to be paid based upon individual performance and for FMC Corporation's achievement of specified objectives during multi-year periods that commenced annually. The amount of the long-term incentive payouts was not determined until the applicable performance period ended. Prior to 2000, payouts were made in cash and/or FMC Corporation common stock, including grants of FMC Corporation restricted stock. Beginning in 2000, payouts were made in cash.

(2) As of December 31, 2000, the six officers listed in the table held grants of FMC Corporation restricted stock with a value based on the closing market price per share of FMC Corporation common stock on December 29, 2000, the last trading day of the year, as follows: Mr. Burt, 33,983 shares at $2,436,156; Mr. Netherland, 34,654 shares at $2,484,259; Mr. Schumann, 9,800 shares at $702,538; Mr. Cannon, 23,743 shares at $1,702,076; Mr. Murray, 10,898 shares at $781,250; and Mr. Kinnear, 9,340 shares at $669,561. Dividends will not be paid on FMC Corporation restricted stock unless FMC Corporation pays dividends on all of its common stock.

(3) Prior to 2000, officers had the option to take a portion of the long-term payout subject to a three-year restriction on resale. As a result, each becomes eligible for an additional 20% payout in the form of shares of FMC Corporation common stock. These additional shares are included in the Restricted Stock Award Column for 2000, 1999 and 1998 at market value as of the date of grant. This amount will be forfeited if the executive terminates voluntarily prior to the end of the applicable three-year period.

(4) Includes annual FMC Corporation matching contributions to its qualified and nonqualified savings plans.

(5) These amounts include $51,522 for Mr. Burt for personal use of FMC Corporation's aircraft in 2000; payments of $44,749 and $460,423 to Mr. Netherland for relocation expenses in 2000 and 1998, respectively; a payment of $83,480 to Mr. Schumann for relocation expenses in 1999; and payments of $157,458 and $136,599 for expatriate allowances for 1999 and 1998, respectively, and a relocation gross-up of $62,845 for 1998 for Mr. Cannon.

OPTION GRANTS OF FMC CORPORATION COMMON STOCK TO EXECUTIVE OFFICERS

The following table discloses information regarding stock options granted in fiscal year 2000 to the executive officers named in the summary compensation table with respect to shares of FMC Corporation common stock. These options were granted under the FMC 1995 Stock Option Plan. FMC Corporation did not grant stock appreciation rights under any plan during 2000.

| NAME | NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED IN 2000 | PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2000 | EXERCISE OR BASE PRICE PER SHARE | EXPIRATION DATE | GRANT DATE PRESENT VALUE (1)(2) |
|---|---|---|---|---|---|
| Robert N. Burt..... | 49,700 | 24.9 | $50.56 | 2/10/10 | $1,407,504 |
| Joseph H. Netherland.... | 32,500 | 16.3 | 50.56 | 2/10/10 | 920,400 |
| William H. Schumann III..... | 12,700 | 6.4 | 50.56 | 2/10/10 | 359,664 |
| Charles H. Cannon, Jr... | 10,600 | 5.3 | 50.56 | 2/10/10 | 300,192 |
| Michael W. Murray..... | 5,900 | 3.0 | 50.56 | 2/10/10 | 167,088 |
| Peter D. Kinnear..... | 6,600 | 3.3 | 50.56 | 2/10/10 | 186,912 |

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(1) We used the Black-Scholes option pricing model to value these options as of February 10, 2000, the date of the grant. The model assumed: an option term of 10 years; an interest rate of 6.52% that represents the interest rate on a long-term U.S. Treasury security; an assumed annual volatility of underlying stock of 28.86%, and no dividends being paid. FMC Corporation made no assumptions regarding restrictions on vesting or the likelihood of vesting.

(2) The ultimate values of the options will depend on the future market price of FMC Corporation common stock, which cannot be forecast with reasonable accuracy. The actual value, if any, an option holder will realize when exercising an option will depend on the excess of the market price of FMC Corporation's common stock over the exercise price on the date the option is exercised.

AGGREGATED OPTION EXERCISES IN 2000 AND YEAR-END OPTION VALUES

The following table discloses information regarding the aggregate number of FMC Corporation options that the executive officers named in the summary compensation table exercised in fiscal year 2000 and the value of remaining FMC Corporation options held by those executives on December 31, 2000.

| NAME | NUMBER OF SHARES ACQUIRED ON EXERCISE | VALUE REALIZED | NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT 12/31/00 EXERCISABLE/UNEXERCISABLE | VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 12/31/00 (1) EXERCISABLE/UNEXERCISABLE |
|---|---|---|---|---|
| Robert N. Burt..... | -- | -- | 309,800/189,620 | $5,646,150/2,973,933 |
| Joseph H. Netherland.... | -- | -- | 86,900/ 93,500 | 1,723,928/1,672,545 |
| William H. Schumann III..... | -- | -- | 45,000/ 38,000 | 694,978/ 616,203 |
| Charles H. Cannon, Jr... | -- | -- | 37,300/ 34,500 | 652,550/ 569,181 |
| Michael W. Murray..... | -- | -- | 25,900/ 22,400 | 402,222/ 351,452 |
| Peter D. Kinnear..... | -- | -- | 11,200/ 10,000 | 113,832/ 145,646 |

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(1) The closing price per share of FMC Corporation's common stock at December 29, 2000, the last trading day of 2000, was $71.69.

RETIREMENT PLANS

Our employees will be participants in the FMC Corporation Employees' Retirement Program, a qualified defined benefit pension plan, until May 1,

2001. As of that date, we intend to adopt a qualified defined benefit pension plan that will replicate in all material respects the FMC Corporation Employees' Retirement



Program. We also intend to adopt a non-contributory supplemental defined benefit pension plan that will replicate in all material respects the FMC Corporation Salaried Employees' Equivalent Retirement Plan, a supplemental defined benefit pension plan. The following individuals will all be participants in both our qualified and supplemental defined benefit pension plans: Messrs. Netherland, Schumann, Cannon, Murray and Kinnear.

The following table shows the estimated annual retirement benefits under the current FMC Corporation qualified and supplemental defined benefit pension plans payable upon retirement at age 65, which is the normal retirement age under the plans, based upon the plans' formulae as of 2001 at various levels of salary and years of service. Our pension plans will replicate in all material respects the current FMC Corporation qualified and supplemental pension plans, and our pension plans will grant full credit for service with FMC Corporation with regard to all matters, including, without limitation, benefit calculation and vesting.

PENSION PLAN TABLE

| | ESTIMATED ANNUAL RETIREMENT BENEFITS FOR YEARS OF SERVICE INDICATED | | | | | |
|---|---|---|---|---|---|---|
| FINAL AVERAGE EARNINGS | 15 YEARS | 20 YEARS | 25 YEARS | 30 YEARS | 35 YEARS | 40 YEARS |
| $ 150,000 | $ 30,959 | $ 41,279 | $ 51,599 | $ 61,918 | $ 72,238 | $ 83,488 |
| 250,000 | 53,459 | 71,279 | 89,099 | 106,918 | 124,738 | 143,488 |
| 350,000 | 75,959 | 101,279 | 126,599 | 151,918 | 177,238 | 203,488 |
| 450,000 | 98,459 | 131,279 | 164,099 | 196,918 | 229,738 | 263,488 |
| 550,000 | 120,959 | 161,279 | 201,599 | 241,918 | 282,238 | 323,488 |
| 650,000 | 143,459 | 191,279 | 239,099 | 286,918 | 334,738 | 383,488 |
| 900,000 | 199,709 | 266,279 | 332,849 | 399,418 | 465,988 | 533,488 |
| 1,150,000 | 255,959 | 341,279 | 426,599 | 511,918 | 597,238 | 683,488 |
| 1,300,000 | 289,709 | 386,279 | 482,849 | 579,418 | 675,988 | 773,488 |
| 1,450,000 | 323,459 | 431,279 | 539,099 | 646,918 | 754,738 | 863,488 |

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(1) Benefits shown are total qualified plus nonqualified pension benefits.

(2) Social Security Covered Compensation for a participant retiring at age 65 in 2001 is $37,212.

(3) "Final Average Earnings" in the table means the average of covered compensation for the highest 60 consecutive calendar months out of the 120 calendar months immediately before retirement. Covered compensation includes salary, bonus and LTIP payout amounts as reflected in the Summary Compensation Table.

(4) At February 1, 2001, Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear had, respectively, 27, 27, 19, 18, 28 and 29 years of credited service under the FMC Corporation pension plan and its supplements.

(5) Applicable benefits for employees whose years of service and earnings differ from those shown in the table are equal to (A + B) times C where: (A) equals 1% of allowable Social Security covered compensation ($37,212 for a participant retiring at age 65 in 2000) times years of credited service (up to a maximum of 35 years) plus 1.5% of the difference between Final Average Earnings and allowable Social Security compensation times years of credited service (up to a maximum of 35 years); (B) equals 1.5% of Final Average Earnings times years of credited service in excess of 35 years; and (C) equals the ratio of credited service at termination to credited service projected to age 65.

(6) The amounts shown will not be reduced by Social Security benefits or other offsets. As the Internal Revenue Code limits the annual benefits that may be paid from a tax-qualified retirement plan, FMC Corporation has adopted,

and we will adopt, permitted supplemental arrangements to maintain total benefits during retirement at the levels shown in the table.



TREATMENT OF FMC CORPORATION OPTIONS

As of the distribution, we intend to replace all of the FMC Corporation options held by our employees and our non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution, with options to purchase shares of our common stock that will be issued pursuant to our stock plan. We expect that directors who will remain directors of FMC Corporation after the distribution will have the option to have up to one-half of their FMC Corporation options replaced with options to purchase shares of our common stock. As of April 25, 2001, our directors and employees held options to purchase 920,190 shares of FMC Corporation common stock at a weighted average exercise price per share of $51.81. The closing price per share of FMC Corporation common stock on April 25, 2001 was $70.95. We also intend to replace all of the FMC Corporation options held by employees of FMC Corporation whom we hire after the distribution with options to purchase our common stock. The number of shares of common stock underlying, and the exercise price of, these replacement options will be based on the closing price per share of our common stock and of FMC Corporation common stock on the date of the distribution, or, with respect to options replaced after the distribution date, as of the trading day immediately preceding the date we hire that employee. The replacement options to purchase shares of our common stock are expected to have the same vesting provisions and exercise periods as the FMC Corporation options had immediately before the date of distribution.

TREATMENT OF FMC CORPORATION RESTRICTED STOCK

As of April 25, 2001, our employees and the Chairman of our Board of Directors had been granted 316,972 shares of FMC Corporation restricted stock. The closing price per share of FMC Corporation common stock on April 25, 2001 was $70.95. As of the closing date of this offering, we intend to replace all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors with grants of our restricted stock under our stock plan. As of the distribution date, we intend to replace all FMC Corporation restricted stock granted to our non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution, and all FMC Corporation restricted stock granted to employees of FMC Corporation whom we hire as of the distribution date, with grants of our restricted stock under our stock plan. We expect that our non-employee directors who will remain directors of FMC Corporation after the distribution, other than the Chairman of our Board of Directors, will have the option to have up to one-half of their FMC Corporation restricted stock replaced with our restricted stock in connection with the distribution. As of April 25, 2001, our non-employee directors had been granted 4,000 shares of FMC Corporation restricted stock, of which 2,800 shares will be eligible to be replaced by our restricted stock. The grants of our restricted stock made under our stock plan to employees and to the Chairman of our Board of Directors in connection with the offering will be based on the offering price per share of our common stock in this offering and the closing price per share of FMC Corporation common stock on the trading day immediately preceding the closing date of this offering. The grants of our restricted stock made under our stock plan to non-employee directors and to employees in connection with the distribution will be based on the closing price per share of our common stock and of FMC Corporation common stock on the date of distribution. In addition, we intend to replace all FMC Corporation restricted stock granted to employees of FMC Corporation whom we hire after the distribution with grants of our restricted stock. The grants of our restricted stock made after the distribution will be based on the closing price per share of our common stock and of FMC Corporation common stock on the trading date immediately preceding the date we hire that employee. The replacement restricted stock are expected to have the same vesting provisions as the FMC Corporation restricted stock, and, like the FMC Corporation restricted stock, no shares of common stock will be issued with respect to our restricted stock until that restricted stock vests.

INCENTIVE PLANS

THE STOCK PLAN

Prior to this offering, we will adopt the FMC Technologies, Inc. Incentive Compensation and Stock Plan. The stock plan is designed to promote

our success and enhance our value by linking the interests of certain of our officers, employees, directors and consultants to those of our stockholders and by providing participants with an incentive for outstanding performance. This plan is further intended to provide flexibility in its ability to motivate, attract and retain officers, employees, directors and consultants upon whose judgment, interest and special efforts our business is largely dependent. The description below summarizes the material terms of this plan.



Persons Eligible for Grants. Our officers, employees, directors and consultants, and officers, employees, directors and consultants of our subsidiaries and affiliates will be eligible to participate in this plan.

At the time of this offering, we expect to grant to certain officers, employees and directors options to purchase shares of common stock under the plan at an exercise price equal to the initial public offering price. We will grant options to purchase an aggregate of 2,250,000 shares, and it is expected that Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear will be granted options to purchase 100,000, 660,000, 162,000, 148,500, 94,500 and 148,500 shares, respectively. We expect that these options will vest and become exercisable on the first business day of the third calendar year following the calendar year of the grant. Generally, unvested options will expire at the time of the participant's termination of employment. In lieu of granting some of these options, we reserve the right to grant an equivalent amount of our restricted stock.

Administration. The plan will be administered by the compensation and organization committee of our Board of Directors. Any authority granted to our compensation and organization committee is also vested in our full Board of Directors. The plan will provide for the grant of both non-qualified and incentive stock options, incentive awards, stock appreciation rights, restricted stock, performance units, and other equity-based awards.

Authorized Shares. The aggregate number of shares of common stock that may be delivered under the plan will be limited to 12,000,000 shares. The plan will provide for a maximum annual stock award of 1,000,000 shares of common stock for incentive awards, restricted stock and performance units. The plan will also provide for a maximum aggregate amount with respect to each incentive award, award of performance units or award of restricted stock that may be granted, or, that may vest, as applicable, in any calendar year for any individual participant of 750,000 shares of our common stock, or the dollar equivalent of 750,000 shares of common stock. The aggregate number of shares may be adjusted by our compensation and organization committee in the event of certain corporate events or transactions, including, but not limited to, stock splits, mergers, consolidations, separations, including spin-off or other distribution of stock or property of our company, reorganization, or liquidation, whether or not such transaction results in a change in the number of shares of our outstanding common stock.

Term. The term of options to be granted under the plan may not exceed 10 years. Our compensation and organization committee will provide vesting schedules and any other applicable restrictions in each award agreement.

Exercise. Options under the plan will have an exercise price equal to the fair market value of the common stock on the date of grant or, in the case of options granted at the time of this offering, equal to the initial public offering price. A participant exercising an option may pay the exercise price by check or, if approved by our compensation and organization committee, with previously acquired shares of our common stock or in a combination of cash and our common stock. Our compensation and organization committee, in its discretion, may allow the cashless exercise of options through the use of a broker-dealer.

Other Awards. We may grant incentive awards which may be subject to performance- or service-based goals and that may be payable in cash, our common stock, restricted stock or a combination of cash, common stock or restricted stock. We may grant stock appreciation rights under the stock plan either in tandem with options, or as stand-alone awards. Tandem stock appreciation rights will be subject to the same vesting terms as the options to which they relate. The stock appreciation rights will permit a participant to receive cash or shares of our common stock, or a combination thereof, as determined by our compensation and organization committee. The amount of cash or the value of the shares to be received by a participant will be equal to the excess of the fair

market value of a share of our common stock on the date of exercise over the stock appreciation right exercise price, multiplied by the number of shares with respect to which the stock appreciation right is exercised. We may grant restricted stock that may be subject to performance- and/or service-based goals upon which restrictions will lapse. Additionally, we may grant performance units that may be subject to performance- and/or service-based restrictions. These performance units will be payable in cash or shares of our common stock or a combination of the two as determined by our compensation and organization



committee. We may also grant dividend and interest equivalents with respect to awards and other awards based on the value of our common stock.

Transferability of Options and Stock Appreciation Rights. Options and stock appreciation rights will be nontransferable other than by will or the laws of descent and distribution or, at the discretion of our compensation and organization committee, under a written beneficiary designation and, in the case of a nonqualified option, in connection with a gift to members of the holder's immediate family. The gift may be made directly or indirectly or by means of a trust or partnership or limited liability company and, during the participant's lifetime, may be exercised only by the participant, any such permitted transferee or a guardian, legal representative or beneficiary.

Change in Control. In the event we undergo a Change in Control, any option or stock appreciation right that is not then exercisable and vested will become fully exercisable and vested, restrictions on restricted stock will lapse and performance units will be deemed earned. A Change in Control of our company means generally:

- the acquisition by a person of an amount of common stock from any source, including FMC Corporation, representing at least 20% of our outstanding common stock or voting securities;
- a change in the majority of the members of our Board of Directors, unless approved by the incumbent directors;
- the completion of specified mergers, business combinations or asset purchases or sales, unless after the transaction (a) our stockholders prior to the transaction own more than 60% of the resulting entity, (b) members of our Board of Directors before the transaction constitute a majority of the Board of Directors of the resulting entity, and (c) no person owns 20% or more of our outstanding common stock or voting securities;
- approval by our stockholders of a liquidation or dissolution of our company; or
- a Change in Control of FMC Corporation, as defined in the FMC Corporation executive severance plan, if, at the time of its Change in Control, FMC Corporation owns more than 50% of our outstanding common stock. The FMC Corporation executive severance plan definition of a Change in Control of FMC Corporation is substantially similar to our stock plan's definition of a Change in Control of our company.

Neither this offering nor the distribution will constitute a Change in Control.

Amendments and Termination. Once the stock plan is adopted, our compensation and organization committee may at any time amend or terminate it and may amend the terms of any outstanding option or other award, except that no termination or amendment may impair the rights of participants as they relate to outstanding options or awards. No amendment to the stock plan will be made without the approval of our stockholders to increase the number of shares available for issuance, or to change the exercise price of an option after the date of grant, or unless and to the extent such approval is required by law or by stock exchange rule. With respect to any awards granted to an 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 compensation and organization committee may, in its sole discretion, modify the provisions of the stock plan as they pertain to the individual to comply with applicable foreign law, accounting rules or practices.

COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Our non-employee directors will be entitled to receive stock awards and other compensation for their service. See "Board of Directors' Compensation and Relationships--Compensation Plan for Non-Employee Directors."



TERMINATION AND CHANGE IN CONTROL ARRANGEMENTS

The following of our executive officers currently are parties to executive severance agreements under the FMC Corporation Executive Severance Plan that would provide them with benefits in the event of specified terminations of employment following a Change in Control of FMC Corporation: Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear. After this offering we plan to provide these executives (other than Mr. Burt) with new executive severance agreements that are substantially similar to their existing executive severance agreements with FMC Corporation, and these new executive severance agreements will supercede their existing executive severance agreements with FMC Corporation.

SEVERANCE BENEFITS

Under the new executive severance agreements, if a Change in Control of our company occurs and if, within two years following that Change in Control, the executive's employment is terminated by us without cause or the executive terminates his or her employment for good reason, then the executive is entitled to benefits from us. In general, these benefits include:

- a lump sum payment of three (for Messrs. Netherland, Schumann and Cannon) or two (for Messrs. Murray and Kinnear) times the sum of (a) the executive's salary and (b) the greater of (i) the executive's highest target for any year or (ii) the average of the two actual incentive awards paid for the two plan years immediately preceding the executive's termination;

- immediate vesting of long-term incentive awards, restricted stock and stock options;

- continuation of medical and other benefits for up to three years;

- distribution of accrued nonqualified retirement plan benefits; and

- an additional three years of credited service for purposes of our non-qualified plans.

We will compensate the executive for any excise tax liability as a result of Change in Control payments from us under the agreement or otherwise. The following officers can receive the above severance benefits if they voluntarily terminate their employment with us during the 30-day period immediately following the first anniversary of a Change in Control: Messrs. Netherland and Schumann.

Each executive will acknowledge that neither this offering nor the distribution constitutes a Change in Control under his or her executive severance agreement with FMC Corporation, his or her new executive severance agreement with our company or any other plans of FMC Corporation or our company.

The definition of Change in Control is the same as that in our stock plan. See "Incentive Plans--The Stock Plan--Change in Control."

DEFINITIONS OF GOOD REASON AND CAUSE

Under the new executive severance agreements, an executive may terminate for good reason following:

- diminution of duties, responsibility, authority, etc.;

- relocation of over 50 miles from the executive's primary residence;

- reduction in base salary; or

- material reduction in levels of participation in benefit or incentive plans.

We may terminate an executive's employment for cause under the new executive severance agreements if the executive:

- willfully and continually fails to perform his or her duties;
- willfully engages in conduct materially injurious to us; or
- is convicted of a felony.



## LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS

As permitted by applicable Delaware law, we have included in our Certificate of Incorporation a provision to generally eliminate the personal liability of our directors for monetary damages for breach or alleged breach of their fiduciary duties as directors. However, this provision does not eliminate or limit liability of a director for a director's breach of the duty of loyalty, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for any transaction from which a director derived an improper personal benefit and for other specified actions. In addition, our Certificate of Incorporation and Bylaws provide that we are required to indemnify our officers and directors under a number of circumstances, including those circumstances in which indemnification would otherwise be discretionary, and we are required to advance expenses to our officers and directors as incurred in connection with proceedings against them for which they may be indemnified. At present, we are not aware of any pending or threatened litigation or proceeding involving a director, officer, employee or agent of ours in which indemnification would be required or permitted. We believe that these indemnification provisions are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be granted to directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## RELATED PARTY TRANSACTIONS

FMC Corporation has historically operated the businesses it will transfer to us in the separation as internal units of FMC Corporation through various divisions and subsidiaries or through investments in unconsolidated affiliates. For a discussion of transactions between FMC Corporation and us, see "Arrangements Between FMC Technologies and FMC Corporation" and Note 18 to the combined financial statements.



# ARRANGEMENTS BETWEEN FMC TECHNOLOGIES AND FMC CORPORATION

We have provided below a summary description of the separation and distribution agreement and the key related agreements. This description, which summarizes the material terms of these agreements, is not complete. You should read the full text of these agreements, which have been filed with the SEC as exhibits to the registration statement of which this prospectus is a part.

## SEPARATION AND DISTRIBUTION AGREEMENT

The separation and distribution agreement contains the key provisions relating to the separation of our businesses from those of FMC Corporation, this offering and FMC Corporation's planned distribution of our common stock. The separation and distribution agreement identifies the assets to be transferred to us by FMC Corporation and the liabilities to be assumed by us from FMC Corporation. The separation and distribution agreement also describes when and how these transfers and assumptions will occur. In addition, we will enter into agreements with FMC Corporation governing various interim and ongoing relationships between FMC Corporation and us following the closing date of this offering. These other agreements include:

- the tax sharing agreement;
- the employee benefits agreement; and

. the transition services agreement.

FMC Corporation and we will execute the separation and distribution agreement and ancillary agreements before the closing of this offering.

ASSET TRANSFER

Prior to the closing of this offering, FMC Corporation will transfer the following assets to us, except as provided in one of the ancillary agreements:

. all assets reflected on our audited balance sheet as of December 31, 2000 or the accounting records supporting our balance sheet, plus all assets acquired by FMC Corporation between December 31, 2000 and the closing date of this offering that would have been included on our balance sheet as of December 31, 2000 had they been owned on December 31, 2000;

. all other assets primarily related to our businesses or the former Energy Systems FoodTech and Airport Systems businesses of FMC Corporation;

. real property primarily related to our businesses;

. the subsidiaries, partnerships, joint ventures and other equity interests primarily related to our businesses;

. our rights under any insurance policies as provided in any ancillary agreements;

. all computers, desks, furniture, equipment and other assets used primarily by FMC Corporation employees who will become our employees due to the separation;

. all foreign exchange contracts entered into in connection with our business; and

. other assets agreed upon by us and FMC Corporation.



ASSUMPTION OF LIABILITIES

Prior to the closing of this offering, we will assume the following liabilities from FMC Corporation, except as provided in one of the ancillary agreements:

. all liabilities reflected on our audited balance sheet as of December 31, 2000 or the accounting records supporting our balance sheet, plus all liabilities of FMC Corporation incurred or arising between December 31, 2000 and the closing date of this offering that would have been included on our balance sheet as of December 31, 2000 had they arisen or been incurred on December 31, 2000;

. all other liabilities primarily related to or arising primarily from (a) any asset that is transferred to us pursuant to the separation, (b) our current business or (c) specified closed businesses of FMC Corporation's former Energy Systems, FoodTech and Airport Systems businesses, in each case, whether incurred or arising prior to, on or after the closing date of this offering;

. all liabilities assumed by us under an express provision of the separation and distribution agreement or any ancillary agreement;

. selected liabilities primarily relating to specified discontinued businesses of FMC Corporation's former Energy Systems, FoodTech and Airport Systems businesses;

. all liabilities for environmental remediation or other environmental responsibilities primarily related to our business and specified closed businesses of FMC Corporation's Energy Systems, FoodTech and Airport Systems businesses, or all real property transferred to us as part of our assets;

- all liabilities for products of our business or certain closed businesses of FMC Corporation's former Energy Systems, FoodTech and Airport Systems businesses sold to third parties by us or FMC Corporation;

- all liabilities under FMC Corporation's $200 million 180-day revolving credit facility, FMC Corporation's $150 million 364-day revolving credit facility, FMC Corporation's $250 million five-year credit agreement and any other debt arrangements that we will assume in the separation;

- all liabilities relating to us arising under the separation and distribution agreement; and

- other liabilities agreed upon by us and FMC Corporation.

The separation and distribution agreement provides that we and FMC Corporation will adjust the debt amount that we will assume to reflect our cash flow from operations since the beginning of 2001.

FURTHER ASSURANCES

The separation and distribution agreement provides that FMC Corporation and we will cooperate to effect any transfers of assets and liabilities that are not completed on the closing date of this offering as promptly following that date as is practicable. Until these transfers can be completed, the party retaining the assets or liabilities to be transferred will act as a custodian and trustee on behalf of the other party with respect to those assets or liabilities. In an effort to place each party, insofar as reasonably possible, in the same position as that party would have been had the transfers occurred at the time contemplated by the separation and distribution agreement, the separation and distribution agreement provides that the benefits derived or expenses incurred from those assets or liabilities will be passed on to the party that would have received the assets or liabilities if the transfers had occurred as contemplated.

CONDITIONS TO THE SEPARATION AND THIS OFFERING

The separation and distribution agreement provides that the separation and the completion of this offering are subject to several conditions that must be satisfied, or waived by FMC Corporation, including:

- the Board of Directors of FMC Corporation shall have given final approval of this offering;



- the SEC shall have declared effective the registration statement relating to this offering, and no stop order shall be in effect with respect to that registration statement;

- the actions and filings necessary or appropriate with state securities and blue sky laws and any comparable foreign laws shall have been taken and where applicable become effective or been accepted;

- the New York Stock Exchange shall have accepted for listing the shares of our common stock to be issued in this offering;

- we shall have entered into the underwriting agreements regarding this offering and the conditions to the offering listed in the underwriting agreement shall have been satisfied or waived;

- no order by any court or other legal restraint preventing completion of the separation, this offering or the distribution shall be in effect;

- the separation and distribution agreement shall not have been terminated; and

- all third-party consents and governmental approvals required in connection with the separation and this offering shall have been received, except where failure to obtain these consents or approvals

would not have a material adverse effect on either (a) the ability of us and FMC Corporation to complete this separation from FMC Corporation, this offering and the distribution, or (b) the business, assets, liabilities, financial condition or results of operations of us and our subsidiaries taken as a whole.

CONDITIONS TO THE DISTRIBUTION

The separation and distribution agreement provides that the distribution is subject to several conditions that must be satisfied, or waived by FMC Corporation, including:

- the Board of Directors of FMC Corporation shall have given final approval of the distribution;
- the actions and filings necessary or appropriate with U.S. Federal and state securities and blue sky laws and any comparable foreign laws in connection with the distribution shall have been taken, and, where applicable, become effective or been accepted;
- the NYSE shall have accepted for listing the shares of our common stock to be issued in the distribution;
- no order by any court or other legal restraint preventing completion of the separation, this offering or the distribution shall be in effect;
- FMC Corporation shall have received a favorable private letter ruling from the IRS as to the tax-free nature of the distribution for U.S. Federal income tax purposes;
- all third-party consents and governmental approvals required in connection with the separation and this offering shall have been received, except where failure to obtain these consents or approvals would not have a material adverse effect on either (a) the ability of us and FMC Corporation to complete the separation, this offering and the distribution, or (b) the business, assets, liabilities, financial condition or results of operations of us and our subsidiaries taken as a whole; and
- the separation and distribution agreement shall not have been terminated.

FOREIGN TRANSFERS

The transfer of international assets and the assumption of international liabilities will be accomplished through agreements among international subsidiaries, as contemplated by the separation and distribution agreement. The separation and distribution agreement acknowledges that circumstances in some jurisdictions



outside of the United States may require the timing of part of the international separation to be delayed past the closing date of this offering.

INDEMNIFICATION

In general, under the separation and distribution agreement, we will indemnify FMC Corporation and its representatives and affiliates from all liabilities that we assume under the separation and distribution agreement and any and all losses by FMC Corporation or its representatives or affiliates arising out of or due to either our failure to pay, perform or discharge in due course these liabilities or our breach of the separation and distribution agreement. We will also indemnify FMC Corporation for any and all losses arising out of or based upon any untrue statement of a material fact or material omission in this prospectus or in any similar documents relating to the distribution. In general, FMC Corporation will indemnify us and our representatives and affiliates from all liabilities that FMC Corporation retains under the separation and distribution agreement and any and all losses by us or our representatives or affiliates arising out of or due to either FMC Corporation's failure to pay, perform or discharge in due course these liabilities or its breach of the separation and distribution agreement. All indemnification amounts would be reduced by any insurance proceeds and other

offsetting amounts recovered by the indemnitee.

ACCESS TO INFORMATION

Under the separation and distribution agreement, the following terms govern access to information:

- on the closing date of this offering, FMC Corporation will deliver to us all corporate books and records related to our business;
- before and after the closing date of this offering, subject to applicable confidentiality provisions and other restrictions, we and FMC Corporation will each give the other any information within that company's possession that the requesting party reasonably needs (a) to comply with requirements imposed on the requesting party by a governmental authority, (b) for use in any proceeding or to satisfy audit, accounting, tax or similar requirements, or (c) to comply with its obligations under the separation and distribution agreement or the ancillary agreements;
- after the closing date of this offering, we will provide to FMC Corporation, at no charge, all financial and other data and information that FMC Corporation determines is necessary or advisable in order to prepare its financial statements and reports or filings with any governmental authority;
- after the closing date of this offering, we and FMC Corporation will each use reasonable best efforts to provide assistance to the other for litigation and to make available to the other directors, officers, other employees and agents as witnesses, in legal, administrative or other proceedings, and will cooperate and consult to the extent reasonably necessary with respect to any litigation;
- the company providing information, consultant or witness services under the separation and distribution agreement will be entitled to reimbursement from the other for reasonable expenses;
- we and FMC Corporation will each retain all proprietary information in its possession relating to the other's business for a period of time, and, if the information is to be destroyed, the destroying company will give the other company the opportunity to receive the information; and
- from and after the closing date of this offering, we and FMC Corporation will agree to hold in strict confidence all information concerning or belonging to the other obtained prior to the closing date of this offering or furnished pursuant to the separation and distribution agreement or any ancillary agreement, subject to applicable law.



NO REPRESENTATIONS AND WARRANTIES

Pursuant to the separation and distribution agreement, we understand and agree that FMC Corporation will not represent or warrant to us as to the assets to be transferred to us, the liabilities to be assumed by us, our business or the former energy and food and transportation businesses of FMC Corporation. We will take all assets "as is, where is" and bear the economic and legal risk relating to conveyance of, and title to, the assets.

REGISTRATION RIGHTS

Under the separation and distribution agreement, FMC Corporation has the right to require us to register for offer and sale all or a portion of our common stock held by FMC Corporation, so long as our common stock FMC Corporation requires us to register, in each case, represents at least 5% of the aggregate shares of our common stock then issued and outstanding and FMC Corporation holds not less than 10% of our then-outstanding common stock on the date it requests us to register our common stock.

PIGGY-BACK REGISTRATION RIGHTS

If we at any time intend to file on our behalf or on behalf of any of our

security holders a registration statement in connection with a public offering of any of our securities on a form and in a manner that would permit the registration for offer and sale of our common stock held by FMC Corporation, FMC Corporation has the right to include its shares of our common stock in that offering.

REGISTRATION EXPENSES

We are responsible for the registration expenses in connection with the performance of our obligations under the registration rights provisions in the separation and distribution agreement. FMC Corporation is responsible for all of the fees and expenses of counsel to FMC Corporation, any applicable underwriting discounts or commissions, and any registration or filing fees with respect to shares of our common stock being sold by FMC Corporation.

TERMINATION

The separation and distribution agreement may be terminated at any time prior to the distribution by the mutual consent of FMC Corporation and us. If the separation and distribution agreement is terminated after this offering but prior to the distribution, only the obligations of FMC Corporation and us regarding the distribution will terminate, and the other provisions of the separation and distribution agreement will remain in full force and effect.

EXPENSES

In general, FMC Corporation and we are responsible for our own costs incurred in connection with the transactions contemplated by the separation and distribution agreement. However, with regard to this offering, we are responsible for all third-party costs associated with this offering, including costs related to the registration statement of which this prospectus is a part. Additionally, if the distribution is completed, FMC Corporation will be responsible for all associated third-party costs.

TAX SHARING AGREEMENT

We and some of our subsidiaries have historically been included in FMC Corporation's consolidated group for U.S. Federal income tax purposes (the "FMC Corporation Federal Group"), as well as in certain consolidated, combined or unitary groups which include FMC Corporation and some of its subsidiaries for U.S. state and local and foreign income tax purposes (the "FMC Corporation Combined Group"). Prior to this offering, FMC Corporation and we will enter into a tax sharing agreement in connection with the offering.



Under the tax sharing agreement, FMC Corporation and we generally will make payments between us so that, with respect to tax returns for any taxable period in which we or any of our or FMC Corporation's subsidiaries are included in the FMC Corporation Federal Group or any FMC Corporation Combined Group, the amount of taxes to be paid by us will be determined, subject to adjustment, as if we and each of our subsidiaries included in the FMC Corporation Federal Group or FMC Corporation Combined Group filed our own consolidated, combined or unitary tax return. However, in the event we incur a tax loss for any taxable period ending after the date of execution of the tax sharing agreement during which we are still a member of the U.S. consolidated tax group, we may only receive a benefit for such tax loss to the extent that such loss can be carried back to a prior taxable year in which we were a member of the U.S. consolidated tax group of FMC Corporation. FMC Corporation and we will jointly prepare pro forma tax returns with respect to any tax return filed with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group in order to determine the amount of tax sharing payments under the tax sharing agreement. We will generally be responsible for any taxes with respect to tax returns that include only us and our subsidiaries.

FMC Corporation will be primarily responsible for preparing and filing any tax return with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group. Under the tax sharing agreement, we will be responsible for preparing the portion of these tax returns that relates exclusively to us or any of our subsidiaries. However, we will be required to submit those portions to FMC Corporation for FMC Corporation's review and approval. We generally will be responsible for preparing and filing any tax returns that include only us and our subsidiaries.

FMC Corporation will be primarily responsible for controlling and contesting any audit or other tax proceeding with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group. Under the tax sharing agreement, in connection with a tax liability in excess of $500,000 resulting from a tax audit or other tax proceeding, we will have the right to control and contest any audit or tax proceeding that relates to any item included on the portion of any tax return that we are responsible for preparing. In the case of a tax liability less than $500,000 that relates to any item on the portion of the tax return that we are responsible for preparing, FMC Corporation will have the right to control and contest any audit or tax proceeding. In addition, we have assumed primary responsibility for certain specific areas where the ability to provide factual and financial information to sustain the tax treatment accorded such item on a tax return is within our control. However, we cannot enter into any settlement or agreement or make any decision in connection with any judicial or administrative tax proceeding without FMC Corporation's review and approval, which it may not unreasonably withhold. Disputes arising between FMC Corporation and us relating to matters covered by the tax sharing agreement are subject to resolution through specific dispute resolution provisions in the tax sharing agreement.

We have been and will be included in the FMC Corporation Federal Group for periods in which FMC Corporation beneficially owned at least 80% of the total voting power and value of our outstanding common stock. Each member of a consolidated group for U.S. Federal income tax purposes is jointly and severally liable for the U.S. Federal income tax liability of each other member of the consolidated group. Accordingly, although the tax sharing agreement allocates tax liabilities between us and FMC Corporation, for any period in which we were included in the FMC Corporation Federal Group, we could be liable in the event that any U.S. Federal tax liability was incurred, but not discharged, by any other member of the FMC Corporation Federal Group.

FMC Corporation and we have agreed to cooperate, and we have agreed to take all actions reasonably requested by FMC Corporation, in connection with FMC Corporation's obtaining of a ruling from the IRS regarding the tax-free nature of the distribution. We generally will be responsible for, among other things, any corporate taxes resulting from the failure of the distribution to qualify as a tax-free transaction to the extent these taxes are attributable to, or result from, any action or failure to act by us or certain transactions involving us following the distribution.



Subject to FMC's agreement or satisfaction of specified other conditions, the tax sharing agreement places certain restrictions upon us regarding the sale of assets, the sale or issuance of additional securities or the entry into some types of corporate transactions during a restriction period that continues until the thirty months after the distribution.

The tax sharing agreement also assigns responsibilities for administrative matters, such as the filing of returns, payment of taxes due, retention of records and conduct of audits, examinations or similar proceedings.

EMPLOYEE BENEFITS AGREEMENT

We will enter into an employee benefits agreement with FMC Corporation at the closing of this offering that will govern our employee benefit obligations, including both compensation and benefits, with respect to our active employees and retirees and other terminated employees who have performed services for our business before or after the separation or whose employee benefit obligations we have otherwise agreed to assume. Under the employee benefits agreement, we will assume and agree to pay, perform, fulfill and discharge, in accordance with their respective terms, all obligations to, or relating to, former employees of FMC Corporation or its affiliates who will be employed by us and our affiliates and specified former employees of FMC Corporation or its affiliates (including retirees) who either were employed in our businesses before or after the separation or who otherwise are assigned to us for purposes of allocating employee benefit obligations.

BENEFIT PLANS

Until the date of the distribution, employees and former employees allocated to us will continue to participate in the FMC Corporation pension and

other employee benefit plans, except that domestic employees will participate in our own qualified and non-qualified defined benefit pension plans as of May 1, 2001 instead of participating in the FMC Corporation qualified and non-qualified defined benefit plans. Effective May 1, 2001, we established our domestic qualified and non-qualified defined benefit plans, and effective immediately after the distribution, we will establish the remainder of our own pension and employee benefit plans. The material terms of our pension and employee benefit plans will generally mirror the FMC Corporation plans as in effect at that time. The employee benefits agreement does not preclude us from discontinuing or changing our plans at any time, so long as we provide FMC Corporation with notice and agree to absorb any cost associated with such changes.

Our plans generally will assume all obligations under the FMC Corporation plans to employees and former employees allocated to us. Specified assets funding these obligations, including assets held in trusts, will be transferred from trusts and other funding vehicles associated with the FMC Corporation plans to the corresponding trusts and other funding vehicles associated with our plans. Our plans will generally provide that any employee or former employee allocated to us will receive full recognition and credit under these plans for all service, all compensation, and all other benefit-affecting determinations that would have been recognized under the corresponding FMC Corporation plan. However, there will be no duplication of benefits payable by FMC Corporation.

RETIREMENT PLANS

The trusts for our qualified pension plans will receive assets from FMC Corporation's qualified pension plans' trusts on the basis of actuarial calculations in accordance with governmental regulations. Our trusts that will fund our domestic qualified 401(k) plan and our non-qualified deferred compensation plan will receive a percentage of the assets of the corresponding FMC Corporation trusts based upon the assets allocated to employees' accounts. The division of these assets will occur, with respect to our qualified defined benefit plans, prior to or shortly after this offering and, with respect to the rest of our plans, after the date of the distribution.



STOCK AWARDS

Under the employee benefits agreement, we will grant awards under our stock plan in replacement of all awards under the FMC Corporation stock-based plans granted to employees and directors, other than our directors who continue to serve as directors of FMC Corporation after the distribution. We will grant awards under our stock plan in replacement of up to one-half of the outstanding FMC Corporation stock-based awards granted to our directors who continue to serve as directors of FMC Corporation after the distribution, as elected by such directors. We will grant restricted stock under our stock plan in replacement of all FMC Corporation restricted stock granted to the Chairman of our Board of Directors. We may also grant awards under our stock plan in replacement of FMC Corporation stock-based awards held by FMC Corporation employees whom we hire after the distribution.

In connection with the replacement of FMC Corporation options, the number of shares of our common stock underlying, and the exercise price of, the replacement options we will grant will be based on the closing price per share of our common stock and of FMC Corporation common stock on the date of the distribution. The substitute award for FMC Corporation restricted stock granted to our employees or to the Chairman of our Board of Directors, restricted stock which we intend to replace in connection with this offering will be based on the offering price per share of our common stock in this offering and the closing price per share of FMC Corporation common stock on the trading day immediately preceding the closing date of this offering. The substitute award for FMC Corporation restricted stock granted to our non-employee directors (and a portion of the restricted stock granted to our directors who continue to serve as directors of FMC Corporation, other than the Chairman of our Board of Directors) and to employees of FMC Corporation whom we hire as of the date of the distribution will be based on the closing price per share of our common stock and that of FMC Corporation common stock on the date of the distribution. The substitute award for each FMC Corporation stock-based award granted to employees of FMC Corporation whom we hire after the date of the distribution will be based on the closing price share of our common stock and that of FMC Corporation common stock on the trading date immediately before the date we

hire such employees. The other terms and conditions of each replacement award will be the same as those of the surrendered FMC Corporation stock award.

It is not possible to specify at this time how many shares of our common stock will be subject to substitute awards at the date of this offering or the distribution because we do not know at this time either how many FMC Corporation stock awards granted to directors, employees and former employees allocated to us will be outstanding at the date of this offering or the distribution or at what ratio the FMC Corporation options and restricted stock will be replaced with our options and restricted stock. Our stockholders are, however, likely to experience some dilutive impact from these adjustments.

As of April 25, 2001, there were approximately 920,190 shares of FMC Corporation common stock subject to options held by our directors and employees that could have been replaced with our options had the distribution occurred on that date, and approximately 319,772 shares of FMC Corporation underlying FMC Corporation restricted stock granted to our directors and employees that could have been replaced with grants of our restricted stock had the offering and the distribution occurred on that date.

TRANSITION SERVICES AGREEMENT

The transition services agreement governs the provision by FMC Corporation to us and by us to FMC Corporation of support services, such as:

- cash management and debt service administration,
- accounting,
- tax,
- payroll,
- legal,



- human resources administration,
- financial transaction support,
- information technology,
- public affairs,
- data processing,
- procurement,
- real estate management, and
- other general administrative functions.

The terms of these services generally will expire at the distribution, subject to exceptions.

CREDIT AGREEMENT BETWEEN FMC TECHNOLOGIES AND FMC CORPORATION

After this offering, we expect to be able to borrow up to $250 million from FMC Corporation on a revolving basis from time to time. We anticipate that this arrangement will be governed by a credit agreement to be entered into between FMC Corporation and us on an arm's-length basis and with interest rates approximating those in the credit facilities we have assumed. We expect that this credit agreement will terminate, and any amounts outstanding under the credit agreement will become payable, at the time of the distribution.

ALLOCATION OF CORPORATE OPPORTUNITIES

Although FMC Corporation does not directly compete with us presently, our Certificate of Incorporation provides that unless otherwise provided in a written agreement between FMC Corporation and us, FMC Corporation will have no duty to refrain from engaging in the same or similar activities or lines of business as we engage in, and, to the fullest extent permitted by law, neither FMC Corporation nor any officer or director of FMC Corporation (except as

provided below) will be liable to us or our stockholders for breach of any fiduciary duty by reason of any of these activities of FMC Corporation. In the event that FMC Corporation acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both FMC Corporation and us, FMC Corporation will, to the fullest extent permitted by law, have no duty to communicate or offer this corporate opportunity to us, and will, to the fullest extent permitted by law, not be liable to us or our stockholders for breach of any fiduciary duty as a stockholder of our company by reason of the fact that FMC Corporation pursues or acquires that corporate opportunity for itself, directs that corporate opportunity to another person or does not communicate information regarding that corporate opportunity to us.

In the event that one of our directors or officers who is also a director or officer of FMC Corporation acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both us and FMC Corporation, that director or officer will, to the fullest extent permitted by law, have fully satisfied his or her fiduciary duty to us and our stockholders with respect to that corporate opportunity if that director or officer acts in a manner consistent with the following policy:

- a corporate opportunity offered to any person who is one of our officers, and who is also a director but not an officer of FMC Corporation, will belong to us;

- a corporate opportunity offered to any person who is one of our directors but not one of our officers, and who is also a director or officer of FMC Corporation, will belong to us if the opportunity is expressly offered to that person in his or her capacity as a director of our company, and otherwise will belong to FMC Corporation; and

- a corporate opportunity offered to any person who is an officer of us and FMC Corporation will belong to us if the opportunity is expressly offered to the person in his or her capacity as an officer of our company, and otherwise will belong to FMC Corporation.

These corporate opportunities provisions will expire once FMC Corporation owns less than 20% of our common stock and once none of our directors or officers is also a director or officer of FMC Corporation.



## PRINCIPAL STOCKHOLDER

Prior to this offering, all of the outstanding shares of our common stock will be owned by FMC Corporation. After this offering, FMC Corporation will own about 83.0% of our outstanding common stock or approximately 80.9% if the underwriters fully exercise their over-allotment option. After completion of this offering and prior to the distribution, FMC Corporation will be able, acting alone, to elect our entire Board of Directors and to approve any action requiring stockholder approval. Except for FMC Corporation, we are not aware of any person or group that will beneficially own more than 5% of our outstanding shares of common stock following this offering. None of our executive officers, directors or director nominees currently owns any shares of our common stock, but those who own shares of FMC Corporation common stock will be treated on the same terms as other holders of FMC Corporation stock in any distribution by FMC Corporation. See "Management--Stock Ownership of Directors and Executive Officers" for a description of the ownership of FMC Corporation stock by our directors and executive officers.



## DESCRIPTION OF CAPITAL STOCK

### GENERAL

Upon the completion of this offering, we will be authorized to issue 195,000,000 shares of our common stock, $.01 par value, and 12,000,000 shares of undesignated preferred stock, $.01 par value. The following description of our capital stock is subject to and qualified in its entirety by our Certificate of Incorporation and Bylaws, which are included as exhibits to the registration statement of which this prospectus is a part, and by the provisions of applicable Delaware law.

COMMON STOCK

Prior to this offering, there will be 53,950,000 shares of our common stock outstanding, all of which will be held of record by FMC Corporation.

The holders of our common stock are entitled to one vote per share on all matters to be voted upon by our stockholders. Subject to preferences that may be applicable to any of our outstanding preferred stock, the holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our Board of Directors out of funds legally available for that purpose. See "Dividend Policy." In the event of our liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of our preferred stock, if any, then outstanding. The holders of our common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock.

PREFERRED STOCK

Our Board of Directors has the authority, without action by our stockholders, to designate and issue our preferred stock in one or more series and to designate the rights, preferences and privileges of each series, which may be greater than the rights of our common stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock upon the rights of holders of our common stock until our Board of Directors determines the specific rights of the holders of our preferred stock. However, the effects might include, among other things:

- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing the liquidation rights of our common stock; or
- delaying or preventing a change in control of our company without further action by our stockholders.

At the closing of this offering, no shares of our preferred stock will be outstanding, and, other than shares of our preferred stock that may become issuable pursuant to our rights agreement, we have no present plans to issue any shares of our preferred stock. See "-- The Rights Agreement."

As of the closing of this offering, 800,000 shares of our junior participating preferred stock will be reserved for issuance upon exercise of our preferred share purchase rights.

ANTI-TAKEOVER EFFECTS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS AND DELAWARE LAW

Some provisions of Delaware law and our Certificate of Incorporation and Bylaws could make the following more difficult, although they have little significance while we are controlled by FMC Corporation:

- acquisition of us by means of a tender offer;



- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions also are designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of them could result in an improvement of their terms.

ELECTION AND REMOVAL OF DIRECTORS

Our Certificate of Incorporation provides that our Board of Directors is

divided into three classes. The term of the first class of directors expires at our 2002 annual meeting of stockholders, the term of the second class of directors expires at our 2003 annual meeting of stockholders and the term of the third class of directors expires at our 2004 annual meeting of stockholders. At each of our annual meetings of stockholders, the successors of the class of directors whose term expires at that meeting of stockholders will be elected for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of us if FMC Corporation no longer controls us because it generally makes it more difficult for stockholders to replace a majority of the directors. Our Certificate of Incorporation also provides that directors may be removed with or without cause only by the vote of holders of at least 80% of our outstanding shares of stock entitled to vote generally in the election of directors.

SIZE OF BOARD AND VACANCIES

Our Certificate of Incorporation provides that the number of directors on our Board of Directors will be fixed exclusively by our Board of Directors. Newly created directorships resulting from any increase in our authorized number of directors or any vacancies in our Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled solely by the vote of our remaining directors in office.

ELIMINATION OF STOCKHOLDER ACTION BY WRITTEN CONSENT

Our Certificate of Incorporation permits our stockholders to act by written consent without a meeting as long as FMC Corporation owns at least 50% of our voting stock. Once FMC Corporation ceases to own that percentage of our voting stock, our Certificate of Incorporation eliminates the right of our stockholders to act by written consent.

AMENDMENTS TO OUR BYLAWS

Our Certificate of Incorporation and Bylaws provide that our Bylaws may only be amended by the vote of a majority of our whole Board of Directors or by the vote of holders of at least 80% of the outstanding shares of our voting stock.

AMENDMENT OF CERTIFICATE OF INCORPORATION PROVISIONS

The amendment of any of the above provisions in our Certificate of Incorporation would require approval by holders of at least 80% of our outstanding common stock.

STOCKHOLDER MEETINGS

Under our Bylaws, only our Board of Directors may call special meetings of our stockholders.



REQUIREMENTS FOR ADVANCE NOTIFICATION OF STOCKHOLDER NOMINATIONS AND PROPOSALS

Our Bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our Board of Directors or a committee of our Board of Directors.

DELAWARE ANTI-TAKEOVER LAW

Our Certificate of Incorporation provides that Section 203 of the Delaware General Corporation Law, an anti-takeover law, does not apply to us until FMC Corporation owns less than 15% of our outstanding common stock.

In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested

stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock. Section 203 is not applicable to business combinations with FMC Corporation. The existence of this provision after FMC Corporation no longer owns at least 15% of our outstanding shares may have an anti-takeover effect with respect to transactions not approved in advance by our Board of Directors, including discouraging attempts that might result in a premium over the market price for the shares of our common stock.

NO CUMULATIVE VOTING

Our Certificate of Incorporation and Bylaws do not provide for cumulative voting in the election of directors.

UNDESIGNATED PREFERRED STOCK

The authorization of our undesignated preferred stock makes it possible for our Board of Directors to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes of control of our management.

THE RIGHTS AGREEMENT

Our Board of Directors will adopt a rights agreement prior to the offering. Pursuant to our rights agreement, one preferred share purchase right will be issued for each outstanding share of our common stock. Our rights being issued are subject to the terms of our rights agreement.

Our Board of Directors will adopt our rights agreement to protect our stockholders from coercive or otherwise unfair takeover tactics. In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock without the approval of our Board of Directors.

For those interested in the specific terms of our rights agreement, we provide the following summary description. Please note, however, that this description is only a summary, is not complete, and should be read together with our entire rights agreement, which has been publicly filed with the SEC as an exhibit to the registration statement of which this prospectus is a part.



THE RIGHTS

Our Board of Directors authorized the issuance of one of our rights for each share of our common stock outstanding on , 2001. Our rights initially trade with, and are inseparable from, our common stock. Our rights are evidenced only by certificates that represent shares of our common stock. New rights will accompany any new shares of common stock we issue after , 2001 until the date on which the rights are distributed as described below.

EXERCISE PRICE

Each of our rights will allow its holder to purchase from us one one-hundredth of a share of our series A junior participating preferred stock for $ , once the rights become exercisable. This portion of our preferred stock will give our stockholders approximately the same dividend, voting, and liquidation rights as would one share of our common stock. Prior to exercise, our right does not give its holder any dividend, voting, or liquidation rights.

EXERCISABILITY

Our rights will not be exercisable until:

- ten days after the public announcement that a person or group has become an "acquiring person" by obtaining beneficial ownership of 15% or more of our outstanding common stock, or, if earlier,

- ten business days (or a later date determined by our Board of Directors before any person or group becomes an acquiring person) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring

person.

In light of FMC Corporation's substantial ownership position, our rights agreement contains provisions excluding FMC Corporation from the operation of the adverse terms of our rights agreement until the first time it ceases to beneficially own at least 15% of our outstanding common stock.

Until the date our rights become exercisable, our common stock certificates also evidence our rights, and any transfer of shares of our common stock constitutes a transfer of our rights. After that date, our rights will separate from our common stock and be evidenced by book-entry credits or by rights certificates that we will mail to all eligible holders of our common stock. Any of our rights held by an acquiring person are void and may not be exercised.

CONSEQUENCES OF A PERSON OR GROUP BECOMING AN ACQUIRING PERSON

- Flip In. If a person or group becomes an acquiring person, all holders of our rights except the acquiring person may, for $ , purchase shares of our common stock with a market value of $ , based on the market price of our common stock prior to such acquisition.

- Flip Over. If we are later acquired in a merger or similar transaction after the date our rights become exercisable, all holders of our rights except the acquiring person may, for $ , purchase shares of the acquiring corporation with a market value of $ , based on the market price of the acquiring corporation's stock prior to such merger.

OUR PREFERRED SHARE PROVISIONS

Each one one-hundredth of a share of our preferred stock, if issued:

- will not be redeemable;



- will entitle holders to quarterly dividend payments of $.01 per share, or an amount equal to the dividend paid on one share of our common stock, whichever is greater;

- will entitle holders upon liquidation either to receive $1 per share or an amount equal to the payment made on one share of our common stock, whichever is greater;

- will have the same voting power as one share of our common stock; and

- if shares of our common stock are exchanged via merger, consolidation or a similar transaction, will entitle holders to a per share payment equal to the payment made on one share of our common stock.

The value of one one-hundredth interest in a share of our preferred stock should approximate the value of one share of our common stock.

EXPIRATION

Our rights will expire on , 2011.

REDEMPTION

Our Board of Directors may redeem our rights for $.01 per right at any time before any person or group becomes an acquiring person. If our Board of Directors redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of $.01 per right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

EXCHANGE

After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our Board of Directors may extinguish our rights by exchanging one share of our common stock or an equivalent security for each right, other than rights held by the

acquiring person.

ANTI-DILUTION PROVISIONS

Our Board of Directors may adjust the purchase price of our preferred stock, the number of shares of our preferred stock issuable and the number of our outstanding rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of our preferred stock or common stock. No adjustments to the purchase price of our preferred stock of less than 1% will be made.

AMENDMENTS

The terms of our rights agreement may be amended by our Board of Directors without the consent of the holders of our rights. After a person or group becomes an acquiring person, our Board of Directors may not amend the agreement in a way that adversely affects holders of our rights.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common stock is Computershare Investor Services.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares of our common stock to be approved for listing on the New York Stock Exchange under the symbol "FTI."



## SHARES ELIGIBLE FOR FUTURE SALE

All of our common stock sold in this offering will be freely tradable without restriction under the Securities Act, except for any shares that may be acquired by an affiliate of us as defined in Rule 144 under the Securities Act. Persons that may be deemed to be affiliates generally include our individuals or entities that control, are controlled by, or are under common control with, us, and may include our directors or officers of FMC Technologies as well as our significant stockholders, if any.

The shares of our common stock held by FMC Corporation are deemed "restricted securities" as defined in Rule 144, and may not be sold other than through registration under the Securities Act or under an exemption from registration.

After the completion of this offering, FMC Corporation will own approximately 83.0% of our outstanding common stock, or 80.9% if the underwriters exercise their over-allotment option in full. FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the IRS as to the tax-free nature of the distribution for U.S. Federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised as that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the

distribution.

Shares of our common stock distributed to FMC Corporation common stockholders in the distribution generally will be freely transferable, except for shares of our common stock received by persons that may be deemed to be our affiliates. Persons who are our affiliates will be permitted to sell the shares of our common stock that are issued in this offering or that they receive in the distribution only through registration under the Securities Act, or under an exemption from registration, such as the one provided by Rule 144.

We, our directors, our executive officers and FMC Corporation have agreed with the underwriters that, during the period beginning from the date of this prospectus and continuing to and including the date 180 days after the date of this prospectus, we generally will not offer, sell, contract to sell or otherwise dispose of any shares of our common stock without the prior written consent of Merrill Lynch & Co. on behalf of the underwriters. Although it has no intent or understanding to do so, Merrill Lynch, in its sole discretion, may permit early release of the shares of our common stock subject to the restrictions detailed above prior to the expiration of the 180-day lock up period. Merrill Lynch has advised us that, prior to granting any early release of our common stock from the lock up, it would consider factors including need, market conditions, the performance of our common stock price, trading liquidity, prior trading habits of the requesting party and other relevant considerations.



In connection with this offering, we will grant options to purchase approximately 2,250,000 shares of our common stock to selected employees and directors of our company. After this offering, we intend to file a registration statement on Form S-8 to register approximately 12,000,000 shares of our common stock that are reserved for issuance or sale under our stock plan, as described under "Management--Incentive Plans." Currently, there are no outstanding options to purchase shares of our common stock. All shares of our common stock issuable upon exercise of options to be granted under our stock plans will be freely tradable upon effectiveness of the S-8 registration statement without restrictions under the Securities Act, except to the extent held by one of our affiliates (in which case they will be subject to the limitations of Rule 144 described above). We expect that the registration statement on Form S-8 will also register shares of our common stock issuable upon exercise of options to acquire our common stock that we expect to grant in replacement of all FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors in connection with the distribution. See "Management--Treatment of FMC Corporation Options." In addition, we expect the registration statement on Form S-8 will register shares of our common stock issuable upon the lapse of restrictions on the grants of restricted stock made in replacement of all FMC Corporation restricted stock granted to our employees and to the Chairman of our Board of Directors in connection with the offering and all FMC Corporation restricted stock granted to employees of FMC Corporation whom we hire as of the distribution date and a portion of the FMC Corporation restricted stock granted to our non-employee directors, other than the Chairman of our Board of Directors, in connection with the distribution. The terms of our restricted stock are limited by the terms of our stock plan. See "Management--Treatment of FMC Corporation Restricted Stock" and "Management--Incentive Plans--The Stock Plan."



## MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a general discussion of material U.S. Federal income and estate tax considerations with respect to the ownership and disposition of shares of our common stock applicable to non-U.S. holders. In general, a "non-U.S. holder" is any holder other than:

- a citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States or of any state;
- an estate, the income of which is includible in gross income for U.S.

Federal income tax purposes regardless of its source; or

- a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service, and all other applicable authorities, all of which are subject to change (possibly with retroactive effect). We assume in this discussion that a non-U.S. holder holds shares of our common stock as a capital asset (generally property held for investment). This discussion does not address all aspects of U.S. Federal income and estate taxation that may be important to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder subject to special treatment under the U.S. Federal income tax laws (such as insurance companies, tax-exempt organizations, financial institutions, brokers, dealers in securities, partnerships, owners of more than 5% of our common stock and certain U.S. expatriates). Accordingly, we urge prospective investors to consult with their own tax advisor regarding the U.S. Federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of shares of our common stock.

DIVIDENDS

In general, dividends we pay to a non-U.S. holder will be subject to U.S. withholding tax at a 30% rate of the gross amount (or a lower rate prescribed by an applicable income tax treaty) unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if a treaty applies, are attributable to a permanent establishment of the non-U.S. holder within the United States. Dividends effectively connected with this U.S. trade or business, and, if a treaty applies, attributable to such a permanent establishment of a non-U.S. Holder, generally will not be subject to U.S. withholding tax if the non-U.S. holder files certain forms, including IRS Form W-8ECI (or any successor form), with the payor of the dividend, and generally will be subject to U.S. Federal income tax on a net income basis, in the same manner as if the non-U.S. holder were a resident of the United States. A non-U.S. holder that is a corporation, may be subject to an additional branch profits tax at a rate of 30% (or a lower rate as may be specified by an applicable income tax treaty) on the repatriation from the United States of its "effectively connected earnings and profits," subject to certain adjustments. Under applicable Treasury Regulations, a non-U.S. holder (including, in certain cases of non-U.S. holders that are entities, the owner or owners of such entities) is required to satisfy certain certification requirements in order to claim a reduced rate of withholding pursuant to an applicable income tax treaty.



GAIN ON SALE OR OTHER DISPOSITION OF COMMON STOCK

In general, a non-U.S. holder will not be subject to U.S. Federal income tax on any gain realized upon the sale or other disposition of the holder's shares of our common stock unless:

- the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States (in which case the branch profits tax discussed above may also apply if the non-U.S. holder is a corporation) or the gain is attributable to a permanent establishment of the non-U.S. holder maintained in the United States if that is required by an applicable income tax treaty as a condition to subjecting a non-U.S. holder to United States income tax on a net basis;

- the non-U.S. holder is an individual and is present in the United States for 183 days or more in the taxable year of disposition and certain other tests are met;

- the non-U.S. holder is subject to tax pursuant to the provisions of the Internal Revenue Code regarding the taxation of U.S. expatriates; or

- we are or have been a U.S. real property holding corporation (a "USRPHC") for U.S. Federal income tax purposes (which we do not believe that we have been, currently are, or will become) at any time within the shorter of the five-year period preceding the disposition and the non-U.S. holder's holding period. If we were or were to become a USRPHC at any time during this period, generally gains realized upon a disposition of shares of our common stock by a non-U.S. holder that did not directly or indirectly own more than 5% of our common stock during this period would not be subject to U.S. Federal income tax, provided that our common stock is "regularly traded on an established securities market" (within the meaning of Section 897(c)(3) of the Internal Revenue Code). We believe that our common stock will be treated as regularly traded on an established securities market during any period in which it is listed on the NYSE.

ESTATE TAX

Shares of our common stock that are owned or treated as owned by an individual who is not a citizen or resident (as defined for U.S. Federal estate tax purposes) of the United States at the time of death will be includible in the individual's gross estate for U.S. Federal estate tax purposes, unless an applicable estate tax treaty provided otherwise, and therefore may be subject to U.S. Federal estate tax.

BACKUP WITHHOLDING, INFORMATION REPORTING AND OTHER REPORTING REQUIREMENTS

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to, and the tax withheld with respect to, each non-U.S. holder. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information also may be made available under the provisions of a specific treaty or agreement with the tax authorities in the country in which the non-U.S Holder resides or is established.

U.S. backup withholding tax is imposed at the rate of 31% on certain payments to persons that fail to furnish the information required under the U.S. information reporting requirements.

Under the Treasury Regulations, the payment of proceeds from the disposition of shares of our common stock to or through a U.S. office of a broker will be subject to information reporting and backup withholding, unless the beneficial owner, under penalties of perjury, certifies, among other things, its status as a non-U.S. holder or otherwise establishes an exemption. The payment of proceeds from the disposition of shares of our common stock to or through a non-U.S. office of a broker generally will not be subject to backup withholding and information reporting, except as noted below. In the case of proceeds from a disposition of shares of our common stock paid to or though a non-U.S. office of a broker that is:

- a U.S. person;
- a "controlled foreign corporation" for U.S. Federal income tax purposes;



- a foreign person 50% or more of whose gross income from certain periods is effectively connected with a U.S. trade or business; or
- a foreign partnership if at any time during its tax year (a) one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interests of the partnership or (b) the foreign partnership is engaged in a U.S. trade or business,

information reporting (but not backup withholding) will apply unless the broker has documentary evidence in its files that the owner is a non-U.S. holder and certain other conditions are satisfied, or the beneficial owner otherwise establishes an exemption (and the broker has no actual knowledge to the contrary).

Backup withholding is not an additional tax. Any amounts withheld under

the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. Federal income tax liability, if any, provided that the required information is furnished to the IRS in a timely manner.

The foregoing discussion of certain U.S. Federal income tax considerations is for general information only and is not tax advice. Accordingly, each prospective non-U.S. holder of shares of our common stock should consult his, her or its own tax adviser with respect to the Federal, state, local and foreign tax consequences of the acquisition, ownership and disposition of common stock.



## UNDERWRITING

We intend to offer the shares in the U.S. and Canada through the U.S. underwriters and elsewhere through the international managers. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC are acting as U.S. representatives of the U.S. underwriters named below. Subject to the terms and conditions described in a U.S. purchase agreement among us and the U.S. underwriters, and concurrently with the sale of 2,210,000 shares of our common stock to the international managers, we have agreed to sell to the U.S. underwriters, and the U.S. underwriters severally have agreed to purchase from us, the number of shares of our common stock listed opposite their names below.

| U.S. UNDERWRITER | NUMBER OF SHARES |
|---|---|
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | |
| Credit Suisse First Boston Corporation | |
| Salomon Smith Barney Inc | |
| Banc of America Securities LLC | |
| Total | 8,840,000 |

We have also entered into an international purchase agreement with the international managers for sale of the shares outside the U.S. and Canada for whom Merrill Lynch International, Credit Suisse First Boston (Europe) Limited, Salomon Brothers International Limited and Banc of America Securities Limited are acting as lead managers. Subject to the terms and conditions in the international purchase agreement, and concurrently with the sale of 8,840,000 shares of our common stock to the U.S. underwriters under the U.S. purchase agreement, we have agreed to sell to the international managers, and the international managers severally have agreed to purchase from us, an aggregate of 2,210,000 shares of our common stock in this offering. The initial public offering price per share and the total underwriting discount per share of our common stock are identical under the U.S. purchase agreement and the international purchase agreement.

The U.S. underwriters and the international managers have agreed to purchase all of the shares of our common stock sold under the U.S. and international purchase agreements if any of these shares of our common stock are purchased. If an underwriter defaults, the U.S. and international purchase agreements provide that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreements may be terminated. The closings for sale of shares of our common stock to be purchased by the U.S. underwriters and the international managers are conditioned on one another.

We have agreed to indemnify the U.S. underwriters and the international managers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the U.S. underwriters and international managers may be required to make in respect of those liabilities.

The underwriters are offering the shares of our common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares of our

common stock, and other conditions contained in the purchase agreements, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Merrill Lynch will be facilitating Internet distribution for this offering to some of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares of our common stock for sale to its online brokerage customers. An electronic prospectus is available on the Internet Web sites maintained by Merrill Lynch and Credit Suisse First Boston Corporation. Other than the prospectus in electronic format, the information on the Web sites of Merrill Lynch, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC is not part of this prospectus.



COMMISSIONS AND DISCOUNTS

The U.S. representatives have advised us that the U.S. underwriters propose initially to offer the shares of our common stock to the public at the initial public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The U.S. underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. This information assumes either no exercise or full exercise by the U.S. underwriters and the international managers of their over-allotment options.

| | PER SHARE | WITHOUT OPTION | WITH OPTION |
|---|---|---|---|
| Public offering price..... | $ | $ | $ |
| Underwriting discount..... | $ | $ | $ |
| Proceeds, before expenses, to us.... | $ | $ | $ |

The expenses of the offering, not including the underwriting discount, are estimated at $2,304,000 and are payable by us.

OVER-ALLOTMENT OPTION

We have granted an option to the U.S. underwriters to purchase up to 1,326,000 additional shares of our common stock at the public offering price less the underwriting discount. The U.S. underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any over-allotments. If the U.S. underwriters exercise this option, each will be obligated, subject to the conditions contained in the purchase agreements, to purchase a number of additional shares of our common stock proportionate to that U.S. underwriter's initial amount reflected in the above table.

We have also granted an option to the international managers, exercisable for 30 days from the date of this prospectus, to purchase up to 331,500 additional shares of our common stock to cover any over-allotments on terms similar to those granted to the U.S. underwriters.

INTERSYNDICATE AGREEMENT

The U.S. underwriters and the international managers have entered into an intersyndicate agreement that provides for the coordination of their activities. Under the intersyndicate agreement, the U.S. underwriters and the international managers may sell shares of our common stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the intersyndicate agreement, the U.S. underwriters and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, except in the case of transactions under the intersyndicate agreement. Similarly, the international managers and any dealer

to whom they sell shares of our common stock will not offer to sell or sell shares of our common stock to U.S. persons or Canadian persons or to persons they believe intend to resell to U.S. persons or Canadian persons, except in the case of transactions under the terms of the intersyndicate agreement.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial offering price, up to 1,105,000 shares offered by this prospectus for sale to some of our directors, officers and employees and FMC Corporation's directors, officers and employees. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for



purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

NO SALES OF SIMILAR SECURITIES

We, our executive officers and directors and FMC Corporation have agreed, with exceptions, not to sell or transfer any of our common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch. Specifically, we and these other persons have agreed not to directly or indirectly:

- offer, pledge, sell or contract to sell any of our common stock,
- sell any option or contract to purchase any of our common stock,
- purchase any option or contract to sell any of our common stock,
- grant any option, right or warrant for the sale of any of our common stock, other than pursuant to our employee benefit plans or director stock plan,
- lend or otherwise dispose of or transfer any of our common stock,
- file, or request or demand that we file, a registration statement related to our common stock other than in connection with our employee benefit plans, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lockup provision applies to our common stock and to securities convertible into or exchangeable or exercisable for or repayable with our common stock. It also applies to our common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. These restrictions do not apply to shares of our common stock sold to the underwriters and international managers under this prospectus.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares to be approved for listing on the New York Stock Exchange under the symbol "FTI." In order to meet the requirements for listing of our common stock on the NYSE, the U.S. underwriters and the international managers have undertaken to sell a minimum number of shares of our common stock to a minimum number of beneficial owners as required by the NYSE.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the U.S. representatives and the lead managers. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the U.S. representatives and the lead managers believe to be comparable to us,

- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.



An active trading market for the shares may not develop. It is also possible that after the offering the shares of our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares of our common stock being offered in this offering in the aggregate to accounts over which they exercise discretionary authority.

NASD REGULATIONS

Affiliates of each of the U.S. representatives other than Merrill Lynch are participating as lenders to FMC Corporation under the $200 million 180-day revolving credit facility. Affiliates of Banc of America Securities LLC and Salomon Smith Barney Inc. are participating as lenders to FMC Corporation under the $150 million 364-day revolving credit facility. An affiliate of Salomon Smith Barney Inc. is acting as administrative agent for the $200 million facility and an affiliate of Banc of America Securities LLC is acting as administrative agent for the $150 million facility. All amounts outstanding under these facilities will be assumed by us. The proceeds of this offering will be used to repay all amounts outstanding under the $200 million facility and a portion of the amount outstanding under the $150 million facility. Because more than ten percent of the net proceeds of this offering may be paid to members or affiliates of members of the National Association of Securities Dealers, Inc. participating in this offering, this offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8). This rule requires that the public offering price of an equity security be no higher than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement and performed its usual standard of due diligence with respect to that registration statement. Merrill Lynch has agreed to act as qualified independent underwriter for this offering. The price of the shares will be no higher than that recommended by Merrill Lynch.

PRICE STABILIZATION AND SHORT POSITIONS AND PENALTY BIDS

Until this offering of shares of our common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the U.S. underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

The U.S. underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the U.S. underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the issuer in the offering. The U.S. underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the U.S. underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. "Naked" short sales are any sales in excess of such option. The U.S. underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the U.S. underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by

the U.S. underwriters in the open market prior to the completion of the offering.

The U.S. underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the U.S. underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the U.S. underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or



retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters makes any representation that the U.S. underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## OTHER RELATIONSHIPS

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or FMC Corporation. Some of the underwriters and their affiliates also have engaged in commercial banking and investment banking transactions and services with us or FMC Corporation, including with respect to the separation, and may in the future engage in these transactions and services. They have received customary compensation for these services and transactions.



## LEGAL MATTERS

Wachtell, Lipton, Rosen & Katz, New York, New York, will pass upon the validity of our common stock being sold in this offering and other legal matters for us. Vinson & Elkins L.L.P., Houston, Texas, will pass upon a number of legal matters relating to this offering for the underwriters. Each of these firms has in the past represented and continues to represent one or more of the underwriters, and Wachtell, Lipton, Rosen & Katz has in the past represented and continues to represent FMC Corporation, on a regular basis and in a variety of matters other than this offering.

## EXPERTS

The audited combined financial statements and schedules of FMC Technologies, Inc. as of December 31, 1999 and 2000, and for each of the years in the three-year period ended December 31, 2000, have been included in this prospectus and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC, a registration statement on Form S-1 under the Securities Act of 1933 with respect to our common stock offered in this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to that registration statement. For further information with respect to us and the common stock, we refer you to this registration statement and its exhibits and schedules. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance, reference is made to the copy of that contract or document filed as an exhibit to the registration statement, each of these statements being qualified in all respects by that reference. You may read and copy the registration statement, including exhibits to the registration statement, at the SEC's public reference

room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at http://www.sec.gov.

Upon completion of this offering, we will be subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with those requirements, will file reports, proxy and information statements and other information with the SEC. You may inspect and copy these reports, proxy and information statements and other information at the addresses set forth above.

We will make available to our stockholders our annual reports containing consolidated or combined financial statements audited by our independent auditors and quarterly reports containing unaudited consolidated or combined financial statements for each of the first three quarters of each fiscal year.



## INDEX TO COMBINED FINANCIAL STATEMENTS





## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors and Stockholder,
FMC Technologies, Inc.:

We have audited the accompanying combined balance sheets of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the related combined statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2000. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Chicago, Illinois
February 9, 2001



FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

AND FOR THE THREE MONTHS ENDED MARCH 31, 2000 (UNAUDITED)

AND 2001 (UNAUDITED)

| (IN MILLIONS, EXCEPT PER SHARE DATA) | YEAR ENDED DECEMBER 31, | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2000 | 2001 |
| | | | | (UNAUDITED) | |
| Revenue | $2,185.5 | $1,953.1 | $1,875.2 | $ 441.9 | $ 429.4 |
| Costs and expenses: | | | | | |
| Cost of sales or services | 1,669.3 | 1,479.8 | 1,421.1 | 340.0 | 333.9 |
| Selling, general and administrative expenses | 337.8 | 302.4 | 291.2 | 74.7 | 72.8 |
| Research and development | 50.7 | 51.8 | 56.7 | 14.3 | 13.1 |
| Asset impairments (Note 5) | -- | 6.0 | 1.5 | -- | 1.3 |
| Restructuring and other charges (Note 5) | -- | 3.6 | 9.8 | -- | 9.2 |
| Total costs and expenses | 2,057.8 | 1,843.6 | 1,780.3 | 429.0 | 430.3 |
| Income (loss) from continuing operations before interest income, interest expense, income taxes and the cumulative effect of a change in accounting principle | 127.7 | 109.5 | 94.9 | 12.9 | (0.9) |
| Interest income | 6.2 | 4.0 | 2.3 | 1.1 | 0.5 |
| Interest expense | 8.1 | 3.5 | 6.6 | 1.0 | 1.6 |
| Income (loss) from continuing operations before income taxes and the cumulative effect of a change in accounting principle | 125.8 | 110.0 | 90.6 | 13.0 | (2.0) |
| Provision for income taxes (Note 9) | 38.6 | 33.5 | 22.7 | 3.4 | 1.6 |
| Income (loss) from continuing operations before the cumulative effect of a change in accounting principle | 87.2 | 76.5 | 67.9 | 9.6 | (3.6) |
| Discontinued operations, net of income taxes (Note 12) | -- | (5.5) | -- | -- | -- |
| Income (loss) before the cumulative effect of a change in accounting principle | 87.2 | 71.0 | 67.9 | 9.6 | (3.6) |
| Cumulative effect of a change in | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| accounting principle, net of income taxes (Note 14)..... | -- | -- | -- | -- | (4.7) |
| Net income (loss)..... | $ 87.2 | $ 71.0 | $ 67.9 | $ 9.6 | $ (8.3) |
| Unaudited pro forma as adjusted basic earnings (loss) per common share from continuing operations (Note 18)..... | | | $ 0.92 | | $ (0.09) |
| Unaudited pro forma as adjusted diluted earnings (loss) per common share from continuing operations (Note 18)..... | | | $ 0.91 | | $ (0.09) |

The accompanying notes are an integral part of the combined financial statements.



FMC TECHNOLOGIES, INC.

COMBINED BALANCE SHEETS

AS OF DECEMBER 31, 1999 AND 2000

AND AS OF MARCH 31, 2001 (UNAUDITED)

| (IN MILLIONS, EXCEPT SHARE AND PAR VALUE DATA) | DECEMBER 31, 1999 | DECEMBER 31, 2000 | MARCH 31, 2001 (UNAUDITED) |
|---|---|---|---|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents..... | $ 40.1 | $ 17.8 | $ 12.0 |
| Trade receivables, net of allowances of $10.4 in 1999, $7.2 in 2000 and $7.6 in 2001..... | 267.5 | 328.9 | 315.6 |
| Inventories (Note 6)..... | 250.8 | 254.8 | 278.8 |
| Other current assets..... | 68.3 | 62.0 | 100.2 |
| Deferred income taxes (Note 9)..... | 31.7 | 29.8 | 33.2 |
| Total current assets..... | 658.4 | 693.3 | 739.8 |
| Investments..... | 151.5 | 29.9 | 30.0 |
| Property, plant and equipment, net (Note 7)..... | 280.6 | 257.3 | 254.1 |
| Goodwill and intangible assets, net..... | 359.7 | 373.1 | 360.6 |
| Other assets..... | 5.7 | 12.0 | 15.1 |
| Deferred income taxes (Note 9)..... | 17.3 | 8.1 | 8.1 |
| Total assets..... | $1,473.2 | $1,373.7 | $1,407.7 |
| Liabilities and stockholder's equity | | | |
| Current liabilities: | | | |
| Short-term debt (Note 8)..... | $ 12.0 | $ 41.1 | $ 31.7 |
| Accounts payable, trade and other..... | 367.5 | 328.3 | 333.9 |
| Accrued payroll..... | 48.7 | 39.7 | 30.0 |
| Other current liabilities..... | 125.5 | 113.5 | 148.4 |
| Current portion of accrued pension and other postretirement benefits (Note 10)..... | 4.3 | 13.2 | 12.7 |
| Income taxes payable (Note 9)..... | 18.4 | 34.0 | 33.2 |
| Total current liabilities..... | 576.4 | 569.8 | 589.9 |
| Accrued pension and other postretirement benefits, less current portion (Note 10)..... | 75.4 | 59.2 | 60.6 |
| Reserve for discontinued operations (Note 12)..... | 33.8 | 30.6 | 29.1 |
| Other liabilities..... | 65.4 | 76.5 | 75.8 |
| Commitments and contingent liabilities (Note 17)..... | -- | -- | -- |

| | | | |
|---|---|---|---|
| Stockholder's equity: | | | |
| Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding in 2000 and 2001 | -- | -- | -- |
| Capital in excess of par value of common stock | -- | -- | -- |
| Accumulated other comprehensive loss | (79.8) | (114.4) | (126.9) |
| Owner's net investment | 802.0 | 752.0 | 779.2 |
| Total stockholder's equity | 722.2 | 637.6 | 652.3 |
| Total liabilities and stockholder's equity | $1,473.2 | $1,373.7 | $1,407.7 |

The accompanying notes are an integral part of the combined financial statements.



FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

AND THE THREE MONTHS ENDED MARCH 31, 2000 (UNAUDITED) AND 2001 (UNAUDITED)

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2000 | 2001 |
| | | | | (UNAUDITED) | |
| Cash provided (required) by operating activities of continuing operations: | | | | | |
| Income (loss) from continuing operations | $ 87.2 | $ 76.5 | $ 67.9 | $ 9.6 | $(3.6) |
| Adjustments to reconcile income (loss) from continuing operations to cash provided (required) by operating activities of continuing operations: | | | | | |
| Depreciation and amortization | 66.6 | 62.3 | 59.1 | 13.8 | 14.4 |
| Asset impairments (Note 5) | -- | 6.0 | 1.5 | -- | 1.3 |
| Restructuring and other charges (Note 5) | -- | 3.6 | 9.8 | -- | 9.2 |
| Settlement of derivative contracts (Note 3) | -- | -- | -- | -- | (3.8) |
| Deferred income taxes | 3.4 | 16.7 | 11.1 | -- | (3.3) |
| Other | (10.9) | 1.1 | 6.9 | 5.6 | 1.3 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable sold (net repurchase of receivables) | -- | 22.0 | 15.6 | 4.0 | (5.2) |
| Trade receivables, net | (21.3) | 46.3 | (78.3) | 16.1 | 18.5 |
| Inventories | (4.1) | 32.1 | (16.5) | (3.6) | (24.5) |
| Other current assets and other assets | 21.2 | 0.8 | 17.4 | (64.6) | (35.1) |
| Accounts payable including advance payments, accrued payroll, other current liabilities and other liabilities | 70.0 | (111.3) | (91.1) | (19.4) | 10.0 |
| Income taxes payable | 0.3 | 3.0 | 15.6 | 6.8 | (0.8) |
| Accrued pension and other postretirement benefits, net | (16.0) | (6.4) | (11.0) | (1.0) | (0.6) |
| Cash provided (required) by operating activities of continuing | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| operations | 196.4 | 152.7 | 8.0 | (32.7) | (22.2) |
| Cash required by discontinued operations (Note 12) | (2.9) | (7.4) | (3.2) | (0.4) | (1.5) |
| Cash provided (required) by investing activities: | | | | | |
| Acquisitions and joint venture investments | (82.8) | (49.1) | (47.4) | -- | -- |
| Capital expenditures | (59.4) | (40.9) | (43.1) | (13.9) | (12.8) |
| Proceeds from disposal of property, plant and equipment and sale-leasebacks | 37.0 | 59.4 | 31.6 | 2.5 | 5.3 |
| Redemption of Tyco preferred stock (Note 4) | -- | -- | 127.5 | -- | -- |
| (Increase) decrease in investments | (23.4) | 24.1 | (5.2) | (1.1) | (0.4) |
| Cash provided (required) by investing activities | (128.6) | (6.5) | 63.4 | (12.5) | (7.9) |
| Cash provided (required) by financing activities: | | | | | |
| Net increase (decrease) in short-term debt | (2.6) | (11.1) | 29.0 | 1.2 | (9.4) |
| Repayment of long-term debt | (8.0) | -- | -- | -- | -- |
| (Distribution to) contribution from owner | (54.8) | (122.8) | (117.9) | 30.0 | 35.5 |
| Cash provided (required) by financing activities | (65.4) | (133.9) | (88.9) | 31.2 | 26.1 |
| Effect of exchange rate changes on cash and cash equivalents | (1.2) | 9.8 | (1.6) | (0.9) | (0.3) |
| Increase (decrease) in cash and cash equivalents | (1.7) | 14.7 | (22.3) | (15.3) | (5.8) |
| Cash and cash equivalents, beginning of period | 27.1 | 25.4 | 40.1 | 40.1 | 17.8 |
| Cash and cash equivalents, end of period | $ 25.4 | $ 40.1 | $ 17.8 | $24.8 | $12.0 |

Supplemental cash flow information: Income taxes paid, net of refunds, were $38.2 million, $13.8 million and $1.8 million for the years ended December 31, 1998, 1999 and 2000, respectively, and $(3.4) million and $0.9 million for the three months ended March 31, 2000 (unaudited) and 2001 (unaudited), respectively. Interest payments for the years ended December 31, 1998, 1999 and 2000 were $4.7 million, $4.6 million and $8.8 million, respectively, and $1.7 million and $1.5 million for the three months ended March 31, 2000 (unaudited) and 2001 (unaudited), respectively.

Non-cash transaction: The Company received Tyco preferred stock valued at $121.6 million in 1998 in conjunction with the sale of Crosby Valve (Note 4).

The accompanying notes are an integral part of the combined financial statements.



FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

AND FOR THE THREE MONTHS ENDED MARCH 31, 2001 (UNAUDITED)

ACCUMULATED

| (IN MILLIONS) | OWNER'S NET INVESTMENT | OTHER COMPREHENSIVE INCOME (LOSS) | COMPREHENSIVE INCOME (LOSS) |
|---|---|---|---|
| BALANCE AT DECEMBER 31, 1997 | $ 821.4 | $ (32.0) | |
| Net income | 87.2 | -- | $ 87.2 |
| Foreign currency translation adjustment (Note 13) | -- | (3.7) | (3.7) |
| Distribution to owner | (54.8) | -- | -- |
| | | | $ 83.5 |
| BALANCE AT DECEMBER 31, 1998 | 853.8 | (35.7) | |
| Net income | 71.0 | -- | 71.0 |
| Foreign currency translation adjustment (Note 13) | -- | (40.9) | (40.9) |
| Minimum pension liability adjustment (Note 10) | -- | (3.2) | (3.2) |
| Distribution to owner | (122.8) | -- | -- |
| | | | $ 26.9 |
| BALANCE AT DECEMBER 31, 1999 | 802.0 | (79.8) | |
| Net income | 67.9 | -- | 67.9 |
| Foreign currency translation adjustment (Note 13) | -- | (35.9) | (35.9) |
| Minimum pension liability adjustment (Note 10) | -- | 1.3 | 1.3 |
| Distribution to owner | (117.9) | -- | -- |
| | | | $ 33.3 |
| BALANCE AT DECEMBER 31, 2000 | 752.0 | (114.4) | |
| Net loss (unaudited) | (8.3) | -- | (8.3) |
| Foreign currency translation adjustment (unaudited) | -- | (9.9) | (9.9) |
| Contribution from owner (unaudited) | 35.5 | -- | -- |
| Net deferral of hedging gains (losses) (unaudited) | -- | (1.3) | (1.3) |
| Cumulative effect of a change in accounting principle (unaudited) (Note 14) | -- | (1.3) | (1.3) |
| | | | $(20.8) |
| BALANCE AT MARCH 31, 2001 (unaudited) | $ 779.2 | $(126.9) | |

The accompanying notes are an integral part of the combined financial statements.



FMC TECHNOLOGIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND BUSINESS

On October 31, 2000, FMC Corporation announced its intention to reorganize its Energy Systems, FoodTech and Airport Systems businesses as a new company, FMC Technologies, Inc. ("FMC Technologies" or the "Company"), and to sell up to 19.9% of FMC Technologies' common stock by means of an initial public offering (the "offering"), followed by a distribution (the "distribution") to FMC Corporation's stockholders of FMC Corporation's remaining interest in the Company's common stock. FMC Corporation has further advised FMC Technologies that the distribution is expected to occur by the end of calendar year 2001.

FMC Technologies was incorporated in Delaware on November 13, 2000 and currently is a wholly owned subsidiary of FMC Corporation. FMC Technologies designs, manufactures and services technologically sophisticated systems and products for its customers through its Energy Systems, FoodTech and Airport Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. FoodTech is a leading supplier of specialized food handling and processing systems and products to industrial food processing companies. Airport Systems provides technologically advanced equipment and services for airlines, airports and air freight companies.

NOTE 2. BASIS OF PRESENTATION

FMC Corporation has operated the businesses it will transfer to FMC Technologies in the separation as internal units of FMC Corporation through various divisions and subsidiaries, or through investments in unconsolidated affiliates. Before the closing of the offering, FMC Corporation intends to contribute substantially all of its ownership interests in the businesses included in these combined financial statements to the Company with the remainder to be transferred shortly after the closing. These combined financial statements reflect the combined results of the businesses as if they had been contributed to the Company for all periods. Subsequent to the contribution, all of the businesses included in these combined financial statements will be consolidated subsidiaries or divisions of the Company, or will be investments of the Company or its subsidiaries.

FMC Technologies' combined financial statements have been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses, and give effect to certain allocations of expenses from FMC Corporation. Such expenses represent costs related to general and administrative services that FMC Corporation has provided to FMC Technologies, including accounting, treasury, tax, legal, human resources, information technology and other corporate and infrastructure services. The costs of these services have been allocated to FMC Technologies and included in the Company's combined financial statements based upon the relative levels of use of those services. The expense allocations have been determined on the basis of assumptions and estimates that management believes to be a reasonable reflection of FMC Technologies' utilization of those services. These allocations and estimates, however, are not necessarily indicative of the costs and expenses that would have resulted if FMC Technologies had operated as a separate entity in the past, or of the costs the Company may incur in the future. For information relating to FMC Technologies' relationship with FMC Corporation and services between FMC Technologies and FMC Corporation following the separation, see Note 18.

The Company's cash resources are managed under a centralized system wherein receipts are deposited to the corporate accounts of FMC Corporation and disbursements are centrally funded. Accordingly, settlement of certain assets and liabilities arising from common services or activities provided by FMC Corporation and certain related-party transactions are reflected as net equity distributions to FMC Corporation.

The combined financial statements do not reflect the debt or interest expense FMC Technologies would have incurred if it were a stand-alone entity. In addition, the combined financial statements may not be





indicative of the Company's combined financial position, operating results or cash flows in the future or what the Company's financial position, operating results and cash flows would have been had FMC Technologies been a separate, stand-alone entity during the periods presented. The combined financial statements do not reflect any changes that will occur in the Company's funding or operations as a result of the offering, the distribution and FMC Technologies becoming a stand-alone entity.

NOTE 3. PRINCIPAL ACCOUNTING POLICIES

Use of estimates--The preparation of financial statements in conformity

with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results are likely to differ from those estimates, but FMC Technologies' management does not believe such differences will materially affect the Company's financial position, results of operations or cash flows.

Principles of combination--The combined financial statements include the accounts of the Energy Systems, FoodTech and Airport Systems businesses of FMC Corporation that will be transferred to FMC Technologies in the separation. All material intercompany accounts and transactions are eliminated in combination.

Unaudited financial information--The combined balance sheet as of March 31, 2001, and the combined statements of income and cash flows for the three-month periods ended March 31, 2000 and 2001 have been prepared by the Company and are unaudited. In the opinion of management, these financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect all adjustments necessary for a fair statement of the Company's results of operations and cash flows for the interim periods ended March 31, 2000 and 2001 and of its financial position as of March 31, 2001. All such adjustments are of a normal recurring nature. The results of operations for the three-month periods ended March 31, 2000 and 2001 are not necessarily indicative of the results of operations for the full year.

These notes to combined financial statements also include supplemental information as of and for the three month period ended March 31, 2001. The supplemental information is unaudited and appears in Notes 3, 5, 6, 9, 14 and 15. In each note, the unaudited supplemental information is dated as of a date in 2001.

Revenue recognition--Revenue from equipment sales is either recognized upon transfer of title to the customer (which is generally upon shipment or when customer-specific acceptance requirements are met) or under the percentage of completion method. The percentage of completion method is used for manufacturing and assembly projects that involve significant design and engineering effort in order to satisfy detailed customer-supplied specifications. Revenue is recognized as work progresses on each contract in the ratio that costs incurred to date bear to total estimated costs at completion. Any expected losses on contracts in progress are charged to operations in the period the losses become probable. Service revenue is recognized as the service is provided.

Cash equivalents--The Company considers investments in all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts receivable--During the fourth quarter of 1999, FMC Corporation entered into an accounts receivable financing facility under which accounts receivable are sold without recourse through a wholly owned, bankruptcy remote subsidiary. As part of FMC Corporation, FMC Technologies' operations have participated in the facility, which resulted in reductions of accounts receivable of $22.3 million and $38.0 million at December 31, 1999 and 2000, respectively. The Company accounts for the sales of receivables in accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." Net discounts recognized on sales of receivables are included in selling, general and administrative expenses in the combined statements of income and amounted to $0.3 million and $0.1 million for the years ended December 31, 1999 and 2000, respectively.





Revenue in excess of billings on completed contracts accounted for under the percentage of completion method is included in accounts receivable and amounted to $34.5 million at December 31, 1999 and $76.3 million at December 31, 2000.

Inventories--Inventories are stated at the lower of cost or market value. Inventory costs include those costs directly attributable to products prior to sale, including all manufacturing overhead but excluding costs to distribute. Cost is determined on the last-in, first-out ("LIFO") basis for all domestic inventories, except certain inventories relating to contracts-in-progress, which are stated at the actual production cost incurred to date, reduced by amounts identified with recognized revenue. At December 31, 2000, inventories accounted for under the LIFO method totaled $93.6 million. The first-in, first-out ("FIFO") method is used to determine the cost for all other inventories.

Investments--Investments in companies in which FMC Technologies' ownership interest is 50% or less and in which FMC Technologies exercises significant influence over operating and financial policies are accounted for using the equity method after eliminating the effects of any material intercompany transactions. All other investments are carried at their fair values or at cost, as appropriate.

Property, plant and equipment--Property, plant and equipment is recorded at cost. Depreciation for financial reporting purposes is provided principally on the straight-line basis over the estimated useful lives of the assets (land improvements--20 years, buildings--20 to 50 years, and machinery and equipment--3 to 18 years). Gains and losses are reflected in income upon sale or retirement of assets. Expenditures that extend the useful lives of property, plant and equipment or increase productivity are capitalized.

The Company reviews the recovery of the net book value of property, plant and equipment for impairment whenever events and circumstances indicate that the net book value of an asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the fair value of the assets.

Goodwill and intangible assets--Goodwill and identifiable intangible assets (such as trademarks) are amortized on a straight-line basis over their estimated useful or legal lives, not exceeding 40 years. The Company periodically evaluates the recoverability of the net book value of goodwill and intangible assets, particularly in the case of a change in business circumstances or other triggering event, based on expected undiscounted future cash flows for each operation having a significant goodwill balance. In cases where undiscounted expected future cash flows are less than the net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the fair value of the assets. Amortization of goodwill amounted to $11.2 million, $10.3 million and $10.9 million in 1998, 1999 and 2000, respectively.

Accounts payable--Amounts advanced by customers as deposits on orders not yet billed and progress payments on contracts-in-progress are classified with accounts payable and amounted to $181.8 million at December 31, 1999 and $120.2 million at December 31, 2000.

Income taxes--The provision for income taxes reflected in FMC Technologies' combined financial statements has been computed as if FMC Technologies were a stand-alone entity and filed separate tax returns. Current income taxes are provided on income reported for financial statement purposes adjusted for transactions that do not enter into the computation of income taxes payable. Deferred tax liabilities and assets are measured using enacted tax rates for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Income taxes are not provided for the equity in undistributed earnings of foreign subsidiaries or affiliates when it is management's intention that such earnings will remain invested in those companies. Taxes are provided for in the year in which the decision is made to repatriate the earnings.





Accumulated other comprehensive loss--At December 31, 1999, accumulated other comprehensive loss consisted of cumulative foreign currency translation losses of $76.6 million and a minimum pension liability adjustment of $3.2 million. At December 31, 2000, accumulated other comprehensive loss consisted

of cumulative foreign currency translation losses of $112.5 million and a minimum pension liability adjustment of $1.9 million. At March 31, 2001, accumulated other comprehensive loss consisted of cumulative foreign currency translation losses of $122.4 million, a minimum pension liability adjustment of $1.9 million and net deferred losses on hedging contracts of $2.6 million.

Earnings per common share--The Company's historical capital structure is not indicative of its prospective capital structure and, accordingly, historical earnings per share information has not been presented.

Foreign currency translation--Assets and liabilities of most foreign operations are translated at exchange rates in effect at the balance sheet date, and the foreign operations' income statements are translated at the monthly exchange rates for the period. For operations in non-highly inflationary countries, translation gains and losses are recorded as a component of accumulated other comprehensive income (loss) in stockholder's equity until the foreign entity is sold or liquidated. For operations in highly inflationary countries and where the local currency is not the functional currency, inventories, property, plant and equipment, and other noncurrent assets are converted to U.S. dollars at historical exchange rates, and all gains or losses from conversion are included in net income. Foreign currency effects on cash and cash equivalents and debt in hyperinflationary economies are included in interest income or expense.

Derivative financial instruments and foreign currency transactions--On January 1, 2001, the Company implemented, on a prospective basis, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS 137 and SFAS No. 138 (collectively, the "Statement"). The Statement requires the Company to recognize all derivatives in the combined balance sheets at fair value, with changes in the fair value of derivative instruments to be recorded in current earnings or deferred in other comprehensive income, depending on whether a derivative is designated as and is effective as a hedge and on the type of hedging transaction. In accordance with the provisions of the Statement, the Company recorded first quarter 2001 losses from the cumulative effect of a change in accounting principle of $4.7 million, net of an income tax benefit of $3.0 million, in the Company's combined statement of earnings, and $1.3 million net of an income tax benefit of $0.9 million, in accumulated other comprehensive loss.

The Company uses derivative financial instruments selectively to offset exposure to market risks arising from changes in foreign exchange rates. Derivative financial instruments currently used by the Company primarily consist of foreign currency forward contracts. Contracts are executed centrally to minimize transaction costs on currency conversions and minimize losses due to adverse changes in foreign currency markets. For anticipated transactions, the Company enters into external derivative contracts which individually correlate with each exposure in terms of currency and maturity, and the amount of the contract does not exceed the amount of the exposure being hedged. For amounts recorded on the Company's combined balance sheet, such as accounts receivable or payable, the Company evaluates and monitors combined net exposures by currency and maturity, and external derivative financial instruments correlate with that net exposure in all material respects.

Generally, the Company applies hedge accounting as allowed by the Statement for derivatives related to anticipated future cash flows, and does not apply hedge accounting for derivatives related to fair value exposures. For derivatives where hedge accounting is used, the Company formally designates the derivative as either (1) a cash flow hedge of an anticipated transaction, or (2) a foreign currency cash flow hedge. The Company also documents the designated hedging relationship upon entering into the derivative, including identification of the hedging instrument and the hedged item or transaction, strategy and risk management objective for undertaking the hedge, and the nature of the risk being hedged. Each derivative is assessed for hedge effectiveness both at the inception of the hedging relationship and, at a minimum, on a quarterly basis, for as long as the derivative is outstanding. Hedge accounting is only applied when the derivative is deemed to be highly effective at offsetting changes in anticipated cash flows of the hedged item or transaction. Hedge

accounting is discontinued if the forecasted transaction is no longer expected to occur, and any previously deferred hedging gains or losses are recorded in earnings immediately. Gains or losses for all designated hedges are recorded in the combined statements of income generally on the same line item as the gain or loss on the item being hedged.

The Company records all derivatives at fair value as assets or liabilities in the combined balance sheets, with classification as current or long-term. For cash flow hedges, the effective portion of the change in fair value of the derivative is deferred in accumulated other comprehensive loss in the combined balance sheets until the transaction is reflected in the earnings, at which time any deferred hedging gains or losses are also recorded in earnings. The ineffective portion of the change in the fair value of a derivative used as a cash flow hedge is recorded in earnings as incurred.

For periods prior to the adoption of SFAS No. 133, gains and losses on hedges of existing assets and liabilities were included in the carrying amounts of those assets or liabilities and were ultimately recognized in income when those carrying amounts were converted. Gains and losses related to hedges of firm commitments also were deferred and included in the basis of the transaction when it was completed. Gains and losses on unhedged foreign currency transactions were included in income as part of cost of sales or services. Gains and losses on derivative financial instruments that protect the Company from exposure in a particular currency, but do not currently have a designated underlying transaction, were also included in income as part of cost of sales or services. If a hedged item matured, was sold, extinguished, or terminated, or was related to an anticipated transaction that is no longer likely to take place, the derivative financial instrument related to the hedged item was closed out and the related gain or loss was included in income as part of cost of sales or services or interest expense, as appropriate in relation to the hedged item.

Cash flows from derivative contracts are reported in the combined statements of cash flows in the same categories as the cash flows from the underlying transactions. The 2001 cash outflow related to contracts settled as a result of the adoption of SFAS No. 133 of $3.8 million is reported separately in the combined statements of cash flows.

Segment information--The Company's determination of its reportable segments on the basis of its strategic business units and the commonalities among the products and services within each segment corresponds to the manner in which the Company's management reviews and evaluates operating performance. The Company has combined certain similar operating segments that meet applicable criteria established under SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information."

Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. FoodTech is a leading supplier of specialized food handling and processing systems and products to industrial food processing companies. Airport Systems provides technologically advanced equipment and services for airlines, airports and air freight companies. See Note 15 for a further description and additional information regarding the Company's segments.

NOTE 4. BUSINESS COMBINATIONS AND DIVESTITURES

In August 1998, the Company acquired a majority of the voting stock of a leading wellhead manufacturer. Following a 1999 tender offer for the remaining outstanding shares of the acquired business, the Company holds a 98% ownership interest. The acquired business' operations are included in the Energy Systems segment.

On February 16, 2000, the Company acquired York International Corporation's Northfield Freezing Systems Group ("Northfield") for $39.8 million in cash and the assumption of certain liabilities. Northfield, headquartered in Northfield, MN, is a manufacturer of freezing systems for industrial food processing. Northfield's products include freezers, coolers and dehydrators for the food processing industry. The Company

has recorded goodwill (to be amortized over 40 years) and other intangible assets totaling $41.6 million relating to the acquisition. Northfield's operations are included in the FoodTech segment.

The Company completed smaller acquisitions and joint venture investments during the years ended December 31, 1998, 1999 and 2000.

All acquisitions were accounted for using the purchase method of accounting, and, accordingly, the purchase prices have been allocated to the assets acquired and liabilities assumed based on the estimated fair values of such assets and liabilities at the dates of acquisition. The excess of the purchase prices over the fair values of the net tangible assets acquired has been recorded as intangible assets, primarily goodwill, and is amortized over periods ranging from 10 to 40 years. Had the acquisitions occurred at the beginning of the earliest period presented, the effect on the Company's combined financial statements would not have been significantly different than those reported and, accordingly, pro forma financial information has not been provided.

The purchase prices for all of the aforementioned acquisitions were satisfied from cash flows from operations and external financing. Results of operations of the acquired companies have been included in the Company's combined statements of income from the respective dates of acquisition.

In July 1998, the Company completed the sale of its Crosby Valve business to a subsidiary of Tyco International Ltd. ("Tyco") for cash and Tyco preferred stock valued at $121.6 million. In October 2000, the Company redeemed its investment in Tyco preferred stock in exchange for cash proceeds of $128.7 million, including dividends of $1.2 million. Crosby Valve was included in the Energy Systems segment until its sale in July 1998.

Asset sales and the divestiture of Crosby Valve during the year ended December 31, 1998 resulted in gains of $19.1 million. Asset sales during the years ended December 31, 1999 and 2000 resulted in gains of $10.1 million and $3.3 million, respectively.

NOTE 5. ASSET IMPAIRMENTS AND RESTRUCTURING AND OTHER CHARGES

Restructuring spending related to a restructuring program initiated in 1997 was $13.2 million and $8.9 million in 1998 and 1999, respectively. All restructuring activities were completed and there were no remaining accruals related to this program at December 31, 1999.

In the third quarter of 1999, the Company recorded asset impairments and restructuring and other one-time charges of $9.6 million ($5.9 million after tax). Asset impairments of $6.0 million were required to write down certain FoodTech assets. Estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. The restructuring and other one-time charges of $3.6 million resulted primarily from strategic decisions to divest or restructure certain corporate departments and a number of businesses, including certain FoodTech and Energy Systems operations. Restructuring spending under all 1999 programs totaled $2.7 million and $0.9 million in 1999 and 2000, respectively, and included severance payments for 122 individuals. All restructuring activities were completed and there were no remaining accruals related to these programs at December 31, 2000.

In the second quarter of 2000, FMC Technologies recorded asset impairments and restructuring and other one-time charges totaling $11.3 million before taxes ($6.9 million after tax). Asset impairments of $1.5 million were required to write down certain Energy Systems equipment, as estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. Restructuring and other one-time charges were $9.8 million, of which $8.0 million resulted primarily from strategic decisions to restructure certain FoodTech operations, and included planned reductions in force of 236 individuals. Restructuring

charges of $1.4 million at Energy Systems included severance costs related to planned reductions in force of 68 individuals as a result of the delay in orders received from oil and gas companies for major systems. Restructuring charges of $0.4 million related to a corporate reduction in force. Restructuring spending under these programs totaled $7.0 million in 2000. The remaining 53 workforce reductions associated with these restructuring programs were substantially completed during the first quarter of 2001, and related spending during the three months ended March 31, 2001 totalled $3.0 million.

In the first quarter of 2001, FMC Technologies recorded an asset impairment and restructuring and other one-time charges of $10.5 million before taxes ($6.5 million after tax). An asset impairment of $1.3 million was required to write off goodwill associated with a small FoodTech product line which the Company does not intend to develop further. Restructuring and other one-time charges were $9.2 million, of which $5.2 million related to planned reductions in force of 91 individuals in the Energy Systems businesses, $2.5 million related to planned reductions in force of 72 positions in the FoodTech businesses, and $1.5 million related to a planned plant closing and restructuring of an Airport Systems facility, including 73 planned workforce reductions. Restructuring spending of $1.1 million related to the 2001 programs occurred during the three months ended March 31, 2001.

NOTE 6. INVENTORIES

Inventories are recorded at the lower of cost or market value. The current replacement costs of inventories exceeded their recorded values by $78.8 million and $82.3 million at December 31, 1999 and 2000, respectively. During 1999, the Company reduced certain LIFO inventories that were carried at lower than prevailing costs, resulting in a reduction of LIFO expense of $2.0 million. There were no reductions in LIFO inventories during 1998 and 2000.

Inventories consisted of the following:

| (IN MILLIONS) | DECEMBER 31, 1999 | DECEMBER 31, 2000 | MARCH 31, 2001 (UNAUDITED) |
|---|---|---|---|
| Raw materials and purchased parts | $ 108.5 | $ 112.0 | $ 107.0 |
| Work in progress | 134.3 | 120.8 | 143.1 |
| Manufactured parts and finished goods | 109.4 | 124.6 | 136.2 |
| Gross inventory before valuation adjustments and LIFO reserves | 352.2 | 357.4 | 386.3 |
| Valuation adjustments and LIFO reserves | (101.4) | (102.6) | (107.5) |
| Net inventory | $ 250.8 | $ 254.8 | $ 278.8 |

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

| (IN MILLIONS) | DECEMBER 31, 1999 | DECEMBER 31, 2000 |
|---|---|---|
| Land and land improvements | $ 17.3 | $ 17.6 |
| Buildings | 138.5 | 133.8 |
| Machinery and equipment | 442.8 | 420.1 |
| Construction in progress | 10.6 | 12.6 |
| Total cost | 609.2 | 584.1 |
| Accumulated depreciation | (328.6) | (326.8) |
| Net property, plant and equipment | $ 280.6 | $257.3 |

Depreciation expense was $49.0 million, $46.2 million and $41.2 million in 1998, 1999 and 2000, respectively.

During 1999 and 2000, the Company entered into agreements for the sale and leaseback of certain equipment. Net property, plant and equipment was reduced by the equipment's carrying values of $29.1 million in 1999 and $13.7 million in 2000. The net cash proceeds received were $52.1 million in 1999 and $22.5 million in 2000. Non-amortizing deferred credits were recorded in conjunction with the sale transactions. These credits totaled $23.4 and $31.8 million at December 31, 1999 and 2000, respectively, and are included in other long-term liabilities. The Company has annual fair market value purchase options under the agreements. The leases, which end in December 2004, are classified as operating leases in accordance with SFAS No. 13, "Accounting for Leases."

NOTE 8. DEBT

At December 31, 1999 and 2000, short-term debt included third-party debt of FMC Technologies' foreign operations of $11.9 million and $14.0 million, respectively. The weighted average interest rates on these outstanding borrowings were approximately 8.8% and 8.4% at December 31, 1999 and 2000, respectively. In addition, at December 31, 2000, short-term debt included $26.9 million of borrowings from MODEC International LLC, a 37.5%-owned joint venture, at an interest rate of approximately 7.2%.

Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies has been minimal and is not representative of what the Company's actual debt balances would have been had the Company been a separate, stand-alone entity. See Note 18 for a further description of the financing arrangements relating to the separation.

NOTE 9. INCOME TAXES

The operating results of FMC Technologies have been included in FMC Corporation's U.S. consolidated income tax returns and the state and foreign tax returns of FMC Corporation and its domestic affiliates. In certain instances, income of domestic subsidiaries of FMC Technologies is reported on separate state income tax returns of the domestic subsidiaries. In addition, operating results of foreign operations of FMC Technologies have been included in the tax returns of foreign affiliates of FMC Corporation. As long as FMC Corporation continues to own at least 80% of the voting power and value of FMC Technologies' outstanding capital stock, FMC Technologies will continue to be included in the U.S. consolidated income tax returns of FMC Corporation and certain state and foreign income tax returns of FMC Corporation and its affiliates.

The provision for income taxes in FMC Technologies' combined financial statements has been prepared as if FMC Technologies were a stand-alone entity and filed separate tax returns. See Note 18 for a description of the tax sharing agreements between FMC Corporation and FMC Technologies.

Domestic and foreign components of income from continuing operations before income taxes are shown below:

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| | 1998 | 1999 | 2000 |
| Domestic | $ 76.8 | $ 26.8 | $11.6 |
| Foreign | 49.0 | 83.2 | 79.0 |

| | | | |
|---|---|---|---|
| Total | $125.8 | $110.0 | $90.6 |





The provisions (benefits) for income taxes attributable to income from continuing operations consisted of:

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, 1998 | 1999 | 2000 |
|---|---|---|---|
| Current: | | | |
| Federal | $10.4 | $ 7.4 | $(0.2) |
| Foreign | 20.8 | 7.9 | 11.2 |
| State and local | 4.0 | 1.5 | 0.6 |
| Total current | 35.2 | 16.8 | 11.6 |
| Deferred | 3.4 | 16.7 | 11.1 |
| Total | $38.6 | $33.5 | $22.7 |

Total income tax provisions were allocated as follows:

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, 1998 | 1999 | 2000 |
|---|---|---|---|
| Continuing operations | $38.6 | $33.5 | $22.7 |
| Discontinued operations | -- | (3.5) | -- |
| Income tax provision | $38.6 | $30.0 | $22.7 |

Significant components of the deferred income tax provisions attributable to income from continuing operations before income taxes were as follows:

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, 1998 | 1999 | 2000 |
|---|---|---|---|
| Deferred tax (exclusive of the valuation allowance) | $ 3.3 | $13.7 | $11.8 |
| Increase (decrease) in the valuation allowance for deferred tax assets | 0.1 | 3.0 | (0.7) |
| Deferred income tax provision | $ 3.4 | $16.7 | $11.1 |

Significant components of the Company's deferred tax assets and

liabilities were as follows:

| (IN MILLIONS) | DECEMBER 31, 1999 | DECEMBER 31, 2000 |
|---|---|---|
| Reserves for discontinued operations and restructuring... | $ 15.4 | $ 19.1 |
| Accrued pension and other postretirement benefits..... | 35.5 | 34.3 |
| Other reserves..... | 40.6 | 34.2 |
| Net operating loss carryforwards..... | 6.1 | 5.4 |
| Other..... | 11.8 | 11.9 |
| Deferred tax assets..... | 109.4 | 104.9 |
| Valuation allowance..... | (6.1) | (5.4) |
| Deferred tax assets, net of valuation allowance..... | 103.3 | 99.5 |
| Property, plant and equipment..... | 25.7 | 25.7 |
| Unbilled percentage of completion revenue and other..... | 28.6 | 35.9 |
| Deferred tax liabilities..... | 54.3 | 61.6 |
| Net deferred tax assets..... | $ 49.0 | $ 37.9 |





The effective income tax rate applicable to income from continuing operations before income taxes was different from the statutory U.S. Federal income tax rate due to the factors listed in the following table:

| (PERCENT OF INCOME FROM OPERATIONS) | YEAR ENDED DECEMBER 31, 1998 | 1999 | 2000 |
|---|---|---|---|
| Statutory U.S. tax rate..... | 35% | 35% | 35% |
| Net difference: | | | |
| Foreign sales corporation income subject to different tax rates.. | (2) | (3) | (2) |
| State and local income taxes, less Federal income tax benefit.... | 2 | 1 | 1 |
| Foreign earnings subject to different tax rates..... | (7) | (6) | (11) |
| Tax on intercompany dividends and deemed dividends for tax purposes..... | 2 | 2 | 3 |
| Nondeductible goodwill..... | 2 | 1 | 1 |
| Nondeductible expenses..... | 1 | 1 | 1 |
| Equity in earnings of affiliates not taxed..... | (1) | -- | -- |
| Change in valuation allowance..... | -- | -- | (1) |
| Other..... | (1) | (1) | (2) |
| Total difference..... | (4) | (5) | (10) |
| Effective tax rate..... | 31% | 30% | 25% |

During the first quarter of 2001 in connection with the separation of its business from FMC Corporation, FMC Technologies repatriated $50.1 million of undistributed earnings from certain of its Norwegian and Swiss operations, resulting in an income tax charge of $3.3 million, substantially all of which represents a deferred liability. Other income tax liabilities resulting from the repatriation have been assumed by FMC Corporation under the terms of the tax sharing agreements described in Note 18.

U.S. income taxes have not been provided for the equity in undistributed earnings of foreign consolidated subsidiaries ($172.1 million and $153.1 million at December 31, 1999 and 2000, respectively, and $118.9 million at March 31, 2001) or foreign unconsolidated subsidiaries and affiliates ($2.8 million and $2.0 million at December 31, 1999 and 2000, respectively). Restrictions on the distribution of these earnings are not significant. Foreign earnings taxable to the Company as dividends were $7.9 million, $14.0 million and $35.3 million in 1998, 1999 and 2000, respectively.

NOTE 10. PENSIONS AND POSTRETIREMENT AND OTHER BENEFIT PLANS

Through the end of 2000, substantially all of the Company's domestic employees participated in FMC Corporation's qualified pension and postretirement medical and life insurance plans after meeting certain employment criteria, and may have participated in FMC Corporation's other benefit plans depending on their location and employment status. Foreign-based employees may also have been eligible to participate in FMC Corporation-sponsored or government-sponsored programs that were available to them.

Pension and postretirement amounts recognized in the Company's combined financial statements have been determined on the basis of certain assumptions regarding whether FMC Corporation or FMC Technologies will assume the assets and liabilities related to specific groups of current and former FMC Corporation employees. The ultimate distribution of pension and postretirement benefit assets and liabilities will be governed by the employee benefits agreement that the Company will enter into with FMC Corporation and will involve actuarial calculations and determinations about the employment status of FMC Corporation's corporate office employees. See Note 18.





The funded status of the Company's allocated portion of FMC Corporation's domestic qualified and non-qualified pension, the United Kingdom pension plan, one German pension plan and FMC Corporation's domestic postretirement health care and life insurance benefit plans, together with the associated balances recognized in the Company's combined financial statements as of December 31, were as follows:

| (IN MILLIONS) | PENSIONS | | OTHER POSTRETIREMENT BENEFITS | |
|---|---|---|---|---|
| | 1999 | 2000 | 1999 | 2000 |
| Accumulated benefit obligation: | | | | |
| Plans with unfunded accumulated benefit obligation | $ 16.8 | $ 16.6 | $ -- | $ -- |
| Change in benefit obligation: | | | | |
| Benefit obligation at January 1 | $341.2 | $328.2 | $ 39.3 | $ 36.5 |
| Service cost | 15.3 | 12.6 | 1.1 | 1.0 |
| Interest cost | 23.1 | 24.1 | 2.7 | 2.6 |
| Actuarial gain | (38.4) | (9.4) | (3.4) | (2.3) |
| Amendments | 0.7 | 0.2 | -- | 0.1 |
| Foreign exchange currency rate changes | -- | (4.1) | -- | -- |
| Transfer of U.K. inactive group | -- | 32.3 | -- | -- |
| Plan participants' contributions | -- | -- | 1.4 | 1.8 |
| Benefits paid | (13.7) | (16.1) | (4.6) | (4.6) |
| Benefit obligation at December 31 | 328.2 | 367.8 | 36.5 | 35.1 |
| Change in fair value of plan assets: | | | | |
| Fair value of plan assets at January 1 | 300.8 | 285.2 | -- | -- |
| Actual return on plan assets | (3.4) | 41.1 | -- | -- |

| | | | | |
|---|---|---|---|---|
| Foreign exchange currency rate changes..... | -- | (4.1) | -- | -- |
| Transfer of U.K. inactive group..... | -- | 33.6 | -- | -- |
| Company contributions..... | 1.5 | 1.5 | 3.2 | 2.8 |
| Plan participants' contributions..... | -- | -- | 1.4 | 1.8 |
| Benefits paid..... | (13.7) | (16.1) | (4.6) | (4.6) |
| Fair value of plan assets at December 31..... | 285.2 | 341.2 | -- | -- |
| Funded status of the plans (liability)..... | (43.0) | (26.6) | (36.5) | (35.1) |
| Unrecognized actuarial loss (gain)..... | 23.0 | 5.0 | (0.4) | (2.3) |
| Unrecognized prior service cost (income)..... | 8.3 | 7.0 | (13.2) | (10.0) |
| Unrecognized transition asset..... | (12.0) | (6.3) | -- | -- |
| Net amounts recognized in the balance sheets at December 31..... | $(23.7) | $(20.9) | $ (50.1) | $ (47.4) |
| Prepaid benefit cost..... | $ 5.0 | $ 11.1 | $ -- | $ -- |
| Accrued benefit liability..... | (34.6) | (36.1) | (50.1) | (47.4) |
| Intangible asset..... | 2.7 | 2.2 | -- | -- |
| Accumulated other comprehensive income..... | 3.2 | 1.9 | -- | -- |
| Net amounts recognized in the balance sheets at December 31..... | $(23.7) | $(20.9) | $ (50.1) | $ (47.4) |





The following table summarizes the assumptions used and the components of net annual benefit cost (income) for the years ended December 31:

| (IN MILLIONS) | PENSIONS | | | OTHER POSTRETIREMENT BENEFITS | | |
|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 1998 | 1999 | 2000 |
| Assumptions as of September 30: | | | | | | |
| Discount rate..... | 6.75% | 7.50% | 7.50% | 6.75% | 7.50% | 7.50% |
| Expected return on assets..... | 9.20% | 9.25% | 9.25% | -- | -- | -- |
| Rate of compensation increase..... | 5.00% | 5.00% | 4.25% | -- | -- | -- |
| Components of net annual benefit cost: | | | | | | |
| Service cost..... | $ 12.1 | $ 15.3 | $ 12.6 | $ 1.2 | $ 1.1 | $ 1.0 |
| Interest cost..... | 20.4 | 23.1 | 24.1 | 2.9 | 2.7 | 2.6 |
| Expected return on plan assets.. | (24.7) | (26.1) | (27.1) | -- | -- | -- |
| Amortization of transition asset..... | (7.0) | (7.0) | (6.8) | -- | -- | -- |
| Amortization of prior service cost..... | 1.4 | 1.6 | 1.6 | (2.8) | (3.1) | (3.1) |
| Recognized net actuarial (gain) loss..... | (0.2) | 1.1 | 0.6 | (0.4) | -- | (0.3) |
| Net annual benefit cost..... | $ 2.0 | $ 8.0 | $ 5.0 | $ 0.9 | $ 0.7 | $ 0.2 |

The change in the discount rate used in determining domestic pension and other postretirement benefit obligations from 6.75% to 7.50% decreased the projected benefit obligations by $33.5 million at December 31, 1999.

The change in the rate of compensation increase used in determining domestic pension plan obligations from 5.0% to 4.25% decreased the projected benefit obligation by $7.8 million at December 31, 2000.

For measurement purposes, a 6.0% annual rate of increase in the per capita cost of health care benefits was assumed for 1999 and 2000. The rate was assumed to decrease to 5.0% for 2001 and remain at that level thereafter.

Assumed health care cost trend rates have an effect on the amounts reported for the health care plan. A one-percentage point change in the assumed health care cost trend rates would have the following effects:

| (IN MILLIONS) | ONE PERCENTAGE POINT INCREASE | ONE PERCENTAGE POINT DECREASE |
|---|---|---|
| Effect on total of service and interest cost components | $ -- | $ -- |
| Effect on postretirement benefit obligation | $0.3 | $(0.2) |

The Company has adopted SFAS No. 87, "Employers' Accounting for Pensions," for its pension plan for employees in the United Kingdom and for one pension plan in Germany. The financial impact of compliance with SFAS No. 87 for other non-U.S. pension plans is not materially different from the locally reported pension expense. The cost of providing pension benefits for foreign employees was $3.0 million in 1998, $3.7 million in 1999 and $3.4 million in 2000.

To effect a separation of the pension plan in the United Kingdom, FMC Technologies was allocated the assets and liabilities associated with inactive participants of FMC Corporation's divested process additives division effective December 31, 2000. FMC Technologies will also assume any net annual benefit cost or





income associated with these participants beginning in 2001. The addition of this participant group increased the pension's projected benefit obligation by $32.3 million, the pension plan's assets by $33.6 million and the pension's prepaid benefit cost by $5.8 million at December 31, 2000.

The Company has recognized expense of $7.6 million, $7.5 million and $7.5 million in 1998, 1999 and 2000, respectively, for FMC Technologies' share of matching contributions to the FMC Corporation Savings and Investment Plan, a qualified domestic salary-reduction plan under Section 401(k) of the Internal Revenue Code.

NOTE 11. INCENTIVE COMPENSATION PLANS

The Company did not grant stock-based compensation or maintain its own incentive compensation programs during the three years ended December 31, 2000. However, certain employees of the Company participate or have participated in FMC Corporation's Incentive Compensation and Stock Plan, as amended and restated effective as of February 16, 2001 (the "Stock Plan"), which provides incentives and awards to key employees of FMC Corporation. The Stock Plan is administered by a committee of the Board of Directors of FMC Corporation, which reviews and approves financial targets as well as the time and conditions for payment.

The Stock Plan provides for the grant of incentive awards payable partly in cash and partly in FMC Corporation common stock. The Company was allocated expense of $3.8 million, $6.8 million and $5.7 million during the years ended December 31, 1998, 1999 and 2000, respectively, for the Stock Plan. This expense represented the cost of FMC Corporation restricted stock and bonuses granted to employees and directors of the Company and to certain employees of FMC Corporation who provided services to the Company. The Stock Plan also provides for regular grants of FMC Corporation stock options. The exercise price for options is not less than the fair market value of the stock at the

date of grant. The contractual life of each option is generally ten years and substantially all options vest in three to four years. FMC Corporation accounts for stock options under the provisions of APB Opinion No. 25 "Accounting for Stock Issued to Employees." Accordingly, no compensation cost has been recognized for stock options under the Stock Plan and therefore, no compensation cost has been allocated to the Company.

See Note 18 for a description of new incentive compensation arrangements that are expected to be adopted by the Company before completion of the offering.

NOTE 12. DISCONTINUED OPERATIONS

Under agreements governing the separation of the Company from FMC Corporation, the Company has assumed specified self-insured product liabilities associated with equipment manufactured by specified discontinued machinery businesses of FMC Corporation. These businesses primarily consisted of the construction equipment, power control, beverage equipment and marine and rail divisions, which were divested prior to 1985. From time to time, personal injury and other product-related claims have been made against FMC Corporation related to cranes and other equipment formerly manufactured and sold by the discontinued businesses. Reserves related to these reported claims as well as incurred but not reported claims amounted to $33.8 million at December 31, 1999 and $30.6 million at December 31, 2000. Such reserves are recorded based on annual actuarially-determined estimates of liabilities, which include factors for estimating the ultimate future payout on reported and potential unreported claims, as well as the cost of legal fees, claims administration and stop-loss insurance coverage.

The Company maintains insurance coverage limiting its exposure to any individual self-insured product liability claim to $2.75 million. At December 31, 2000, the Company had 17 known open claims related to cranes, only one of which was valued at an amount exceeding $500,000 and 22 claims primarily





related to the power control, beverage equipment and marine and rail divisions, two of which exceeded $500,000. During 1998, 1999 and 2000, respectively, FMC Technologies spent $1.8 million, $5.9 million and $2.7 million toward settlement of liabilities related to crane cases and $1.1 million, $1.5 million and $0.5 million toward settlement of liabilities related to other discontinued product lines.

The following table presents case activity related to our discontinued liabilities for the two years ended December 31, 2000:

| | |
|---|---|
| December 31, 1998 cases pending | 55 |
| 1999 notice of new cases filed | 14 |
| 1999 cases closed | (22) |
| December 31, 1999 cases pending | 47 |
| 2000 notice of new cases filed | 30 |
| 2000 cases closed | (32) |
| December 31, 2000 cases pending | 45 |

Additionally, in 1998, 1999 and 2000, the average settlement per claim was approximately $277,000, approximately $78,000 and approximately $93,000, respectively.

The following table presents accruals, payments towards settlements and remaining discontinued reserves for claims related to cranes and other claims for the two years ended December 31, 2000:

| (IN MILLIONS) | DISCONTINUED RESERVES | | |
|---|---|---|---|
| | CRANES | OTHER CLAIMS | TOTAL |
| December 31, 1998 Reserve | $25.8 | $ 6.4 | $32.2 |
| 1999 Accruals | 9.0 | -- | 9.0 |
| 1999 Payments | (5.9) | (1.5) | (7.4) |
| December 31, 1999 Reserve | 28.9 | 4.9 | 33.8 |
| 2000 Accruals | -- | -- | -- |
| 2000 Payments | (2.7) | (0.5) | (3.2) |
| December 31, 2000 Reserve | $26.2 | $ 4.4 | $30.6 |

In the fourth quarter of 1999, FMC Technologies provided $9.0 million ($5.5 million after tax) to increase its recorded liabilities based on revised actuarial estimates of the ultimate cost of product liability claims related to the construction equipment business, for which claim payments had increased substantially in 1999.

The Company's obligation related to the settlement of the three claims each exceeding $500,000 amounted to $2.3 million. While the Company believes its existing reserves are adequate and are based on the most current estimate of potential loss, and also believes that product liability claims will decrease over time as the products are retired, it is possible that the ultimate outcome of all discontinued operations' liabilities could differ materially from the recorded reserve. However, management is unable to estimate or predict a range or an amount by which the ultimate claim payments might differ from recorded amounts.

NOTE 13. FOREIGN CURRENCY

The Norwegian krone and Swedish krona were relatively stable against the U.S. dollar in 1998 while the Mexican peso weakened and certain Asian currencies experienced significant intra-year volatility. Additionally in 1998, the Japanese yen reversed its previous trend and strengthened. Exposures in 1999 were





affected primarily by the weakening of the Norwegian krone and Swedish krona as well as the stronger Japanese yen. In 2000, foreign currency transactional exposures were most affected by the weakening of the British pound, Norwegian krone and Swedish krona against the U.S. dollar. The Company mitigates its transactional exposure to variability in currency exchange rates by entering into foreign exchange forward and option contracts with third parties.

During 2000, the Company's earnings were negatively affected by approximately $6 million before tax due to the impact of weaker European currencies (particularly the euro, Norwegian krone and Swedish krona) on the Company's foreign currency-denominated sales, which was partly offset by the benefit of paying certain local operating costs in the same European currencies.

Net income for 1998, 1999 and 2000 included aggregate foreign currency gains (losses) of $(2.5) million, $3.8 million and $4.5 million, respectively.

The following table presents the foreign currency adjustments to key balance sheet categories and the offsetting adjustments to accumulated other comprehensive loss or to income for the years ended December 31:

| (IN MILLIONS) | GAINS (LOSSES) | | |
|---|---|---|---|
| | 1998 | 1999 | 2000 |
| Cash and cash equivalents | $(1.2) | $ 9.8 | $ (1.6) |
| Other working capital | (2.5) | (20.7) | (26.2) |
| Property, plant and equipment, net | (0.7) | (8.3) | (8.8) |
| Investments | (2.8) | 6.3 | 0.7 |
| Debt | 0.7 | 0.7 | (0.1) |
| Other | 0.3 | (24.9) | 4.6 |
| | $(6.2) | $(37.1) | $(31.4) |
| Other comprehensive loss | $(3.7) | $(40.9) | $(35.9) |
| Gain (loss) included in income | (2.5) | 3.8 | 4.5 |
| | $(6.2) | $(37.1) | $(31.4) |

NOTE 14. FINANCIAL INSTRUMENTS

Derivative financial instruments--At March 31, 2001 and December 31, 1999 and 2000, derivative financial instruments consisted primarily of foreign exchange forward contracts. The Company uses derivative instruments, primarily foreign exchange forward contracts, to manage certain of its foreign exchange rate risks. Company policy allows for the use of derivative financial instruments only for identifiable exposures and, therefore, the Company does not enter into derivative instruments for trading purposes where the objective is to generate profits.

With respect to foreign exchange rate risk, the Company's objective is to limit potential losses in local currency-based earnings or cash flows from adverse foreign currency exchange rate movements. The Company's foreign currency exposures arise from transactions denominated in a currency other than an entity's functional currency, primarily anticipated purchases of raw materials or services and sales of finished product, and the settlement of receivables and payables. The primary currencies to which the Company and its affiliates are exposed include the euro, British pound, Japanese yen, Norwegian krone, Swedish krona, Singapore dollar and U.S. dollar.

Hedge ineffectiveness and the portion of derivative gains or losses excluded from assessments of hedge effectiveness, related to the Company's outstanding cash flow hedges and which were recorded to





earnings during the quarter ended March 31, 2001, were less than $0.1 million. At March 31, 2001, the net deferred hedging loss in accumulated other comprehensive loss was $2.6 million, approximately $1.7 million of which is expected to be recognized in earnings during the twelve months ended March 31, 2002, at the time the underlying hedged transactions are realized, and the remainder of which is expected to be recognized at various times through November 30, 2009.

During 1998, the Company entered into forward contracts with a notional value of $33.0 million to offset various risks associated with the potential devaluation of the Brazilian real. The contracts matured in 1999, subsequent to the devaluation of the Brazilian real. Losses from the decline in value of the Company's real-denominated investments during the 1999 devaluation, as well as 1999 economic losses related to the Brazilian economic crisis, were offset by gains on the forward contracts.

As of December 31, 1999 and 2000, the Company held foreign exchange forward contracts with notional amounts of $388.7 million and $417.8 million, respectively, in which foreign currencies (primarily Norwegian krone, Singapore dollars and British pounds in 1999 and 2000) were purchased, and approximately

$254.2 million and $335.7 million, respectively, in which foreign currencies (primarily Singapore dollars, British pounds, euros and Norwegian krone in 1999 and Norwegian krone, Swedish krona, Singapore dollars and British pounds in 2000) were sold. Notional amounts are used to measure the volume of derivative financial instruments and do not represent potential gains or losses on these agreements.

Fair value disclosures--The carrying amounts of cash and cash equivalents, trade receivables, other current assets, accounts payable, amounts included in investments and accruals meeting the definition of financial instruments and short-term debt approximate fair value.

Fair values relating to foreign exchange contracts were $(5.6) million and $(18.7) million at December 31, 1999 and 2000, respectively, and reflect the estimated net amounts that the Company would pay to terminate the contracts at the reporting date based on quoted market prices of comparable contracts at those dates. The carrying values of foreign exchange contracts were $(1.7) million and $5.0 million at December 31, 1999 and 2000, respectively.

Standby letters of credit and financial guarantees--In the ordinary course of business with customers, vendors and others, the Company is contingently liable for performance under letters of credit and other financial guarantees totaling approximately $90 million at December 31, 2000. The Company's management does not believe it is practicable to estimate the fair values of these financial instruments and does not expect any losses from their resolution.





NOTE 15. SEGMENT INFORMATION

Segment revenue and operating profit

Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, interest income and expense associated with corporate debt facilities and investments, income taxes, asset impairments and restructuring and other charges (Note 5), LIFO inventory adjustments and other income and expense items.

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, | | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2000 | 2001 |
| | | | | (UNAUDITED) | |
| Revenue: | | | | | |
| Energy Systems | $1,320.9 | $1,129.4 | $1,037.3 | $256.4 | $246.8 |
| FoodTech | 549.3 | 537.3 | 573.3 | 124.8 | 108.5 |
| Airport Systems | 320.0 | 290.9 | 267.2 | 60.7 | 74.7 |
| Intercompany eliminations | (4.7) | (4.5) | (2.6) | -- | (0.6) |
| Total revenue | $2,185.5 | $1,953.1 | $1,875.2 | $441.9 | $429.4 |
| Income (loss) from continuing operations before income taxes and the cumulative effect of a change in accounting principle: | | | | | |
| Energy Systems | $ 95.2 | $ 97.1 | $ 72.4 | $ 11.0 | $ 9.0 |
| FoodTech | 43.5 | 50.3 | 53.8 | 10.5 | 3.5 |
| Airport Systems | 29.3 | 13.9 | 15.2 | 1.6 | 5.9 |

| | | | | | |
|---|---|---|---|---|---|
| Total segment operating profit | 168.0 | 161.3 | 141.4 | 23.1 | 18.4 |
| Corporate expenses (1) | (36.4) | (35.3) | (33.7) | (8.4) | (8.1) |
| Other expense, net (2) | (3.9) | (6.9) | (1.5) | (1.8) | (0.7) |
| Operating profit before asset impairments, restructuring and other charges, net interest income (expense) and income tax expense | 127.7 | 119.1 | 106.2 | 12.9 | 9.6 |
| Asset impairments (3) | -- | (6.0) | (1.5) | -- | (1.3) |
| Restructuring and other charges (4) | -- | (3.6) | (9.8) | -- | (9.2) |
| Net interest income (expense) | (1.9) | 0.5 | (4.3) | 0.1 | (1.1) |
| Total income (loss) from continuing operations before income taxes and the cumulative effect of a change in accounting principle | $ 125.8 | $ 110.0 | $ 90.6 | $ 13.0 | $ (2.0) |

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(1) Corporate expenses primarily include staff expenses.

(2) Other expense, net consists of all other corporate items, including LIFO inventory adjustments and pension income or expense.

(3) Asset impairments in 1999 and 2001 relate to FoodTech. Asset impairments in 2000 relate to Energy Systems. See Note 5.

(4) Restructuring and other charges in 1999 relate to Energy Systems ($1.5 million), FoodTech ($1.1 million) and Corporate ($1.0 million). Restructuring and other charges in 2000 relate to Energy Systems ($1.4 million), FoodTech ($8.0 million) and Corporate ($0.4 million). Restructuring charges in 2001 relate to Energy Systems ($5.2 million), FoodTech ($2.5 million) and Airport Systems ($1.5 million). See Note 5.





Approximately 21.0%, 18.9% and 17.9% of Energy Systems segment revenues were derived from sales and service to a single customer in 2000, 1999 and 1998, respectively. Approximately 12.8% and 12.3% of Airport Systems segment revenues were derived from sales and service to a single customer in 1998 and 2000, respectively.

Segment assets and liabilities

Segment assets and liabilities are those assets and liabilities that are recorded and reported by segment operations. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate items, which are principally cash equivalents, LIFO reserves, deferred income tax benefits, eliminations of intercompany receivables, property, plant and equipment not attributable to a specific segment, and credits relating to the sale of receivables. Segment liabilities exclude substantially all debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment.

| (IN MILLIONS) | DECEMBER 31, | MARCH 31, |
|---|---|---|

| | 1999 | 2000 | 2001 |
|---|---|---|---|
| | | | (UNAUDITED) |
| Operating Capital Employed (1): | | | |
| Energy Systems | $ 439.3 | $ 505.0 | $ 528.0 |
| FoodTech | 292.0 | 334.7 | 318.8 |
| Airport Systems | 72.4 | 93.4 | 88.0 |
| Total operating capital employed | 803.7 | 933.1 | 934.8 |
| Segment liabilities included in total operating capital employed | 511.4 | 446.6 | 452.8 |
| Corporate items (2) | 158.1 | (6.0) | 20.1 |
| Total assets | $1,473.2 | $1,373.7 | $1,407.7 |
| Segment Assets: | | | |
| Energy Systems | $ 749.4 | $ 752.1 | $ 766.0 |
| FoodTech | 444.0 | 486.8 | 475.6 |
| Airport Systems | 121.7 | 140.8 | 146.0 |
| Total segment assets | 1,315.1 | 1,379.7 | 1,387.6 |
| Corporate items (2) | 158.1 | (6.0) | 20.1 |
| Total assets | $1,473.2 | $1,373.7 | $1,407.7 |

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(1) FMC Technologies' management views operating capital employed, which consists of assets, net of liabilities, reported by the Company's operations (and excludes corporate items such as cash equivalents, debt, pension liabilities, income taxes and LIFO reserves), as a primary measure of segment capital.

(2) Corporate items include cash equivalents, LIFO reserves, deferred income tax benefits, eliminations of intercompany receivables, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. As of December 31, 1999, Corporate items also include $127.5 million of Tyco preferred stock, which was received as part of the sale of Crosby Valve to a subsidiary of Tyco in July 1998. The Company redeemed its investment in Tyco preferred stock in October 2000. See Note 4.

Geographic segment information

Geographic segment sales represent sales by location of the Company's customers or their headquarters. Geographic segment long-lived assets include investments, net property, plant and equipment, and certain other non-current assets. Intangible assets of acquired companies are not reported by geographic segment.





Revenue

| (IN MILLIONS) | YEAR ENDED DECEMBER 31, 1998 | 1999 | 2000 |
|---|---|---|---|
| Third party revenue (by location of customer) | | | |
| United States | $ 830.3 | $ 713.2 | $ 734.7 |
| Norway | 294.2 | 221.1 | 206.0 |
| All other countries | 1,061.0 | 1,018.8 | 934.5 |
| Total revenue | $2,185.5 | $1,953.1 | $1,875.2 |

Long-lived assets

| (IN MILLIONS) | DECEMBER 31, 1999 | DECEMBER 31, 2000 |
|---|---|---|
| United States | $210.9 | $195.4 |
| Brazil | 31.6 | 32.5 |
| All other countries | 101.7 | 71.8 |
| Total long-lived assets | $344.2 | $299.7 |

Other business segment information

| (IN MILLIONS) | CAPITAL EXPENDITURES YEAR ENDED DECEMBER 31, | | | DEPRECIATION AND AMORTIZATION YEAR ENDED DECEMBER 31, | | | RESEARCH AND DEVELOPMENT EXPENSE YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 1998 | 1999 | 2000 | 1998 | 1999 | 2000 |
| Energy Systems | $30.4 | $14.7 | $20.2 | $36.5 | $31.4 | $29.8 | $24.7 | $25.7 | $33.8 |
| FoodTech | 26.3 | 23.9 | 19.2 | 24.2 | 25.3 | 25.3 | 18.0 | 17.9 | 15.1 |
| Airport Systems | 2.6 | 2.2 | 2.6 | 2.7 | 2.9 | 2.9 | 8.0 | 8.2 | 7.8 |
| Corporate | 0.1 | 0.1 | 1.1 | 3.2 | 2.7 | 1.1 | -- | -- | -- |
| Total | $59.4 | $40.9 | $43.1 | $66.6 | $62.3 | $59.1 | $50.7 | $51.8 | $56.7 |





NOTE 16. QUARTERLY INFORMATION (UNAUDITED)

| (IN MILLIONS) | 1999 | | | | 2000 | | | | 2001 |
|---|---|---|---|---|---|---|---|---|---|
| | 1ST QTR. | 2ND QTR. | 3RD QTR. | 4TH QTR. | 1ST QTR. | 2ND QTR. | 3RD QTR. | 4TH QTR. | 1ST QTR. |
| Revenue | $471.7 | $510.7 | $469.9 | $500.8 | $441.9 | $495.4 | $452.6 | $485.3 | $429.4 |
| Income from continuing operations before net interest income (expense) and income tax expense | $ 17.0 | $ 30.2 | $ 22.5 | $ 39.8 | $ 12.9 | $ 23.8 | $ 25.0 | $ 33.2 | $ 0.9 |
| Income (loss) from continuing operations | $ 11.9 | $ 21.1 | $ 15.7 | $ 27.8 | $ 9.6 | $ 18.3 | $ 16.8 | $ 23.2 | $ (3.6) |
| Discontinued operations, net of income taxes | -- | -- | -- | (5.5) | -- | -- | -- | -- | -- |
| Cumulative effect of a change in accounting principle, net of income taxes | -- | -- | -- | -- | -- | -- | -- | -- | (4.7) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Net income (loss)..... | $ 11.9 | $ 21.1 | $ 15.7 | $ 22.3 | $ 9.6 | $ 18.3 | $ 16.8 | $ 23.2 | $ (8.3) |

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

FMC Technologies leases office space, plants and facilities and various types of manufacturing, data processing and transportation equipment. Leases of real estate generally provide for payment of property taxes, insurance and repairs by FMC Technologies. Capital leases are not significant. Rent expense under operating leases amounted to $22.8 million, $24.5 million and $29.3 million in 1998, 1999 and 2000, respectively.

The Company is involved in a patent infringement lawsuit entitled IMODCO Inc. v. FMC Corporation and SOFEC, Inc., CA No. H-99-2174, involving FPSO turret mooring systems. Pursuant to the separation and distribution agreement, the Company will assume any and all liabilities of FMC Corporation that have arisen or may arise in the future in connection with this lawsuit. There are currently no specific, quantified liabilities that have arisen in connection with this lawsuit. IMODCO brought this action against FMC Corporation and the Company's wholly owned subsidiary SOFEC in the U.S. District Court for the Southern District of Texas on July 7, 1999. The relief IMODCO seeks includes preliminary and permanent injunctions to stop the alleged infringement, damages, attorney's fees, costs and interest. FMC Corporation and SOFEC filed a counterclaim seeking a declaratory judgment that the patent is invalid and that no infringement has occurred, as well as attorney's fees and costs. Management believes that the Company's design does not infringe the IMODCO patent and that the IMODCO patent is invalid and unenforceable. Management believes that the Company will prevail in this litigation, but, like all litigation, the ultimate result cannot be reliably predicted. If the Company does not prevail, significant damages could be assessed against SOFEC and the Company, but would be limited to two systems installed to date. Even in these two cases, there are additional defenses to any award. In addition, any recovery supporting the validity of the IMODCO patent could affect the types of products SOFEC or the Company could offer to the oil and gas industries. Nevertheless, management does not believe this lawsuit will have a material effect on the Company's results of operations, financial condition or liquidity.

Minimum future rental payments under noncancelable leases aggregated approximately $125.6 million as of December 31, 2000 and are payable as follows: $23.3 million in 2001, $22.8 million in 2002, $21.3 million in 2003, $20.1 million in 2004, $11.4 million in 2005 and $26.7 million thereafter.





The Company also has certain other contingent liabilities arising from litigation, claims, performance guarantees, and other commitments incident to the ordinary course of business. The Company's management believes that the ultimate resolution of its known contingencies will not materially affect the combined financial position, results of operations or cash flows of FMC Technologies.

NOTE 18. PROPOSED PUBLIC OFFERING OF COMMON STOCK (UNAUDITED)

The Offering

The Board of Directors of FMC Corporation and the Company's Board of Directors have authorized management of the Company to file a registration statement with the Securities and Exchange Commission for the offering. It is anticipated that the Company will file an Amended and Restated Certificate of Incorporation to authorize 195,000,000 shares of FMC Technologies common stock and 12,000,000 shares of FMC Technologies preferred stock. There are currently 1,000 shares of FMC Technologies common stock outstanding.

Before the closing of the offering, FMC Corporation intends to contribute substantially all of its ownership interests in the businesses included in these combined financial statements to the Company with the remainder to be transferred shortly after the offering. These financial statements reflect the

combined results of the businesses as if they had been so contributed to the Company for all periods. Subsequent to the contribution, all of the businesses included in these combined financial statements will be consolidated subsidiaries or divisions of the Company or will be investments of the Company or its subsidiaries.

The Distribution

FMC Corporation has advised the Company that it currently intends to distribute its remaining ownership interest in the Company to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of the Company's common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in the Company through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for FMC Technologies common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in the Company. FMC Corporation has advised the Company that it does not intend to complete the distribution unless it receives a favorable tax ruling from the Internal Revenue Service as to the tax-free nature of the distribution for U.S. Federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised the Company that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised the Company that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised the Company that, as permitted by the separation and distribution agreement between FMC Corporation and the Company described below, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution.





Financing Arrangements

FMC Technologies anticipates that its debt after giving effect to the offering will be approximately $305.1 million or $274.1 million if the underwriters' over-allotment option is fully exercised, assuming that in each case the net proceeds of the offering are used to reduce debt. In addition, pursuant to the separation and distribution agreement between FMC Technologies and FMC Corporation, this amount will be decreased to reflect net cash generated or increased to reflect net cash utilized by FMC Technologies' operations from April 1, 2001 to the closing of the offering. FMC Technologies expects that FMC Technologies' assumed debt will consist of a $150 million 364-day revolving credit facility and a $250 million 5-year credit agreement.

Employee Benefit Plans

Effective May 1, 2001, FMC Technologies established its own qualified and non-qualified U.S. defined benefit pension plans, and effective immediately after the distribution, FMC Technologies will establish any additional pension and employee benefit plans. The material terms of FMC Technologies' pension and employee benefit plans will generally mirror FMC Corporation's plans as in effect at that time. The employee benefits agreement between the Company and FMC Corporation does not preclude FMC Technologies from discontinuing or changing its plans at any time, so long as it notifies FMC Corporation and agrees to absorb any cost associated with such change. Employees of FMC Technologies will begin participating in FMC Technologies' new plans as of the later of the date of the establishment of each plan or the date on which they become employees of FMC Technologies.

FMC Technologies' plans will assume all obligations under FMC

Corporation's plans to employees and former employees allocated to FMC Technologies. Specified assets funding these obligations, including assets held in trusts, will be transferred from trusts and other funding vehicles associated with FMC Corporation's plans to the corresponding trusts and other funding vehicles associated with FMC Technologies' plans as soon as practicable. FMC Technologies' plans will provide that any employee or former employee allocated to it will receive full recognition and credit under these plans for all service, all compensation, and all other benefit-affecting determinations that would have been recognized under the corresponding FMC Corporation plan. However, there will be no duplication of benefits payable by FMC Corporation or its plans.

Prior to the offering, FMC Technologies will adopt the FMC Technologies, Inc. Incentive Compensation and Stock Plan (the "FMC Technologies Stock Plan"). The Company's employees, consultants and directors and employees, consultants and directors of its subsidiaries will be eligible to participate in the FMC Technologies Stock Plan. At the time of the offering, the Company expects to grant options to purchase shares of FMC Technologies common stock under the FMC Technologies Stock Plan at an exercise price equal to the offering price per share in the offering.

In addition, as of the closing date of the offering, FMC Technologies intends to replace all FMC Corporation restricted stock granted to the Company's employees and to the Chairman of its Board of Directors with grants of the Company's restricted stock that will be made under to the FMC Technologies Stock Plan. The historical combined financial statements reflect an allocation of expense related to FMC Corporation's existing restricted stock program. To the extent that the Company replaces any FMC Corporation restricted stock with FMC Technologies restricted stock prior to the distribution, the Company may incur incremental compensation expense. It is currently estimated that approximately $4.9 million of expense will be recorded over the vesting period related to such restricted stock. Based on the number of shares of FMC Corporation restricted stock granted to the Company's employees and to the Chairman of its Board of Directors on April 25, 2001, an assumed offering price per share of FMC Technologies common stock in the offering of $20.00 and a closing price per share of FMC Corporation common stock as of April 25, 2001 of $70.95, 1,124,458 shares of FMC Technologies common stock would be issued.





FMC Technologies intends to replace all of the FMC Corporation options held by the Company's employees and non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution. The Company intends to replace a portion of the FMC Corporation options and restricted stock granted to the Company's non-employee directors who will continue to serve as directors of FMC Corporation as of the date of the distribution, other than the Chairman of its Board of Directors, with options to purchase shares of the Company common stock and grants of restricted stock of the Company that will be made under the FMC Technologies Stock Plan. The Company intends to replace all outstanding options and restricted stock of FMC Corporation granted to FMC Corporation employees whom the Company hires on or after the distribution date. Based on the number of shares of FMC Corporation restricted stock granted to the Company's directors and the number of FMC Corporation options held by employees and directors of the Company on April 25, 2001, and assumed closing prices per share of $70.95 for FMC Corporation and $20.00 for FMC Technologies common stock on the date of distribution, grants of 9,933 shares of FMC Technologies restricted stock and 3,264,374 FMC Technologies options would be issued. We are unable to estimate the number of shares or options that may be granted with respect to FMC Corporation employees who will be hired by FMC Technologies as of the distribution date or thereafter.

Arrangements Between FMC Technologies and FMC Corporation

The separation and distribution agreement contains the key provisions relating to the separation of FMC Technologies' businesses from those of FMC Corporation, the offering and FMC Corporation's planned distribution of FMC Technologies common stock. The separation and distribution agreement identifies the assets to be transferred to FMC Technologies by FMC Corporation and the

liabilities to be assumed by FMC Technologies from FMC Corporation. The separation and distribution agreement also describes when and how these transfers and assumptions will occur. In addition, FMC Technologies has entered into additional agreements with FMC Corporation governing various interim and ongoing relationships between FMC Corporation and FMC Technologies following the closing date of the offering. These other agreements include: a tax sharing agreement; an employee benefits agreement; a transition services agreement; and a license agreement for the FMC corporate name and logo. FMC Technologies and FMC Corporation will execute the separation and distribution agreement and ancillary agreements before the closing of the offering.

Pro Forma Earnings Per Common Share

Unaudited pro forma as adjusted basic earnings per common share from continuing operations for the year ended December 31, 2000 and the three months ended March 31, 2001 have been calculated by dividing unaudited pro forma as adjusted income (loss) from continuing operations by the weighted average shares outstanding as calculated in accordance with Securities and Exchange Commission rules for initial public offerings. Such rules require that the weighted average share calculation give retroactive effect to any changes in the capital structure of the Company as well as the number of shares whose proceeds will be used to pay any dividend or repay any debt as reflected in the pro forma adjustments. It is anticipated that all of the proceeds from the offering will be used to repay debt. Therefore, pro forma weighted average shares of the Company for the year ended December 31, 2000, and the three months ended March 31, 2001 are comprised of 53,950,000 shares of common stock outstanding prior to the offering and 11,050,000 shares of common stock included in the offering, assuming all such shares are outstanding as of the beginning of the period.

Unaudited pro forma as adjusted diluted earnings per common share from continuing operations for the year ended December 31, 2000 is computed using unaudited pro forma as adjusted income from continuing operations divided by 66,044,955, which for pro forma diluted earnings per share purposes is the assumed number of shares of the Company's common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,950,000 common shares are outstanding, (b) 11,050,000 shares are sold in the offering and (c) the pro forma dilutive effect of the Company's restricted stock to be granted to the Company's employees and the Chairman





of its Board of Directors in replacement of FMC Corporation restricted stock is 1,044,955, calculated based on the weighted average number of shares of FMC Corporation restricted stock eligible for conversion in 2000 and using FMC Corporation's average 2000 stock price and the Company's assumed offering price of $20.00 per share. Due to the Company's net loss for the three months ended March 31, 2001, the inclusion of the effect of restricted stock described in (c) above would be antidilutive; therefore, the same denominator has been used for both the basic and diluted computations for the three months ended March 31, 2001.



[GRAPHIC: DEPICTIONS OF THE FOLLOWING OF OUR SYSTEMS AND PRODUCTS: (1) JETWAY PASSENGER BOARDING BRIDGE, (2) SUBSEA TREE, (3) MANIFOLD SYSTEM, AND (4) CITRUS PROCESSING SYSTEM]

Through and including , 2001 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

11,050,000 SHARES

[LOGO]

FMC TECHNOLOGIES, INC.

COMMON STOCK

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P R O S P E C T U S

---

MERRILL LYNCH & CO.

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LLC

, 2001

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+THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY +
+NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN +
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[ALTERNATE INTERNATIONAL PAGE]

SUBJECT TO COMPLETION

PROSPECTUS PRELIMINARY PROSPECTUS DATED MAY 4, 2001

11,050,000 SHARES

FMC TECHNOLOGIES, INC.

COMMON STOCK

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This is FMC Technologies, Inc.'s initial public offering. FMC Technologies is selling all of the shares. The international managers are offering 2,210,000 shares outside the U.S. and Canada, and the U.S. underwriters are offering 8,840,000 shares in the U.S. and Canada.

We expect the public offering price to be between $18.00 and $22.00 per share. Currently, no public market exists for the shares. After pricing of this offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "FTI."

FMC Technologies is currently a wholly owned subsidiary of FMC Corporation. After this offering, FMC Corporation will own approximately 83.0% of the outstanding shares of FMC Technologies, or approximately 80.9% if the underwriters fully exercise their over-allotment option.

INVESTING IN THE COMMON STOCK INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 10 OF THIS PROSPECTUS.

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| | PER SHARE | TOTAL |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discount | $ | $ |
| Proceeds, before expenses, to FMC Technologies | $ | $ |

The international managers may also purchase up to an additional 331,500 shares from FMC Technologies at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments. The U.S. underwriters may similarly purchase up to an additional 1,326,000 shares from FMC Technologies.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2001

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MERRILL LYNCH INTERNATIONAL

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LIMITED

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The date of this prospectus is , 2001

[ALTERNATE INTERNATIONAL PAGE]

UNDERWRITING

We intend to offer the shares outside the U.S. and Canada through the international managers and in the U.S. and Canada through the U.S. underwriters. Merrill Lynch International, Credit Suisse First Boston (Europe) Limited, Salomon Brothers International Limited and Banc of America Securities Limited are acting as lead managers for the international managers named below. Subject to the terms and conditions described in an international purchase agreement among us and the international managers, and concurrently with the sale of 8,840,000 shares of our common stock to the U.S. underwriters, we have agreed to sell to the international managers, and the international managers severally have agreed to purchase from us, the number of shares of common stock listed opposite their names below.

| INTERNATIONAL MANAGER | NUMBER OF SHARES |
|---|---|
| Merrill Lynch International | |
| Credit Suisse First Boston (Europe) Limited | |
| Salomon Brothers International Limited | |
| Banc of America Securities Limited | |
| Total | 2,210,000 |

We have also entered into a U.S. purchase agreement with the U.S. underwriters for sale of the shares in the U.S. and Canada for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse First Boston

Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC are acting as U.S. representatives. Subject to the terms and conditions in the U.S. purchase agreement, and concurrently with the sale of 2,210,000 shares of our common stock to the international managers under the international purchase agreement, we have agreed to sell to the U.S. underwriters, and the U.S. underwriters severally have agreed to purchase from us, an aggregate of 8,840,000 shares of our common stock in this offering. The initial public offering price per share and the total underwriting discount per share of our common stock are identical under the international purchase agreement and the U.S. purchase agreement.

The international managers and the U.S. underwriters have agreed to purchase all of the shares of our common stock sold under the international and U.S. purchase agreements if any of these shares of our common stock are purchased. If an underwriter defaults, the U.S. and international purchase agreements provide that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreements may be terminated. The closings for the sale of shares of our common stock to be purchased by the international managers and the U.S. underwriters are conditioned on one another.

We have agreed to indemnify the international managers and the U.S. underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the international managers and U.S. underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares of our common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreements, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Merrill Lynch will be facilitating Internet distribution for this offering to some of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares of our common stock for sale to its online brokerage customers. An electronic prospectus is available on the Internet Web sites maintained by Merrill Lynch and Credit Suisse First Boston Corporation. Other than the prospectus in



[ALTERNATE INTERNATIONAL PAGE]

electronic format, the information on the Web sites of Merrill Lynch, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC is not part of this prospectus.

COMMISSIONS AND DISCOUNTS

The lead managers have advised us that the international managers propose initially to offer the shares of our common stock to the public at the initial public offering price listed on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The international managers may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the international managers and the U.S. underwriters of their over-allotment options.

| | PER SHARE | WITHOUT OPTION | WITH OPTION |
|---|---|---|---|
| Public offering price..... | $ | $ | $ |
| Underwriting discount..... | $ | $ | $ |
| Proceeds, before expenses, to us.... | $ | $ | $ |

The expenses of this offering, not including the underwriting discount, are estimated at $2,304,000 and are payable by us.

OVER-ALLOTMENT OPTION

We have granted an option to the international managers to purchase up to 331,500 additional shares of our common stock at the public offering price less the underwriting discount. The international managers may exercise this option for 30 days from the date of this prospectus solely to cover any over-allotments. If the international managers exercise this option, each will be obligated, subject to conditions contained in the purchase agreements, to purchase a number of additional shares of our common stock proportionate to that international manager's initial amount reflected in the above table.

We have also granted an option to the U.S. underwriters, exercisable for 30 days from the date of this prospectus, to purchase up to 1,326,000 additional shares of our common stock to cover any over-allotments on terms similar to those granted to the international managers.

INTERSYNDICATE AGREEMENT

The international managers and the U.S. underwriters have entered into an intersyndicate agreement that provides for the coordination of their activities. Under the intersyndicate agreement, the international managers and the U.S. underwriters may sell shares of our common stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the intersyndicate agreement, the international managers and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares to U.S. or Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions under the intersyndicate agreement. Similarly, the U.S. underwriters and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares of our common stock to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, except in the case of transactions under the intersyndicate agreement.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial offering price, up to 1,105,000 shares offered by this prospectus for sale to some of our directors, officers and employees and FMC Corporation's directors, officers and employees. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.



[ALTERNATE INTERNATIONAL PAGE]

NO SALES OF SIMILAR SECURITIES

We, our executive officers and directors, and FMC Corporation have agreed, with exceptions, not to sell or transfer any of our common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch. Specifically, we and these other persons have agreed not to directly or indirectly:

- offer, pledge, sell, or contract to sell any of our common stock,
- sell any option or contract to purchase any of our common stock,
- purchase any option or contract to sell any of our common stock,
- grant any option, right or warrant for the sale of any of our common stock, other than pursuant to our employee benefit plans or director stock plan,
- lend or otherwise dispose of or transfer any of our common stock,
- file or request or demand that we file, a registration statement related to our common stock other than in connection with our

employee benefit plans, or

- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lockup provision applies to our common stock and to securities convertible into or exchangeable or exercisable for or repayable with our common stock. It also applies to our common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. These restrictions do not apply to shares of our common stock sold to the underwriters and international managers under this prospectus.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares to be approved for listing on the New York Stock Exchange under the symbol "FTI." In order to meet the requirements for listing of our common stock on the NYSE, the U.S. underwriters and the international managers have undertaken to sell a minimum number of shares of our common stock to a minimum number of beneficial owners as required by the NYSE.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the U.S. representatives and the lead managers. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the U.S. representatives and the lead managers believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.



[ALTERNATE INTERNATIONAL PAGE]

An active trading market for the shares may not develop. It is also possible that after this offering the shares of our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares of our common stock being offered in this offering in the aggregate to accounts over which they exercise discretionary authority.

NASD REGULATIONS

Affiliates of each of the U.S. representatives other than Merrill Lynch are participating as lenders to FMC Corporation under the $200 million 180-day revolving credit facility. Affiliates of Banc of America Securities LLC and Salomon Smith Barney Inc. are participating as lenders to FMC Corporation under the $150 million 364-day revolving credit facility. An affiliate of Salomon Smith Barney Inc. is acting as administrative agent for the $200 million facility and an affiliate of Banc of America Securities LLC is acting as administrative agent for the $150 million facility. All amounts outstanding under these facilities will be assumed by us. The proceeds of this offering will be used to repay all amounts outstanding under the $200 million facility and a portion of the amount outstanding under the $150 million facility. Because more than ten percent of the net proceeds of this offering may be paid to members or affiliates of members of the National Association of Securities Dealers, Inc. participating in this offering, this offering will be conducted

in accordance with NASD Conduct Rule 2710(c)(8). This rule requires that the public offering price of an equity security be no higher than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement and performed its usual standard of due diligence with respect to that registration statement. Merrill Lynch has agreed to act as qualified independent underwriter for this offering. The price of the shares will be no higher than that recommended by Merrill Lynch.

PRICE STABILIZATION AND SHORT POSITIONS AND PENALTY BIDS

Until this offering of shares of our common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the U.S. underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

The U.S. underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the U.S. underwriters of a greater number of shares than they are required to purchase in this offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the issuer in this offering. The U.S. underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the U.S. underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. "Naked" short sales are any sales in excess of such option. The U.S. underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the U.S. underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the U.S. underwriters in the open market prior to the completion of this offering.

The U.S. underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the U.S. underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.



[ALTERNATE INTERNATIONAL PAGE]

Similar to other purchase transactions, the U.S. underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters makes any representation that the U.S. underwriters or the lead managers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

UK SELLING RESTRICTIONS

Each international manager has agreed that:

- it has not offered or sold and will not offer or sell any shares of our common stock to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which do not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

- it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to our common stock in, from or otherwise involving the United Kingdom; and

- it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of common stock to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 as amended by the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1997 or is a person to whom such document may otherwise lawfully be issued or passed on.

NO PUBLIC OFFERING OUTSIDE THE UNITED STATES

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of our common stock, or the possession, circulation or distribution of this prospectus or any other material relating to our company or shares of our common stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of our common stock may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the shares of our common stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the shares offered by this prospectus may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to this offering price on the cover page of this prospectus.

OTHER RELATIONSHIPS

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or FMC Corporation. Some of the underwriters and their affiliates also have engaged in commercial banking and investment banking transactions and services with us or FMC Corporation, including with respect to the separation, and may in the future engage in these transactions and services. They have received customary compensation for these services and transactions.



[ALTERNATE INTERNATIONAL PAGE]

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Through and including , 2001 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

11,050,000 SHARES

[LOGO]

FMC TECHNOLOGIES, INC.

COMMON STOCK

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P R O S P E C T U S

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MERRILL LYNCH INTERNATIONAL
CREDIT SUISSE FIRST BOSTON
SALOMON SMITH BARNEY
BANC OF AMERICA SECURITIES LIMITED

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the estimated costs and expenses, other than underwriting discounts and commissions, payable in connection with the sale of common stock being registered, all of which will be paid by the Registrant:

| | AMOUNT |
|---|---|
| Securities and Exchange registration fee | $ 87,500 |
| NASD filing fee | 30,500 |
| New York Stock Exchange listing fee | 286,000 |
| Printing expenses | 500,000 |
| Legal fees and expenses | 1,000,000 |
| Accounting fees and expenses | 250,000 |
| Transfer agent and registrar fees and expenses | 120,000 |
| Miscellaneous | 30,000 |
| Total | $2,304,000 |

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware provides as follows:

A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was 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 expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was 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 expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the

corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

As permitted by the General Corporation Law of the State of Delaware, the Registrant has included in its Certificate of Incorporation a provision to eliminate the personal liability of its directors for monetary



damages for breach of their fiduciary duties as directors, subject to certain exceptions. In addition, the Registrant's Certificate of Incorporation and Bylaws provide that the Registrant is required to indemnify its officers and directors under certain circumstances, including those circumstances in which indemnification would otherwise be discretionary, and the Registrant is required to advance expenses to its officers and directors as incurred in connection with proceedings against them for which they may be indemnified.

The U.S. Purchase Agreement and the International Purchase Agreement are expected to provide that the Underwriters are obligated, under certain circumstances, to indemnify directors, officers and controlling persons of the Registrant against certain liabilities, including liabilities under the Securities Act of 1933, as amended. Reference is made to the form of U.S. Purchase Agreement and the form of International Purchase Agreement to be filed as Exhibits 1.1 and 1.2 hereto, respectively.

The Separation and Distribution Agreement by and among the Registrant and FMC Corporation is expected to provide for indemnification by the Registrant of FMC Corporation and its directors, officers and employees for certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Registrant maintains directors and officers liability insurance for the benefit of its directors and officers.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Registrant has not sold any securities, registered or otherwise, within the past three years, except for the shares issued upon formation to Registrant's sole stockholder, FMC Corporation.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

| EXHIBIT NUMBER | EXHIBIT TITLE |
|---|---|
| 1.1 | --Form of U.S. Purchase Agreement.** |
| 1.2 | --Form of International Purchase Agreement.** |
| 1.3 | --Form of Lock-Up Agreement.** |
| 2.1 | --Form of Separation and Distribution Agreement. |
| 3.1 | --Registrant's Amended and Restated Certificate of Incorporation.* |
| 3.2 | --Registrant's Amended and Restated Bylaws.* |
| 4.1 | --Form of Specimen Certificate for Registrant's Common Stock. |
| 4.2 | --Form of Preferred Share Purchase Rights Agreement.* |
| 4.3 | --$250,000,000 Five-Year Credit Agreement. |
| 4.4 | --$150,000,000 364-Day Revolving Credit Facility. |

5.1 --Opinion of Wachtell, Lipton, Rosen & Katz.**

10.1 --Form of Tax Sharing Agreement.

10.2 --Form of Employee Benefits Agreement.

10.3 --Form of Transition Services Agreement.**

10.4 --Registrant's Incentive Compensation and Stock Plan.*

10.5 --Forms of Executive Severance Agreements.



| EXHIBIT NUMBER | EXHIBIT TITLE |
|---|---|
| 21.1 | --Subsidiaries of the Registrant. |
| 23.1 | --Consent of KPMG LLP. |
| 23.2 | --Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 5.1).** |
| 24.1 | --Powers of Attorney.* |
| 24.2 | --Power of Attorney of Ronald D. Mambu.* |
| 99.1 | --Consent of Mike R. Bowlin to be Named a Director Nominee.* |
| 99.2 | --Consent of B. A. Bridgewater to be Named a Director Nominee.* |
| 99.3 | --Consent of Asbjorn Larsen to be Named a Director Nominee.* |
| 99.4 | --Consent of Edward J. Mooney to be Named a Director Nominee.* |
| 99.5 | --Consent of William J. Reilly to be Named a Director Nominee.* |
| 99.6 | --Consent of James M. Ringler to be Named a Director Nominee.* |
| 99.7 | --Consent of James R. Thompson to be Named a Director Nominee.* |

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* Previously filed.
** To be filed by amendment.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the combined financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(4) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions,

or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.



## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Chicago, state of Illinois, on May 4, 2001.

FMC TECHNOLOGIES, INC.

By: /s/ Ronald D. Mambu

Name: Ronald D. Mambu

Title: Vice President and Controller

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| * Joseph H. Netherland | Chief Executive Officer, President and Director (Principal Executive Officer) | May 4, 2001 |
| * Robert N. Burt | Chairman and Director | May 4, 2001 |
| * William H. Schumann III | Senior Vice President, Chief Financial Officer and Director (Principal Financial Officer) | May 4, 2001 |
| * Ronald D. Mambu | Vice President and Controller (Principal Accounting Officer) | May 4, 2001 |

*By: /s/ Steven H. Shapiro

Steven H. Shapiro
Attorney-in-Fact



## EXHIBIT INDEX

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| 4.3 | --$250,000,000 Five-Year Credit Agreement. |
| 4.4 | --$150,000,000 364-Day Revolving Credit Facility. |
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| 10.1 | --Form of Tax Sharing Agreement. |
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| 10.4 | --Registrant's Incentive Compensation and Stock Plan.* |
| 10.5 | --Forms of Executive Severance Agreements. |
| 21.1 | --Subsidiaries of the Registrant. |
| 23.1 | --Consent of KPMG LLP. |
| 23.2 | --Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 5.1).** |
| 24.1 | --Powers of Attorney.* |
| 24.2 | --Power of Attorney of Ronald D. Mambu.* |
| 99.1 | --Consent of Mike R. Bowlin to be Named a Director Nominee.* |
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| 99.7 | --Consent of James R. Thompson to be Named a Director Nominee.* |

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* Previously filed.
** To be filed by amendment.

EXHIBIT 2.1

FORM OF

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

FMC CORPORATION

and

FMC TECHNOLOGIES, INC.

Dated as of _____ __, 2001

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# SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement"), dated as of _____ __, 2001, is by and between FMC CORPORATION, a Delaware corporation ("Parent"), and FMC TECHNOLOGIES, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Technologies").

## RECITALS

WHEREAS, the Board of Directors of Parent has determined that it is in the best interests of Parent and its stockholders to separate Parent's existing businesses into two independent companies (the "Separation"), pursuant to the terms and subject to the conditions set forth in this Agreement;

WHEREAS, to effect the Separation, Parent intends to cause the transfer to Technologies of certain assets of Parent and its Subsidiaries, and the assumption by Technologies of certain liabilities of Parent and its Subsidiaries, primarily related to the Technologies Business (the "Contribution") as contemplated by this Agreement and the Ancillary Agreements;

WHEREAS, to effect the Separation, Parent further intends to cause Technologies to offer and sell for its own account in an initial public offering

(the "IPO") an amount of shares of common stock, par value $.01 per share, of
Technologies (together with the Technologies Rights, "Technologies Common
Stock") that will reduce Parent's beneficial ownership of Technologies Common
Stock to an amount representing not less than 80.1 percent of the total voting
power of Technologies;

WHEREAS, to effect the Separation, Parent, in its discretion, may complete the Distribution;

WHEREAS, it is the intention of the parties to this Agreement that, for United States federal income tax purposes, the Distribution shall qualify as a tax-free spin-off under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Boards of Directors of Parent and Technologies have each determined that the Separation and the Contribution, the IPO, the Distribution and the other transactions contemplated by this Agreement and the Ancillary Agreements are in furtherance of and consistent with their respective business strategies and are in the best interests of their respective companies and stockholders and have approved this Agreement and the Ancillary Agreements; and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and certain other agreements that will govern certain matters relating to the Separation and the Contribution, the IPO and the Distribution and the relationship of Parent and Technologies and their respective Subsidiaries following the IPO and the Distribution.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties hereto hereby agree as follows:

## ARTICLE I

## DEFINITIONS

SECTION 1.1 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

Accounts Receivable Facility: the FMC Corporation Securitization program arising pursuant to the Receivables Purchase Agreement dated as of November 24, 1999 among FMC Funding Corporation, Parent, Corporation, as a servicer, CIESCO, L.P., Citibank, N.A. and Citicorp North America, Inc., as agent, and all documents, agreements and instruments related thereto.

Action: any demand, action, lawsuit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal.

Actual IPO Proceeds: the proceeds received (priced at the IPO price) from the underwriters by Technologies as a result of the IPO, net of all out-of-pocket fees, costs and expenses incurred in connection with completing the Contribution and IPO (including, without limitation, legal and accounting fees, costs and expenses, printing costs, filing, listing and Blue Sky fees, transfer agent and registrar costs, fees and expenses, expenses, fees and costs incurred in connection with the road show presentations and all related meeting and travel expenses), plus one-half the net amounts received (priced at the IPO price) in connection with the full exercise of any over-allotment option, whether or not such option is exercised in part, in full or not at all.

Affiliate: with respect to any specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that, for purposes of this Agreement, no member of either Group shall be deemed to be an Affiliate of any member of the other Group. As used herein,

"control" means the possession, directly or indirectly, of the power to direct
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or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

Agent: the distribution agent to be appointed by Parent to distribute the shares of Technologies Common Stock pursuant to the Distribution.

Agreement: as defined in the Recitals hereto.

Amended and Restated By-laws: the Amended and Restated By-laws of Technologies substantially in the form of Exhibit E hereto, with such changes as
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are acceptable to Parent and Technologies.



Amended and Restated Certificate of Incorporation: the Amended and Restated Certificate of Incorporation of Technologies substantially in the form of Exhibit D hereto, with such changes as are acceptable to Parent and
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Technologies.

Ancillary Agreements: the Benefits Agreement, the Tax Sharing Agreement, agreements relating to the Foreign Transfers and certain transfers and assumptions contemplated by Section 2.1(e), the Transition Services
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Agreement, the Trademark License Agreement, the Insurance Proceeds Agreement, any shared facilities agreements and the other agreements entered into or to be entered into in connection with the Separation as contemplated by Article II of this Agreement.                                                    ----------

Assets: any and all assets, properties and rights (including goodwill) of every kind, nature and description, whether real, personal or mixed, tangible or intangible, accrued, contingent or otherwise, whether now existing or hereafter acquired, wheresoever situated, and in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including, without limitation, the following:

(1) all cash, cash equivalents, notes, accounts receivable, notes receivable and mortgages receivable (whether current or non-current);

(2) all interests in any capital stock or other equity interests, all rights as a partner or joint venturer or participant, certificates of deposit, banker's acceptances, bonds, notes, debentures, evidences of indebtedness, certificates of interest or participation in profit-sharing agreements, collateral-trust certificates, preorganization certificates or subscriptions, utility deposits, transferable shares, investment contracts, voting-trust certificates, fractional undivided interests in oil, gas or other mineral rights, all loans, advances or other extension of credit or capital contributions, and all puts, calls, straddles, warrants, options and other similar rights, and other securities of any kind;

(3) all Intellectual Property Rights;

(4) all rights, title and interests in, to and under leases, subleases, contracts, licenses, permits, registrations, certifications, distribution arrangements, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products, other sales and purchase agreements, confidentiality agreements, and other agreements and business arrangements;

(5) all rights, title and interests in, to and under Real Property;

(6) all leasehold improvements, fixtures, trade fixtures, machinery, equipment (including transportation and office equipment), tools, dies, furniture and furnishings;

(7) all fixtures, machinery, equipment, tools, other inventories of supplies and spare parts, automobiles, forklifts, other vehicles and transportation equipment, furniture and office equipment, office supplies, production supplies, spare parts, other miscellaneous supplies, models,

prototypes, test devices and other tangible assets or properties of any kind;



(8) all apparatus, computers and other electronic data processing and computer equipment and all computer applications, programs and other software, including operating software, network software, firmware, middleware, design software, design tools, systems documentation and instructions;

(9) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(10) all raw materials, parts, work-in-process, supplies, finished goods, consigned goods, products and other inventories;

(11) all deposits, letters of credit, performance and surety bonds, prepayments and prepaid or advanced payments and expenses, trade accounts and other accounts and notes receivable;

(12) all rights to causes of action, lawsuits, judgments, claims, choses in action, all rights under express or implied warranties, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers, all rights of recovery and all rights of setoff of any kind and demands of any nature, in each case whether mature, contingent or otherwise, whether in tort, contract or otherwise, whether arising by way of counterclaim or otherwise;

(13) all rights to receive mail, payments on accounts receivable and other communications;

(14) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(15) all accounting and other files, records and data, including schematics, books, manuals, technical information and engineering data, programming information, computerized data, books of account, ledgers, employment records, lists and files relating to customers, vendors, suppliers and agents, quality records and reports, research records, cost information, pricing data, market surveys and marketing know-how, mailing lists, purchase and sale records and correspondence, advertising and marketing records, of every kind, whether on paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form;

(16) all goodwill as a going concern and other intangible properties;

(17) all rights under employee contracts, including any rights thereunder to restrict an employee from competing in certain respects; and

(18) all permits, approvals, orders, authorizations, consents, licenses, certificates, franchises, exemptions of, or filings or registrations with or issued by, any Governmental Authority in any jurisdiction, and all pending applications therefor.

Assumption Time: 12:01 a.m. on May 1, 2001.



Auto Liabilities: all Losses, whether direct or indirect, known or unknown, current or potential, past, present or future, with respect of bodily injury, personal injury or property damage arising from or relating to an automobile of a Discontinued Machinery Business.

Benefits Agreement: the Employee Benefits Agreement, between Parent and Technologies, substantially in the form of Exhibit A hereto, with such changes as are acceptable to Parent and Technologies.

Blackout Period: as defined in Section 9.1(b) hereof.

Business: the Technologies Business or the Parent Business.

Business Day: any day, other than a Saturday or Sunday, or a day on which banking institutions are authorized or required by law or regulation to close in Illinois.

Cash: the amount reflected in the cash and marketable accounts of any company's balance sheet as of any given date.

CERCLA: the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. 9601 et seq.

Closed Machinery Businesses: businesses, operations or products (including related joint ventures and alliances) set forth on Schedule G-1.

Code: as defined in the Recitals hereto.

Consents: any consents, waivers or approvals from, or notification requirements to, any third parties.

Contribution: as defined in the Recitals hereto.

Crosby Valve Businesses: as defined on attached Schedule J

Demand: as defined in Section 9.1(a) hereof.

Demand Registration: as defined in Section 9.1(a) hereof.

Demand Shares: as defined in Section 9.1(a) hereof.

Discontinued Machinery Businesses: discontinued businesses, operations or products (including related joint ventures and alliances) set forth on Schedule G-2.

Distribution: the distribution of all issued and outstanding shares of Parent Technologies Shares by means of Spin-Off; a Split-Off; or a combination of a Spin-Off and a Split-Off.



Distribution Date: the date as of which the Distribution shall be effected, to be determined by, or under the authority of, the Board of Directors of Parent consistent with this Agreement.

Distribution Information Statement: as defined in Section 4.4 hereof.

Environmental Law: any federal, state, local, foreign or international statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, common law (including tort and environmental nuisance law), legal doctrine, order, judgment, decree, injunction, requirement or agreement with any Governmental Authority, now or hereafter in effect relating to health, safety, pollution or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or to emissions, discharges, releases or threatened releases of any substance currently or at any time hereafter listed, defined, designated or classified as hazardous, toxic, waste, radioactive or dangerous, or otherwise regulated, under any of the foregoing, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substances, including, without limitation, CERCLA, the Superfund Amendments and Reauthorization Act and the Resource Conservation and Recovery Act and comparable provisions in state, local, foreign or international law.

Environmental Liabilities: all Losses, whether direct or indirect, known or unknown, current or potential, past, present or future: (i) imposed by, under or pursuant to any Environmental Law, including all Losses related to

Remedial Actions, and all fees, capital costs, disbursements and reasonable out-of-pocket costs, fees and expenses of counsel, experts, contractors, personnel and consultants based on, arising out of or otherwise in respect of: (A) the applicable Business, the Real Property owned by such Business or any other property owned, operated, used or leased by such applicable Business at any time; or any other property where such applicable Business contracted or arranged for disposal at any time; (B) conditions existing on, under, around or above any such property; and (C) expenditures necessary to cause any such property or any aspect of the applicable Business to be in compliance with any and all requirements of Environmental Laws; and (ii) with respect of bodily injury, personal injury or property damage arising from or relating to Releases of Hazardous Substances.

Exchange Act: the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

Expected IPO Proceeds: the estimated amount of proceeds (at the estimated IPO price) that Technologies will receive as a result of the IPO, net of all estimated out-of-pocket fees, costs and expenses incurred in connection with completing the Contribution and IPO (including, without limitation, legal and accounting fees, costs and expenses, printing costs, filing, listing and Blue Sky fees, transfer agent and registrar costs, fees and expenses, expenses, fees and costs incurred in connection with the road show presentations and all related meeting and travel expenses) from the underwriters, plus one-half the net amount that would be received (at the estimated IPO price) in connection with the full exercise of any over-allotment option.

Final Calculation Date: April 30, 2001.



Financing Facilities: (a) the $200,000,000 180-Day Revolving Credit Agreement, dated as of February 21, 2001, among Parent, Technologies, Citibank, N.A., as Administrative Agent, Salomon Smith Barney Inc., as Lead Arranger, and the Lenders named party thereto; (b) the $250,000,000 Five-Year Credit Agreement, dated as of April __, 2001, the Lenders named therein, as Lenders, and Banc of America Securities LLC, as Administrative Agent and LC Issuer; and (c) the $150,000,000 364 Day Credit Agreement, dated as of April __, 2001, the Lenders named therein, as Lenders, Banc of America Securities LLC, as Administrative Agent.

FMC Logo: all trademarks, service marks, and trade names that consist of only the term "FMC," including stylized versions thereof, and which do not contain any other words or logos in combination therewith.

Foreign Exchange Contracts: hedge and option arrangements entered into by Parent in respect of the Technologies Business.

Foreign Exchange Rate: with respect to any currency other than United States dollars as of any date, the average closing exchange rate at which United States dollars may be exchanged for such currency (as quoted in the Wall Street Journal) for the twenty (20) Business Days immediately preceding the day on which such payment is required to be made.

Foreign Transfer Taxes: Taxes that may be imposed by any jurisdiction other than the United States or any political subdivision thereof in connection with the Foreign Transfers on any member of the Technologies Group or the Parent Group.

Foreign Transfers: as defined in Section 2.3(a) hereof.

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General Liabilities: all Losses, whether direct or indirect, known or unknown, current or potential, past, present or future, with respect to bodily injury, personal injury, property damage or other wrongs arising from the premises or the operations of a Discontinued Machinery Business. General Liabilities exclude all Liabilities arising out of or in connection with location of asbestos on the Real Property of Discontinued Machinery Businesses and also excludes all Environmental Liabilities related to Discontinued Machinery Businesses.

Governmental Approvals: any notices, reports or other filings to be made, or any consents, registrations, approvals, licenses, permits or authorizations to be obtained from, any Governmental Authority, and any

financial instruments or assurances required to be maintained in connection with such Governmental Approvals.

Governmental Authority: any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, or any other regulatory, administrative or governmental authority, including the NYSE.

Group: the Parent Group or the Technologies Group.

Hazardous Substances: any substance (including petroleum and petroleum derivatives and products) that (i) is defined, listed or identified as a "hazardous waste,"



"hazardous material" or "hazardous substance" under CERCLA or the Solid Waste Disposal Act or any analogous state Law or (ii) requires investigation, removal or remediation under an applicable Environmental Law.

Indemnifiable Losses: all Losses suffered (and not actually reimbursed by insurance proceeds) by an Indemnitee, including any reasonable out-of-pocket fees, costs or expenses of enforcing any indemnity hereunder; provided that
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"Indemnifiable Losses" shall not include: (i) any special, indirect, incidental, punitive or consequential damages whatsoever of any Indemnitee, including, without limitation, damages for lost profits and lost business opportunities, arising in connection with any Action other than any Action by any Person (including, without limitation, any Governmental Authority) who is not a party to this Agreement or an Affiliate or Subsidiary of such a party; or (ii) any such Losses caused by, resulting from or arising out of the gross negligence, willful misconduct or fraud of such Indemnitee.

Indemnifying Party: a Person who or which is obligated under this Agreement to provide indemnification.

Indemnitee: a Person who or which may seek indemnification under this Agreement.

Indemnity Payment: an amount that an Indemnifying Party is required to pay to or in respect of an Indemnitee pursuant to Article IV.
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Information: all records, books, contracts, instruments, computer data and other data and information.

Initial Calculation Date: March 31, 2001.

Insurance Proceeds Agreement: the Insurance Proceeds Agreement between Parent and Technologies, substantially in the form of Exhibit I hereto,
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with such changes as are acceptable to Parent and Technologies.

Intellectual Property Rights: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivation, and combinations thereof and including all goodwill associated therewith ("Marks"), including registered and unregistered Marks and all applications, registrations, and renewals in connection with the Marks; (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, all computer software (including data and related documentation), all websites as well as supporting HTML coding and source code, all mask works and all applications, registrations, and renewals in connection therewith; (d) all trade secrets and confidential information, including ideas, research and development, know-how, proprietary processes and formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications,

customer and supplier lists, pricing and cost information, and business and marketing plans and proposals; (e) any income, royalties and payments which accrue as of the IPO Closing or thereafter with respect to any of the foregoing items, including payments for past, present or future infringements or misappropriation thereof, the right to sue and recover for past infringements or misappropriation thereof; (f) any goodwill associated with any of the foregoing; (g) all other proprietary rights; and (h) all copies and tangible embodiments thereof (in whatever form or medium).

Intended Offering Notice: as defined in Section 9.2(a) hereof.

Internal Spin-Off: that certain transaction whereby Intermountain Research and Development Corporation shall distribute all of the shares of FMC International A.G. to Parent.

IPO: as defined in the Recitals hereto.

IPO Date: the date of the closing of the IPO in accordance with Article III hereof and the Underwriting Agreements.

IPO Registration Statement: the registration statement on Form S-1 of Technologies under the Securities Act relating to the Technologies Common Stock to be issued in the IPO.

Liabilities: any and all losses, claims, charges, debts, demands, actions, causes of action, lawsuits, damages, obligations, payments, costs, fees and expenses, sums of money, bonds, indemnities and similar obligations, covenants, contracts, controversies, agreements, promises, omissions, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any law, rule, regulation, Action, threatened or contemplated Action (including the costs, fees and expenses of demands, assessments, judgments, settlements and compromises relating thereto and out-of-pocket attorneys' costs, fees and expenses and any and all costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

Losses: losses, Liabilities, damages, claims, demands, judgments, fines, penalties, obligations, payments, costs, fees, expenses, Actions or settlements of any nature or kind, including all reasonable out-of-pocket costs, fees and expenses (legal, accounting or otherwise as such costs are incurred) relating thereto.

Non-Technologies Business: any business or operation of the Parent or a Parent Subsidiary other than a Technologies Business.



Non-Technologies Business Transfer: a transaction whereby a Non-Technologies Business is transferred to Technologies or a Technologies Subsidiary.

NYSE: New York Stock Exchange, Inc.

Parent: as defined in the Recitals hereto.

Parent Assets: all of the Assets owned by Parent or its Subsidiaries, other than the Technologies Assets.

Parent Business: all businesses and operations (including related joint ventures and alliances) of Parent, other than the Technologies Business.

Parent Group: Parent and its Subsidiaries other than members of the Technologies Group.

Parent Indemnitees: Parent, each Affiliate of Parent and each of their respective Representatives and each of the heirs, executors, successors and assigns of any of the foregoing.

Parent Liabilities: all of the Liabilities of Parent and its Subsidiaries, other than the Technologies Liabilities.

Parent Common Stock: shares of Common Stock, par value $.01 per share, of Parent.

Parent Subsidiaries: all direct and indirect Subsidiaries of Parent other than Technologies and the Technologies Subsidiaries.

Parent Technologies Shares: all issued and outstanding shares of Technologies Common Stock owned by Parent or any member of the Parent Group.

Person: an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization or a government or any department or agency thereof.

Piggy-back Notice: as defined in Section 9.2(a) hereof.

Piggy-back Shares: as defined in Section 9.2(a) hereof.

Pre-Distribution Period: as defined in the Tax Sharing Agreement.

Product Liabilities: all Losses, whether direct or indirect, known or unknown, current or potential, past, present or future, with respect to bodily injury, personal injury, property damage or other wrongs arising from the use, consumption or services related to products of a Discontinued Machinery Business. Product Liabilities exclude all Liabilities arising out of or in connection with the use or manufacture of products containing asbestos by a Discontinued Machinery Businesses.



Real Property: real property of whatever nature, including all easements and rights of way, servitudes, leases, subleases, permits, licenses, options and other real property rights and interests, as an owner, mortgagee or holder of a security interest in real property, lessor, sublessor, lessee, sublessee or otherwise, and all rights, title and interests in and to all buildings, fixtures and improvements thereon.

Record Date: the close of business on the date to be determined by the Board of Directors of Parent as the record date for determining shareholders of Parent entitled to receive shares of Technologies Common Stock in the Distribution.

Registrable Shares: as defined in Section 9.3(g) hereof.

Registration Statement: as defined in Section 9.3 hereof.

Representative: with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

Release: anything defined as a "release" under CERCLA or the Solid Waste Disposal Act.

Remedial Action: any and all measures necessary to reduce the level of Hazardous Substances to levels which comply with Remediation Standards.

Remediation Standards: the least stringent standards for performing a Remedial Action that are required pursuant to Environmental Laws applicable where the property subject to Remedial Action is based.

SEC: the Securities and Exchange Commission.

Securities Act: the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

Separation: as defined in the Recitals to this Agreement.

Shared Facilities: Shared Regional Headquarters and any production facilities, manufacturing sites, warehouses, distribution centers, sales offices, data processing centers, administrative offices or other facilities (whether owned or leased) of Parent or any of its Subsidiaries in which operations of both the Technologies Business and the Parent Business are conducted as at the Assumption Time, including, without limitation, those listed on Schedule A hereto.
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Shared Regional Headquarters: regional headquarters of Parent in which services are provided, as at the Assumption Time, to both the Technologies Business and the Parent Business set forth on Schedule B hereto.
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Spin-Off: a special dividend by Parent of Parent Technologies Shares on a pro rata basis to holders of shares of Parent Common Stock, other than shares held in the treasury of Parent.



Split-Off: an exchange offer by Parent in which holders of shares of Parent Common Stock other than shares held in the treasury of Parent would be offered the option of tendering all or a portion of their shares of Parent Common Stock in exchange for Parent Technologies Shares.

Subsidiary: with respect to any specified Person, any corporation or other legal entity of which such Person or any of its subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body.

Synthetic Lease: the transactions documented pursuant to the Participation Agreement, dated as of December 23, 1999 (the "Participation Agreement"), among FMC Corporation, as Lessee, Select Assets Trust I, as Lessor, Wilmington Trust Company, not in individual capacity except as expressly stated therein, but solely as Trustee, Advantage Asset Securitization Corp., as Note Purchaser, the Various Liquidity Banks party from time to time to the Liquidity Agreement referred to therein, FBTC Leasing Corp., as Certificate Holder, The Fuji Bank and Trust Company, as Collateral Agent, and the Liquidity Agent, party from time to time to the Liquidity Agreement referred to therein and the Operative Documents (as defined in the Participation Agreement).

Tax: as defined in the Tax Sharing Agreement.

Tax Sharing Agreement: the Tax Sharing Agreement between Parent and Technologies, substantially in the form of Exhibit B hereto, with such changes
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as are acceptable to Parent and Technologies.

Technologies: as defined in the Recitals hereto.

Technologies Assets: (1) except as expressly provided in the Ancillary Agreements, all Assets reflected on the Technologies Balance Sheet as set forth in the IPO Registration Statement or the accounting records supporting the Technologies Balance Sheet and all Assets of either Group acquired between December 31, 2000 and the Assumption Time which would have been included on the Technologies Balance Sheet had they been owned on December 31, 2000, excluding any Assets sold or otherwise disposed of on or prior to the Assumption Time; (2) all Assets primarily related to the Technologies Business at the Assumption Time that are owned, leased, licensed or held by any member of either Group at the Assumption Time; (3) all Real Property held by members of either Group primarily used in the Technologies Business; (4) all of the outstanding shares of all classes of capital stock or similar interests of the Technologies Subsidiaries to the extent owned by any member of the Parent Group and the partnership, joint venture, limited liability companies, limited liability partnerships and other equity interests and interests in consortia, alliances and similar arrangements primarily related to the Technologies Business, including, without limitation, those shares of capital stock and other interests listed on Schedule D; (5) the rights of Technologies under any insurance
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policies and insurance contracts as provided in any Ancillary Agreement; (6) all

computers, desks, furniture, equipment and other assets used primarily by employees of Parent who will become employees of Technologies pursuant to the Benefits Agreement; (7) all right, title and interest in and to all Foreign Exchange Contracts entered into in connection with



the Technologies Business; and (8) all right, title and interest in and to all the Synthetic Lease; (9) all of the Assets listed on Schedule E; provided that:

(a) Intellectual Property Rights shall be Technologies Assets in the form and to the extent provided in Section 2.1(d); and

(b) Technologies Assets shall not include the Assets set forth on Schedule F.

Technologies Balance Sheet: the audited combined balance sheet of Technologies as of December 31, 2000, and the notes thereto, as set forth in the IPO Registration Statement.

Technologies Business: (1) all businesses, operations or products (including related joint ventures and alliances) of the Energy Systems and Specialty Systems businesses of Parent and its Subsidiaries and Affiliates (whether or not currently owned, used or occupied by the Parent and its Subsidiaries or Affiliates) as of December 31, 2000; (2) all Closed Machinery Businesses; and (3) any business, operation or product line acquired or created by any member of the Energy Systems and Specialty Systems business at any time after December 31, 2000.

Technologies Common Stock: as defined in the Recitals to this Agreement.

Technologies Group: Technologies and the Technologies Subsidiaries.

Technologies Indemnitees: Technologies, each Affiliate of Technologies and each of their respective Representatives and each of the heirs, executors, successors and assigns of any of the foregoing.

Technologies Liabilities: (1) except as expressly provided in the Ancillary Agreements, all Liabilities reflected on the Technologies Balance Sheet as set forth in the IPO Registration Statement or the accounting records supporting such Technologies Balance Sheet and all Liabilities of either Group incurred or arising between December 31, 2000 and the Assumption Time which would have been included on the Technologies Balance Sheet had they been incurred or arisen on or prior to December 31, 2000, excluding those Liabilities (or portions thereof) that have been satisfied, paid or discharged prior to the Assumption Time; (2) except as expressly provided in the Ancillary Agreements, all Liabilities relating primarily to or arising primarily from the Technologies Assets or the Technologies Business, whether incurred or arising prior to, on or after the Assumption Time; (3) all Liabilities assumed by any member of the Technologies Group under an express provision of this Agreement or any Ancillary Agreement; (4) all Auto Liabilities, General Liabilities and Product Liabilities of the Discontinued Machinery Businesses; and (5) all Environmental Liabilities primarily related to the Technologies Business, Real Property transferred to the Technologies Group as part of the Technologies Assets or any other property owned, operated, used or leased in the course of operating any Technologies Business at any time or any other property where the Technologies Business contracted or arranged for disposal at any time (except that any Environmental Liabilities related to sites where both a Parent Business and a Technologies Business are liable shall be allocated between such Business based on the pro rata contribution of each Business); (6) all Liabilities related to or incurred in the manufacture of products of the Technologies Business sold to Third Parties by any member of either Group; (7) all Liabilities under the Financing Facilities and the Synthetic Lease; (8) Liabilities for Taxes in the amount of



$8,828,965 in excess of that amount specifically allocated under the Tax Sharing Agreement; (9) all Liabilities of the Technologies Group arising under this

Agreement; provided, that Technologies Liabilities shall not, in any event, include the Liabilities set forth on Schedule H.

Technologies Rights: the preferred share purchase rights of Technologies to be issued pursuant to the Technologies Rights Plan.

Technologies Rights Plan: the Preferred Share Purchase Rights Agreement of Technologies, substantially in the form of Exhibit F hereto, with such changes as are acceptable to Parent and Technologies.

Technologies Subsidiaries: all direct and indirect Subsidiaries of Technologies, including foreign subsidiaries of Technologies to be transferred to or to be formed in connection with the Separation and the Foreign Transfers and any Subsidiary to be formed on or after the date hereof or Section 2.3 hereof, including the Subsidiaries set forth on Schedule I hereto.

Third-Party Claim: any claim, lawsuit, derivative suit, arbitration, inquiry, proceeding or investigation by or before any court, any governmental or other regulatory or administrative agency or commission or any arbitration tribunal asserted by a Person who or which is neither a party hereto nor an Affiliate of a party hereto.

Trademark License Agreement: the Trademark License Agreement between Parent and Technologies, substantially in the form of Exhibit H, with such changes as are acceptable to Parent and Technologies.

Transition Services Agreement: the Transition Services Agreement between Parent and Technologies, substantially in the form of Exhibit C hereto, with such changes as are acceptable to Parent and Technologies.

Underwriting Agreements: the U.S. purchase agreement to be entered into between Technologies and the United States managing underwriters and the international purchase agreement to be entered into between Technologies and the international underwriters in each case with respect to the IPO.

U.S. Transfer Taxes: any tax, charge, duty, impost or levy (including any penalties and interest thereon) imposed by the United States or any subdivision thereof in connection with the Contribution.

SECTION 1.2 References to Time. All references in this Agreement to times of the day shall be to City of Chicago time.

## ARTICLE II

## THE CONTRIBUTION

SECTION 2.1 Contribution. (a) On or prior to the Assumption Time but subject to Section 2.2 and Section 2.3, Parent shall assign, transfer, convey and deliver, or cause to be assigned, transferred, conveyed or delivered, to Technologies or, at Technologies' option,



to a Technologies Subsidiary all of Parent's and its Subsidiaries' respective rights, title and interests in all Technologies Assets. Effective as at the Assumption Time, the transfers described in this Section will result in Technologies or another member of the Technologies Group obtaining all of the rights, title and interests of Parent and its Subsidiaries in the Technologies Assets, subject to Section 2.4 and Section 2.5.

(b) Effective as at the Assumption Time and subject to Section 2.2 and Section 2.3, Technologies shall, or shall cause a Technologies Subsidiary

to, assume, pay, perform and discharge in due course all of the Technologies Liabilities in accordance with their respective terms.

(c) Separation of Assets. The Technologies Assets (including Assets that are, or are contained in, the Shared Facilities) shall, to the extent reasonably practicable (including taking into account the costs of any actions taken), be severed, divided or otherwise separated from the Parent Assets so that members of the Technologies Group will own and control the Technologies Assets as at the Assumption Time and members of the Parent Group will own and control the Parent Assets as at the Assumption Time. Such separation may include subdivision of real property, subleasing or other division of shared buildings or premises and allocation of shared working capital, equipment and other Assets. Such separation shall be effected in a manner that does not unreasonably disrupt either the Technologies Business or the Parent Business and minimizes, to the extent practicable, current and future costs (and losses of Tax or other economic benefits) of the respective Businesses. With respect to any Asset that cannot reasonably be separated or otherwise allocated as provided above (i) all right, title and interest of Parent and the Parent Subsidiaries shall be allocated to the Group as to which such Asset is predominantly used or held for use or predominantly relates and (ii) the other Group shall have a right to use such Asset in its Business in a manner consistent with past practice for a period which is coterminous with the life of the Asset described in (i) (and the coextensive obligation to pay its allocable share of any costs or expenses related to such Asset pursuant to the last sentence of this Section 2.1(c)). To the extent the separation of Assets cannot be achieved in a reasonably practicable manner, the parties will enter into appropriate arrangements regarding such shared Asset. Any costs related to the use of a shared Asset that is not separated as at the Assumption Time shall be allocated based on the methodology historically used by Parent.

(d) Intellectual Property. Notwithstanding the foregoing or anything else contained herein, any Intellectual Property Rights of Parent or any of its Subsidiaries shall be licensed to or assigned, transferred or conveyed to Technologies, as the case may be, as follows:

(1) With respect to Intellectual Property Rights used or held for use primarily in connection with the Technologies Business ("Technologies Group IP"), including but not limited to the Intellectual Property Rights listed in Schedule 2.1(d), Technologies shall have full ownership (to the extent of Parent's rights therein) of such rights;



(2) Except as otherwise provided in Schedule 2.1(d), with respect to Technologies Group IP used or held for use in both the Technologies Business and the Parent Business on or before the Assumption Time, the Parent Group shall have a non-exclusive, worldwide, fully-paid, perpetual, royalty-free license, with the right to grant sublicenses in the ordinary course of an on-going business, to all rights therein only to the extent it was used or held for use by the Parent Business on or before the Assumption Time.

(3) Except as otherwise provided in Schedule 2.1(d), with respect to Intellectual Property Rights other than Technologies Group IP that are used or held for use in both the Technologies Business and the Parent Business on or before the Assumption Time, title to such rights shall be owned by the Parent Group, and the Technologies Group shall have a non-exclusive, worldwide, fully-paid, perpetual, royalty-free license, with the right to grant sublicenses in the ordinary course of an ongoing business, to all rights in the Intellectual Property Rights only to the extent it was used or held for use by the Technologies Business on or before the Assumption Time.

(4) The licenses specified in this Section shall not restrict the subsequent transfer or license by the licensee (within the

applicable field of use) of the Intellectual Property Rights.

(e) Notwithstanding the foregoing or anything else contained herein, the transfer of the Technologies Assets, and assumption of the Technologies Liabilities, primarily related to FranRica Systems located in Stockton, California and Food Process Systems located in Madera, California shall be effected as provided in the California Separation and Transfer Agreement attached as Exhibit G.
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(f) The fees, costs and expenses (and other out-of-pocket losses) attributable to the Contribution shall be allocated pursuant to Schedule 2.1(f).
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SECTION 2.2 Conditions Precedent to Consummation of the Contribution. The obligations of the parties to consummate the Contribution shall be conditioned on the satisfaction, or waiver by Parent, of the following conditions:

(a) Final approval of the Contribution shall have been given by the Board of Directors of Parent in its sole discretion; and

(b) The conditions precedent to the consummation of the IPO set forth in Section 3.4 hereof shall have been satisfied or waived pursuant to such Section 3.4.

SECTION 2.3 Certain Foreign Transfers. (a) Parent shall use its reasonable best efforts to effect the legal separation of the Technologies Assets and Technologies Liabilities, on the one hand, from the Parent Assets and Parent Liabilities, on the other hand, that are located in jurisdictions outside the United States prior to or at the Assumption Time. If all of the transactions necessary to effectuate such legal separation in jurisdictions outside the United



States are not completed on or before the Assumption Time, and such failure delays the legal separation of such Technologies Assets and Technologies Liabilities, on one hand, from Parent Assets and Parent Liabilities, on the other hand, within the United States, then Parent shall use its reasonable best efforts to complete such legal separation as soon as practicable at the Assumption Time or as promptly as practicable thereafter. Such separation shall be effected pursuant to the transactions (including asset transfers, stock transfers, spin-offs, mergers, demergers, reorganizations, consolidations and other transfers) set forth on Schedule 2.3(a) hereto, which may be effected
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before, simultaneously with or after the consummation of the IPO as described on such Schedule (collectively, the "Foreign Transfers"). Any Foreign Transfer that
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occurs after the Assumption Time shall be effected pursuant to a binding commitment in existence at the Assumption Time.

(b) The Foreign Transfer Taxes and U.S. Transfer Taxes shall be borne by Technologies.

(c) If, in order to complete a material Foreign Transfer of Technologies Assets and Technologies Liabilities, prior to the Assumption Time it becomes necessary to make a Non-Technologies Business Transfer, then as promptly as practicable following the Non-Technologies Business Transfer, Technologies shall, or shall cause the member of the Technologies Group, to transfer the Non-Technologies Business to Parent. Technologies shall remit to Parent, or the appropriate member of the Parent Group as directed by Parent, all cash flows generated by any Non-Technologies Business from and including the Assumption Time to and including the date of such transfer. In addition, Technologies shall bear all Foreign Transfer Taxes associated with transferring any Non-Technologies Business back to Parent.

(d) Notwithstanding anything herein to the contrary, to the extent that as a result of any of the Foreign Transfers, goodwill or other non-patented

intangible property of the Technologies Business remains in the Parent or any member of Parent Group, then Parent shall, and shall cause any member of Parent Group to, (i) undertake all reasonable action to ensure that such goodwill or non-patented intellectual property is transferred to Technologies as promptly as practicable; and (ii) until such transfer is completed, neither Parent nor any Parent Subsidiaries shall use such goodwill or non-patented intellectual property.

(e) Notwithstanding anything herein to the contrary, to the extent that as a result of any of the Foreign Transfers, goodwill or other non-patented intangible property related to any business other than the Technologies Business remains in Technologies or any member of Technologies Group, then Technologies shall, and shall cause any member of Technologies Group to, (i) undertake all reasonable action to ensure that such goodwill or other non-patented intellectual property is transferred to Parent as promptly as practicable; and (ii) until such transfer is completed, neither Technologies nor any Technologies Subsidiaries shall use such goodwill or non-patented intellectual property.

SECTION 2.4 Ancillary Agreements. (a) Each of Parent and Technologies shall, on or prior to the IPO Date, enter into, or cause the appropriate members of the Group of which it is a member to enter into, the Ancillary Agreements in connection with the Separation, including, without limitation, (i)(A) such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to



the extent necessary to evidence the transfer, conveyance and assignment (including the Foreign Transfers) of all of Parent's and its respective Subsidiaries' right, title and interest in and to the Technologies Assets to Technologies or a Technologies Subsidiary pursuant to Section 2.1 and (B) such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Technologies Liabilities by Technologies or a Technologies Subsidiary pursuant to Section 2.1, and (ii) agreements with respect to (A) insurance procedures, (B) transition services pursuant to the Transition Services Agreement or any appropriate foreign transition services agreement, (C) intellectual property licenses as contemplated by Section 2.1(d), (D) the Tax Sharing Agreement; (E) the Benefits Agreement, (F) the Trademark License Agreement, (G) an agreement relating to certain transfers and assumptions contemplated by Section 2.1(e), and (H) other matters as may be advisable. The Ancillary Agreements (or, in the case of the forms of agreement attached hereto, any amendments thereto) shall be on terms reasonably acceptable to Parent and Technologies.

(b) The parties acknowledge and agree that operation by members of the Parent Group or Technologies Group of the Shared Facilities after the Assumption Time may continue to require the joint occupation or use by the parties of certain related premises or facilities (such as waste disposal, utilities, security and other matters). The parties shall enter into appropriate arrangements regarding cost allocation and service provision with respect to these matters, which allocation shall be as described in Section 2.1(f). The agreements described in this paragraph (b) shall be included in the Ancillary Agreements.

SECTION 2.5 Transfers Not Effected Prior to the Separation; Transfers Deemed Effective as at the Assumption Time. To the extent that any transfers contemplated by this Article II shall not have been consummated at the Assumption Time, including, without limitation, any Foreign Transfers, the parties shall cooperate to effect such transfers as promptly following the Assumption Time as shall be practicable. Nothing herein shall be deemed to require the transfer of any Assets or the assumption of any Liabilities which by their terms or operation of law cannot be transferred or assumed; provided,

however, that Parent and Technologies and their respective Subsidiaries shall cooperate to obtain any necessary consents or approvals for the transfer of all Assets and Liabilities contemplated to be transferred pursuant to this Article II. In the event that any such transfer of Assets or Liabilities has not been consummated effective as of and after the Assumption Time, the party retaining such Asset or Liability shall thereafter hold such Asset in trust for the use and benefit of the party entitled thereto (at the expense of the party entitled thereto) and retain such Liability for the account of the party by whom such Liability is to be assumed pursuant hereto, and take such other action as may be reasonably requested by the party to which such Asset is to be transferred, or by whom such Liability is to be assumed, as the case may be, in order to place such party, insofar as reasonably possible, in the same position as would have existed had such Asset or Liability been transferred as contemplated hereby. As and when any such Asset or Liability becomes transferable, such transfer shall be effected forthwith. The parties agree that, as at the Assumption Time, each party hereto shall be deemed to have acquired complete and sole beneficial ownership over all of the Assets, together with all rights, powers and privileges incident thereto, and shall be deemed to have assumed in accordance with the terms of this Agreement all of the Liabilities, and all duties, obligations and responsibilities incident thereto,



which such party is entitled to acquire or required to assume pursuant to the terms of this Agreement.

SECTION 2.6 Assumption of Debt. On or before the Assumption Time, Parent and Technologies shall jointly determine the amount that should be drawn down under the Financing Facilities and assumed by Technologies as provided in Schedule 2.6.

SECTION 2.7 Certificate of Incorporation; By-laws; Rights Plan. Prior to the consummation of the IPO, Parent and Technologies shall take all action necessary so that the Amended and Restated Certificate of Incorporation, the Amended and Restated By-laws and the Technologies Rights Plan shall be in effect prior to the closing of the IPO, each substantially in the form of Exhibits D, E and F hereto, respectively (with such changes as Parent and Technologies may find acceptable).

## ARTICLE III

## THE IPO AND ACTIONS PENDING THE IPO

SECTION 3.1 Transactions Prior to the IPO. Subject to the conditions specified in Section 3.4, Parent and Technologies shall use their reasonable best efforts to take all actions necessary to consummate the IPO.

SECTION 3.2 Proceeds. The IPO will be a primary offering of Technologies Common Stock and the net proceeds of the IPO will be used by Technologies to reduce the amount of indebtedness under the Financing Facilities.

SECTION 3.3 Costs and Expenses. Technologies shall pay all third party costs, fees and expenses relating to the IPO and Contribution, all of the reimbursable expenses of the managing underwriters pursuant to the Underwriting Agreements, all of the costs of producing and filing the IPO Registration Statement and printing, mailing and otherwise distributing the prospectus contained in the IPO Registration Statement, as well as the underwriters' discount as provided in the Underwriting Agreements.

SECTION 3.4 Conditions Precedent to Consummation of the IPO. The obligations of the parties to consummate the IPO shall be conditioned on the

satisfaction, or waiver by Parent, of the following conditions:

(a) Final approval of the IPO shall have been given by the Board of Directors of Parent in its sole discretion.

(b) The IPO Registration Statement shall have been filed and declared effective by the SEC, and there shall be no stop-order in effect with respect thereto.

(c) The actions and filings necessary or appropriate under state securities and Blue Sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the IPO shall have been taken and, where applicable, have become effective or been accepted.



(d) The Technologies Common Stock to be issued in the IPO shall have been accepted for listing on the NYSE, on official notice of issuance.

(e) Technologies shall have entered into the Underwriting Agreements and all conditions to the obligations of Technologies and the managing underwriters shall have been satisfied or waived.

(f) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Contribution, the IPO or the Distribution or any of the other transactions contemplated by this Agreement or any Ancillary Agreement shall be in effect.

(g) This Agreement shall not have been terminated.

(h) All Consents and Governmental Approvals required in connection with the Contribution and the IPO shall have been received, except where the failure to obtain such consents or approvals would not have a material adverse effect on either (A) the ability of the parties to consummate the transactions contemplated by this Agreement and the Ancillary Agreements or (B) the business, assets, liabilities, financial condition or results of operations of Technologies and its Subsidiaries, taken as a whole.

## ARTICLE IV

## THE DISTRIBUTION

SECTION 4.1 Record Date and Distribution Date. Subject to the satisfaction of the conditions set forth in Section 4.6, the Board of Directors of Parent shall establish the Record Date and the Distribution Date, as applicable, and any appropriate procedures in connection with a Distribution.

SECTION 4.2 The Agent. Prior to the Distribution Date, Parent shall enter into an agreement with the Agent providing for, among other things, the completion of the Distribution in accordance with this Article IV.

SECTION 4.3 Delivery of Share Certificates to the Agent. Prior to the Distribution Date, Parent shall deliver to the Agent a share certificate representing (or authorize the related book-entry transfer of) all of the outstanding shares of Technologies Common Stock to be distributed in connection with the completion of the Distribution. After the Distribution Date, upon the request of the Agent, Technologies shall provide all certificates for shares (or book-entry transfer authorizations) of Technologies Common Stock that the Agent shall require in order to effectuate the Distribution.

SECTION 4.4 Actions Prior to the Distribution. (a) Parent and Technologies shall prepare and mail, to holders of Parent Common Stock, such information concerning Technologies and its business, operations and management, the Distribution and such other matters as Parent shall reasonably determine and as may be required by law, including the Securities Act and Exchange Act, if applicable (the "Distribution Information Statement"). Parent and Technologies

will prepare, and, to the extent required under applicable law, file with



the SEC such Distribution Information Statement and any requisite no-action letters which Parent determines are necessary or desirable to effectuate the Distribution and Parent and Technologies shall each use their respective reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto, if any, as soon as practicable.

(b) Parent and Technologies shall take all such action as Parent may determine necessary or appropriate under state securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Distribution.

SECTION 4.5 The Distribution. (a) Subject to the terms and conditions of this Agreement, in the event that Distribution is effected by means of a Spin-Off, each holder of Parent Common Stock on the Record Date (or such holder's designated transferee or transferees) will be entitled to receive in the Distribution a number of shares of Technologies Common Stock equal to the number of shares of Parent Common Stock held by such holder on the Record Date multiplied by a fraction, the numerator of which is the number of shares of Technologies Common Stock beneficially owned by Parent or any other member of the Parent Group on the Record Date (after giving effect to the IPO) and the denominator of which is the number of shares of Parent Common Stock outstanding on the Record Date.

(b) Subject to the terms and conditions of this Agreement, in the event that the Distribution is effected by means of a Split-Off, Parent shall determine in its discretion the exchange ratio that provides for the number of Parent Technologies Shares to be offered per share of Parent Common Stock in such Split-Off.

(c) No certificates representing fractional shares of Technologies Common Stock shall be distributed in the Distribution. Parent shall direct the Agent (1) to determine the number of whole shares and fractional shares of Technologies Common Stock to be issued in the Distribution as soon as practicable after such determination is feasible and (2) as soon as practicable thereafter to aggregate all such fractional shares and sell the whole shares obtained thereby in open market transactions or otherwise, in each case at then prevailing trading prices, and to cause to be distributed to the holders of Parent Common Stock entitled to receive such proceeds in lieu of fractional shares an amount in cash equal to such holder's ratable share of the proceeds of such sale, without interest, after making appropriate deductions of the amount required to be withheld for federal income tax purposes and after deducting an amount equal to all brokerage charges, commissions and transfer taxes attributed to such sale.

SECTION 4.6 Conditions to Obligations. The obligations of the parties hereto to consummate the Distribution are subject to the satisfaction, or waiver by Parent, of each of the following conditions:

(a) Final approval of the Distribution shall have been given by the Board of Directors of Parent in its sole discretion.

(b) The actions and filings necessary or appropriate under federal and state securities laws and state blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the Distribution (including, if



applicable, any actions and filings relating to the Distribution Information Statement) shall have been taken and, where applicable, have become effective or been accepted.

(c) The Technologies Common Stock to be issued in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of issuance.

(d) No order, injunction or decree issued by any court or agency of

competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Contribution, the IPO or the Distribution or any of the other transactions contemplated by this Agreement or any Ancillary Agreement shall be in effect.

(e) A private letter ruling from the Internal Revenue Service, in form and substance satisfactory to Parent, shall have been obtained, and shall continue in effect, to the effect that no gain or loss will be recognized by Parent, Technologies, or Parent's or Technologies' shareholders for federal income tax purposes as a result of (i) the IPO; (ii) the Distribution, (iii) the Contribution; and (iv) the Internal Spin-Off.

(f) All Consents and Governmental Approvals required in connection with the transactions contemplated hereby shall have been received, except where the failure to obtain such consents or approvals would not have a material adverse effect on either (A) the ability of the parties to consummate the transactions contemplated by this Agreement and the Ancillary Agreements or (B) the business, assets, liabilities, financial condition or results of operations of Technologies and its Subsidiaries, taken as a whole.

(g) Any adjustment to be made pursuant to Section 2.6 shall have been agreed upon by Parent and Technologies.

(h) This Agreement shall not have been terminated.

SECTION 4.7 Costs and Expenses. Parent shall pay all third party costs, fees and expenses relating to the Distribution.

SECTION 4.8 Satisfaction or Waiver. Any determination made by the Board of Directors of Parent on behalf of such party hereto prior to the Distribution Date concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.8 shall be conclusive.

## ARTICLE V

## SURVIVAL AND INDEMNIFICATION

SECTION 5.1 Survival of Agreements. All covenants and agreements of the parties contained in this Agreement shall survive each of the Contribution, the IPO and the Distribution.

SECTION 5.2 Indemnification. (a) Except as specifically otherwise provided in the Ancillary Agreements and without regard as to when any transfer, sale, disposition or other conveyance (including, without limitation, the Foreign Transfers) is completed, from and



after Assumption Time the Parent Group shall indemnify, defend and hold harmless the Technologies Indemnitees from and against (i) all Indemnifiable Losses relating to, arising out of or resulting from the failure of any member of the Parent Group (x) to pay, perform or otherwise promptly discharge any Parent Liabilities (including, without limitation, all Liabilities specifically excluded from the definition of Technologies Liabilities herein), whether such Indemnifiable Losses relate to events, occurrences or circumstances occurring or existing, or whether such Indemnifiable Losses are asserted, before or after the Distribution Date, or (y) to perform any of its obligations under this Agreement (including the obligation to effect the transfers as provided in the last sentence of Section 2.1(a)); and (ii) all Indemnifiable Losses relating to, arising out of or resulting from the Parent Business and any Parent Liability.

(b) Except as specifically otherwise provided in the Ancillary Agreements and without regard as to when any transfer, sale, disposition or other conveyance (including, without limitation, the Foreign Transfers) is completed, from and after the Assumption Time, the Technologies Group shall

indemnify, defend and hold harmless the Parent Indemnitees from and against (i) all Indemnifiable Losses relating to, arising out of or resulting from the failure of any member of the Technologies Group (x) to pay, perform or otherwise promptly discharge any Technologies Liabilities, whether such Indemnifiable Losses relate to events, occurrences or circumstances occurring or existing, or whether such Indemnifiable Losses are asserted, before or after the Distribution Date, or (y) to perform any of its obligations under this Agreement; (ii) all Indemnifiable Losses relating to, arising out of or resulting from the Technologies Business and any Technologies Liability; and (iii) all Indemnifiable Losses arising out of or based upon any untrue statement or alleged untrue statement of a material fact, or omission or alleged omission to state a material fact required to be stated, in any portion of the IPO Registration Statement or the Distribution Information Statement (or any preliminary or final form thereof or any amendment thereto), or necessary to make the statements therein not misleading.

(c) If any Indemnity Payment required to be made hereunder or under any Ancillary Agreement is denominated in a currency other than United States dollars, such payment shall be made in United States dollars and the amount thereof shall be computed using the Foreign Exchange Rate for such currency determined as of the date on which such Indemnity Payment is made.

SECTION 5.3 Procedures for Indemnification for Third-Party Claims.

(a) Parent shall, and shall cause the other Parent Indemnitees to, notify Technologies in writing promptly after learning of any Third-Party Claim for which any Parent Indemnitee intends to seek indemnification from Technologies under this Agreement. Technologies shall, and shall cause the other Technologies Indemnitees to, notify Parent in writing promptly after learning of any Third-Party Claim for which any Technologies Indemnitee intends to seek indemnification from Parent under this Agreement. The failure of any Indemnitee to give such notice shall not relieve any Indemnifying Party of its obligations under this Article V except to the extent that such Indemnifying Party or its Affiliate is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail considering the Information provided to the Indemnitee.

(b) Except as otherwise provided in paragraph (c) of this Section 5.3, an Indemnifying Party may, by notice to the Indemnitee and to Parent, if Technologies is the



Indemnifying Party, or to the Indemnitee and Technologies, if Parent is the Indemnifying Party, at any time after receipt by such Indemnifying Party of such Indemnitee's notice of a Third-Party Claim, undertake (itself or through another member of the Group of which the Indemnifying Party is a member) the defense or settlement of such Third-Party Claim. If an Indemnifying Party undertakes the defense of any Third-Party Claim, such Indemnifying Party shall thereby admit its obligation to indemnify the Indemnitee against such Third-Party Claim, and such Indemnifying Party shall control the investigation and defense or settlement thereof, and the Indemnitee may not settle or compromise such Third-Party Claim, except that such Indemnifying Party shall not (i) require any Indemnitee, without its prior written consent, to take or refrain from taking any action in connection with such Third-Party Claim, or make any public statement, which such Indemnitee reasonably considers to be against its interests, or (ii) without the prior written consent of the Indemnitee and of Parent, if the Indemnitee is a Parent Indemnitee, or the Indemnitee and of Technologies, if the Indemnitee is a Technologies Indemnitee, consent to any settlement that does not include as a part thereof an unconditional release of the Indemnitees from liability with respect to such Third-Party Claim or that requires the Indemnitee or any of its Representatives or Affiliates to make any payment that is not fully indemnified under this Agreement or to be subject to any non-monetary remedy; and subject to the Indemnifying Party's control rights, as specified herein, the Indemnitees may participate in such investigation and defense, at their own expense. Following the provision of notices to the Indemnifying Party, until such time as an Indemnifying Party has undertaken the defense of any Third-Party Claim as provided herein, such Indemnitee shall control the investigation and defense or settlement thereof, without prejudice to its right to seek indemnification hereunder.

(c) If an Indemnitee reasonably determines that there may be legal defenses available to it that are different from or in addition to those available to its Indemnifying Party which make it inappropriate for the Indemnifying Party to undertake the defense or settlement thereof, then such Indemnifying Party shall not be entitled to undertake the defense or settlement of such Third-Party Claim; and counsel for the Indemnifying Party shall be entitled to conduct the defense of such Indemnifying Party and counsel for the Indemnitee (selected by the Indemnitee) shall be entitled to conduct the defense of such Indemnitee, it being understood that both such counsel shall cooperate with each other to conduct the defense or settlement of such action as efficiently as possible.

(d) In no event shall an Indemnifying Party be liable for the costs, fees and expenses of more than one counsel for all Indemnitees (in addition to its own counsel, if any) in connection with any one action, or separate but similar or related actions, in the same jurisdiction arising out of the same general allegations or circumstances.

(e) Technologies shall, and shall cause the other Technologies Indemnitees to, and Parent shall, and shall cause the other Parent Indemnitees to, make available to each other, their counsel and other Representatives, all information and documents reasonably available to them which relate to any Third-Party Claim, and otherwise cooperate as may reasonably be required in connection with the investigation, defense and settlement thereof, subject to the terms and conditions of a mutually acceptable joint defense agreement. Any joint defense agreement entered into by Technologies or Parent with any third party relating to any Third-Party Claim shall provide that Technologies or Parent may, if requested, provide information obtained through any such agreement to the Technologies Indemnitees and/or the Parent Indemnitees.



SECTION 5.4 Remedies Cumulative. The remedies provided in this Article V shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any other remedies against any Indemnifying Party. However, the procedures set forth in Section 5.3 shall be the exclusive procedures governing any indemnity action brought under this Agreement, except as otherwise specifically provided in any of the Ancillary Agreements.

## ARTICLE VI

## CERTAIN ADDITIONAL COVENANTS

SECTION 6.1 Notices to Third Parties. In addition to the actions described in Section 6.2, the members of the Parent Group and the members of the Technologies Group shall cooperate to make all other filings and give notice to and obtain any Consent or Governmental Approval that may reasonably be required to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 6.2 Licenses and Permits. Each party hereto shall cause the appropriate members of its Group to prepare and file with the appropriate Governmental Authorities applications for the transfer or issuance, as may be necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, to its Group of all material Governmental Approvals required for the members of its Group to operate its Business after the Assumption Time. The members of the Technologies Group and the members of the Parent Group shall cooperate and use all reasonable efforts to secure the transfer or issuance of the Governmental Approvals.

SECTION 6.3 Intercompany Agreements; Intercompany Accounts. (a) All contracts, licenses, agreements, commitments or other arrangements, formal or informal, between any member of the Parent Group, on the one hand, and any member of the Technologies Group, on the other hand, in existence as at the Assumption Time, pursuant to which any member of either Group makes payments in respect of Taxes to any member of the other Group or provides to any member of

the other Group goods or services (including, without limitation, management, administrative, legal, financial, accounting, data processing, insurance or technical support), or the use of any Assets of any member of the other Group, or the secondment of any employee, or pursuant to which rights, privileges or benefits are afforded to members of either Group as Affiliates of the other Group, shall terminate effective as at the Assumption Time, except as specifically provided herein or in the Ancillary Agreements. From and after the Assumption Time, no member of either Group shall have any rights under any such contract, license, agreement, commitment or arrangement with any member of the other Group, except as specifically provided herein or in the Ancillary Agreements.

(b) After the Assumption Time, the parties shall be obligated to pay only those intercompany accounts between members of the Technologies Group and members of the Parent Group that arose in connection with transfers of goods and services in the ordinary course of business, consistent with past practices (which the parties shall use reasonable best efforts to settle prior to the Assumption Time), and all other intercompany accounts shall be settled by the



transfer of financial assets as at the Assumption Time, except as otherwise contemplated by this Agreement.

SECTION 6.4 Guarantee Obligations. (a) Parent and Technologies shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause a member of the Parent Group to be substituted in all respects for any member of the Technologies Group in respect of, all obligations of any member of the Technologies Group under any Parent Liabilities for which such member of the Technologies Group may be liable, as guarantor, original tenant, primary obligor or otherwise. If such a termination or substitution is not effected by the Assumption Time, (i) Parent shall indemnify and hold harmless the Technologies Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of any officer of Technologies who is not also an officer of Parent, from and after the Assumption Time, Parent shall not, and shall not permit any member of the Parent Group or any of its Affiliates to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which any member of the Technologies Group is or may be liable unless all obligations of the Technologies Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to any officer of Technologies who is not also an officer of Parent; provided that the limitations in clause (ii) shall not apply in the event that a member of the Parent Group obtains a letter of credit from a financial institution reasonably acceptable to Technologies and for the benefit of Technologies with respect to such obligation of the Technologies Group.

(b) Parent and Technologies shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause a member of the Technologies Group to be substituted in all respects for any member of the Parent Group in respect of, all obligations of any member of the Parent Group under any Technologies Liabilities for which such member of the Parent Group may be liable, as guarantor, original tenant, primary obligor or otherwise. If such a termination or substitution is not effected by the Assumption Time, (i) Technologies shall indemnify and hold harmless the Parent Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of any officer of Parent who is not also an officer of Technologies, from and after the Assumption Time, Technologies shall not, and shall not permit any member of the Technologies Group to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which any member of the Parent Group is or may be liable unless all obligations of the Parent Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to any officer of Parent who is not also an officer of Technologies; provided that the limitations contained in clause (ii) shall not apply in the event that a member of the Technologies Group obtains a letter of credit from a financial institution reasonably acceptable to Parent and for the benefit of Parent with respect to such obligation of the Parent Group.

SECTION 6.5 Further Assurances. (a) In addition to the actions

specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its reasonable best efforts, prior to, on and after the Assumption Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements. Each of the parties hereby appoints the individuals so identified on Schedule 6.5(a)
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to act as its agent and attorney-in-fact



with full right and power to execute any instruments necessary to transfer any Asset allocated to any other Person.

(b) Without limiting the foregoing, prior to, on and after the Assumption Time, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party, to cause to be executed and delivered all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Technologies Assets and the assignment and assumption of the Technologies Liabilities and the other transactions contemplated hereby and thereby. On or prior to the Assumption Time, Parent and Technologies in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each properly ratify any actions which are reasonably necessary or desirable to be taken by Parent and Technologies, or any of their respective Subsidiaries, as the case may be, to effectuate the transactions contemplated by this Agreement. On or prior to the Assumption Time, Parent and Technologies shall take all actions as may be necessary to approve the stock-based employee benefit plans of Technologies in order to satisfy any applicable requirement, including Rule 16b-3 under the Exchange Act, Section 162(m) of the Code and the rules and regulations of the NYSE.

(c) Parent and Technologies, and each of the members of their respective Groups, waive (and agree not to assert against the other) any claim or demand that any of them may have against the other for any Liabilities or other claims relating to or arising out of: (i) the failure of Technologies or any member of the Technologies Group, on the one hand, or of Parent or any member of the Parent Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of any other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any third party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

(d) If either party identifies any commercial or other service that is needed to assure a smooth and orderly transition of the businesses in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other party will provide such service.

SECTION 6.6 Qualification as Tax-Free Distribution. After the
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Assumption Time, neither Parent nor Technologies shall take, or permit any member of its respective Group



to take, any action which could reasonably be expected to prevent the

Distribution from qualifying as a tax-free distribution within the meaning of Section 355 of the Code or any other transaction contemplated by this Agreement or any Ancillary Agreement which is intended by the parties to be tax-free from failing so to qualify.

SECTION 6.7 Non-Solicitation. Neither Parent nor Technologies shall, or shall permit any member of its respective Group to, for a period of eighteen (18) months following the Assumption Time directly or indirectly, solicit for employment or employ any employee of the other party's Group; provided, however, that neither party shall be prohibited from employing any such person whose has been terminated by a member of a Group and who contacts a member of the other Group at his or her own initiative and without any direct or indirect solicitation by such Group. Notwithstanding the foregoing, general solicitation of employment published in a journal, newspaper or any other publication of general circulation or on the worldwide web and not specifically directed towards such employees shall not be deemed to be in violation of this Section 6.7.

SECTION 6.8 Aircraft. Technologies and Parents shall equally divide the amount of any gain or loss, and the payment of any tax incurred or tax benefit of any loss incurred thereby, incurred by the sale of the corporate aircraft of Parent.

## ARTICLE VII

## ACCESS TO INFORMATION

SECTION 7.1 Agreement for Exchange of Information. (a) Each of Parent and Technologies, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, at any time before, on or after the Assumption Time, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities or Tax laws) by a Governmental Authority having jurisdiction over the requesting party including in connection with any Registration Statement, (ii) for use in any other judicial, regulatory, administrative, Tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, Tax or other similar requirements, or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement; provided, however, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence. Parent and Technologies intend that any transfer of Information that would otherwise be within the attorney-client privilege shall not operate as a waiver of any potentially applicable privilege. Each party shall make its employees and facilities available during normal business hours and on reasonable prior notice to provide explanation of any Information provided hereunder.

(b) After the Assumption Time, Technologies shall provide, or cause to be provided, to Parent in such form as Parent shall request, at no charge to Parent, all historical



financial and other data and Information as Parent determines necessary or advisable in order to prepare Parent financial statements and reports or filings with any Governmental Authority.

SECTION 7.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 7.1 shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

SECTION 7.3 Compensation for Providing Information. The party requesting such Information agrees to reimburse the other party for the reasonable out-of-pocket costs, fees and expenses, if any, of creating, gathering and copying such Information, to the extent that such costs, fees and expenses are incurred for the benefit of the requesting party, provided that reasonable detail of such costs, fees and expenses have been provided.

SECTION 7.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement after the Assumption Time, the parties agree to use their reasonable best efforts to retain all Information in their respective possession or control at the Assumption Time in accordance with the policies of Parent as in effect at the Assumption Time. No party will destroy, or permit any of its Subsidiaries to destroy, any Information which the other party may have the right to obtain pursuant to this Agreement prior to sixty (60) days after the date of expiry of the applicable statute of limitations (giving effect to any extensions) with respect to such Information or three (3) years from the Distribution Date, whichever is later, without first using its reasonable best efforts to notify the other party of such proposed destruction and giving the other party the opportunity to take possession of such information prior to such destruction.

SECTION 7.5 Limitation of Liability. No party shall have any Liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct or fraud by the party providing such Information. No party shall have any Liability to any other party if any Information is destroyed after reasonable best efforts by such party to comply with the provisions of Section 7.4.

SECTION 7.6 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

SECTION 7.7 Production of Witnesses; Records; Cooperation. (a) After the Assumption Time, except in the case of an Action by one party hereto against the other party hereto (which shall be governed by such discovery rules as may be applicable thereto), each party hereto shall use its reasonable best efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers,



employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all out-of-pocket costs, fees and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(b) If an Indemnifying Party or Parent chooses to defend or to seek to compromise or settle any pending or threatened Third-Party Claim, Parent or such other party, as the case may be, shall use its reasonable best efforts to make available to the other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books,

records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the parties shall reasonably cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 7.7, each of the parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property Rights and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the parties to provide witnesses pursuant to this Section 7.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors, directors, officers, employees, other personnel and agents without regard to whether any such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.7(a)).

(f) In connection with any matter contemplated by this Section 7.7, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of any Group.

SECTION 7.8 Confidentiality. (a) Subject to Section 7.9, each of Parent and Technologies, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that such party then uses with respect to its own confidential and proprietary information, all Information concerning each such other Group that is either in its possession (including Information in its possession prior to any of the date hereof, the Assumption Time or the



Distribution Date) or furnished by any such other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such party or any member of such Group or any of their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party (or any member of such party's Group) which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of the other party.

(b) Each party agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 7.9. Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

SECTION 7.9 Protective Arrangements. In the event that any party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of any other party (or any member of any other party's Group) that is subject to the confidentiality provisions hereof, such party shall notify the other party prior to disclosing or providing such Information and shall cooperate at the expense of the requesting party in seeking any reasonable protective arrangements requested by such other party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority.

## ARTICLE VIII

## NO REPRESENTATIONS OR WARRANTIES

SECTION 8.1 No Representations or Warranties. Except as expressly set forth herein or in any other Ancillary Agreement, Technologies understands and agrees that no member of the Parent Group is, in this Agreement or in any other agreement or document, representing or warranting to Technologies or any member of the Technologies Group in any way as to the Technologies Assets, the Technologies Business or the Technologies Liabilities, it being agreed and understood that Technologies and each member of the Technologies Group shall take all of the Technologies Assets "as is, where is." Except as expressly set forth herein or in any other Ancillary Agreement and subject to Sections 5.1, 5.2, 6.5 and 11.1(b), Technologies and each member of the Technologies Group shall bear the economic and legal risk that the Technologies Assets shall prove to be insufficient or that the title of any member of the



Technologies Group to any Technologies Assets shall be other than good and marketable and free from encumbrances. The foregoing shall be without prejudice to any rights under Article II, Section 5.1, Section 5.2 and Section 6.5 or to the covenants otherwise contained in this Agreement or any other Ancillary Agreement.

## ARTICLE IX

## REGISTRATION RIGHTS

SECTION 9.1 Demand Registration Rights. (a) Parent shall have the right, exercisable on multiple occasions from time to time after the expiration of the lock-up period specified in the Underwriting Agreements, but no more frequently than twice during any 12-month period, to require Technologies to register for offer and sale under the Securities Act (a "Demand") all or a portion of the Technologies Common Stock ("Demand Shares") held by Parent or any Parent Subsidiary; provided that Parent shall not be entitled to make a Demand hereunder unless (i) the Demand Shares represents at least 5% of the aggregate shares of Technologies Common Stock then issued and outstanding and (ii) Parent holds not less than 10% of the then outstanding Technologies Common Stock on the date that Parent requests such Demand. Upon receiving a request for such Demand, Technologies shall use reasonable best efforts (i) to file as promptly as reasonably practicable a registration statement on such form as Technologies may reasonably deem appropriate (provided that Technologies shall not be obligated to register any securities on a "shelf" registration statement or otherwise to register securities for offer or sale on a continuous or delayed basis) providing for the registration of the sale of such Demand Shares pursuant to the intended method of distribution requested by Parent (a "Demand Registration"), and (ii) to cause such registration statement first to become

effective and then to remain effective for such period of time (not to exceed 90 days from the day such registration statement first becomes effective, subject to extension to the extent of any suspension in the obligation to keep effective provided below) as may be reasonably necessary to effect such offers and sales.

(b) Notwithstanding anything in this Agreement to the contrary, Technologies shall be entitled to postpone and delay, for reasonable periods of time, but in no event more than an aggregate of 60 days during any 12-month period (a "Blackout Period"), the filing or effectiveness of any registration
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statement relating to a Demand Registration if Technologies shall determine that any such filing or the offering of any Demand Shares would, (i) in the good faith judgment of the Board of Directors of Technologies, impede, delay or otherwise interfere with any pending or contemplated material acquisition, corporate reorganization or other similar transaction involving Technologies, (ii) based upon advice from an investment banker or financial advisor, adversely affect any pending or contemplated financing, offering or sale of any class of securities by Technologies or (iii) in the good faith judgment of the Board of Directors of Technologies, require disclosure of material non-public information (other than information relating to an event described in clauses (i) or (ii) above) which, if disclosed at such time, would be harmful to the best interests of Technologies and its stockholders; provided, however, that in each case
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Technologies shall give written notice to Parent of its determination to postpone or delay the filing of any Demand Registration; and provided, further,
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that in each case in the event that Technologies proposes to register Technologies Common Stock, whether or not for sale for its own account, during a Blackout Period, Parent shall have the right to exercise its rights under



Section 9.2 of this Agreement with respect to such registration, subject to the
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limitations contained in this Agreement on the exercise of such rights.

(c) In connection with an underwritten offering, if the managing underwriter or co-managing underwriter reasonably and in good faith shall have advised Technologies or Parent that, in its opinion, the number of Demand Shares subject to a Demand Request exceeds the number which can be sold in such offering, Parent shall include in such registration the number of Demand Shares that, in the opinion of such managing underwriter or underwriters, can be sold in such offering; provided that if as a result of any reduction pursuant to this
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paragraph (c), the Technologies Common Stock subject to such Demand represents 5% or less of the aggregate shares of Technologies Common Stock then issued and outstanding, Parent may withdraw such Demand with respect to all Demand Shares covered thereby and such registration shall not count for the purposes of determining the number of Demand Registrations to which Parent is entitled under Section 9.1(a).
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(d) In connection with any underwritten offering, the managing underwriter for such Demand Registration shall be selected by Parent, provided
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that such managing underwriter shall be a nationally recognized investment banking firm and shall be reasonably acceptable to Technologies. Technologies may, at its option, select a nationally recognized investment banking firm reasonably acceptable to Parent to act as co-managing underwriter.

SECTION 9.2 Piggy-back Registration Rights. (a) If at any time
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Technologies intends to file on its behalf or on behalf of any of its securityholders a registration statement in connection with a public offering of any securities of Technologies on a form and in a manner that would permit the registration for offer and sale of Technologies Common Stock held by Parent or any Parent Subsidiary, other than a registration statement on Form S-8 or Form S-4, then Technologies shall give written notice (an "Intended Offering Notice")
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of such intention to Parent at least 20 business days prior to the anticipated filing date of such registration statement. Such Intended Offering Notice shall offer to include in such registration statement for offer to the public such number of shares of Common Stock as Parent may request, subject to the conditions set forth herein, and shall specify, to the extent then known, the

number and class of securities proposed to be registered, the proposed date of filing of such registration statement, any proposed means of distribution of such securities, any proposed managing underwriter or underwriters of such securities and a good faith estimate by Technologies of the proposed maximum offering price of such securities, as such price is proposed to appear on the facing page of such registration statement. Parent shall advise Technologies in writing (such written notice being a "Piggy-back Notice") not later than 10 business days after Technologies' delivery to Parent of the Intended Offering Notice, if Parent desires to participate in such offering. The Piggy-back Notice shall set forth the number of shares of Technologies Common Stock that Parent desires to have included in the registration statement and offered to the public (the "Piggy-back Shares"). Upon the request of Technologies, Parent shall enter into such underwriting, custody and other agreements as are customary in connection with registered secondary offerings or necessary or appropriate in connection with the offering.

(b) In connection with an underwritten offering pursuant to this Section 9.2, if the managing underwriter or underwriters advise Technologies and Parent in writing that in its or their opinion the number of securities proposed to be registered exceeds the number that can be



sold in such offering, Technologies shall include in such registration the number of securities that, in the opinion of such managing underwriter or underwriters, can be sold as follows: (i) first, the securities that Technologies proposes to sell, (ii) second, Piggy-back Shares requested to be included in such registration by Parent and (iii) third, other securities requested to be included in such registration.

SECTION 9.3 Registration Procedures. In connection with any registration statement registering either Demand Shares or Piggy-back Shares (a "Registration Statement"), the following provisions shall apply:

(a) Before filing a Registration Statement or the prospectus included therein, Technologies will furnish to Parent and the managing underwriter or underwriters, if any, draft copies of all such documents proposed to be filed at least three (3) days prior to such filing, which documents will be subject to the reasonable review of Parent and the managing underwriter or underwriters, if any, and their respective agents and representatives and (x) Technologies will not include in any Registration Statement information concerning or relating to Parent to which Parent shall reasonably object (unless the inclusion of such information is required by applicable law or the regulations of any securities exchange to which Technologies may be subject), and (y) Technologies will not file any Registration Statement pursuant to Section 9.1 or any amendment thereto or any prospectus or any supplement thereto to which Parent shall reasonably object.

(b) Technologies shall furnish to Parent, prior to the time the Registration Statement has been declared effective, a copy of the Registration Statement as initially filed with the SEC, and each amendment thereto and each amendment or supplement, if any, to the prospectus included therein.

(c) Subject to Section 9.1(b) and in respect of a Registration Statement under Section 9.1, Technologies shall use reasonable best efforts to take promptly such action as may be necessary so that (i) each of the Registration Statement and any amendment thereto and the prospectus forming part thereof and any amendment or supplement thereto (and each report or other document incorporated therein by reference in each case), when it becomes effective, complies in all material respects with the Securities Act and the Exchange Act and the rules and regulations thereunder, (ii) each of the Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) each of the prospectus forming part of the Registration Statement, and any amendment or supplement to such prospectus, does

not at any time during the period during which Technologies is required to use reasonable best efforts to keep a Registration Statement effective under Section 9.1(a) include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Technologies shall, promptly upon learning thereof, notify Parent of the following, and shall confirm such notice in writing if so requested:

(i) when a Registration Statement and any amendment thereto has



been filed with the SEC and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the SEC for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information with respect to the Registration Statement and prospectus;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for such purpose;

(iv) of the receipt by Technologies of any notification with respect to the suspension of the qualification of the securities included in the Registration Statement for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) following the effectiveness of any Registration Statement, of the happening of any event or the existence of any state of facts that requires the making of any changes in the Registration Statement or the prospectus included therein so that, as of such date, such Registration Statement and prospectus do not contain an untrue statement of a material fact and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading (which notice shall be accompanied by an instruction to Parent to suspend the use of the prospectus until the requisite changes have been made, which instruction Parent agrees to follow).

(e) In respect of a Registration Statement under Section 9.1 (and not Section 9.2), Technologies shall use reasonable best efforts to prevent the issuance, and if issued to obtain the withdrawal, of any stop order suspending the effectiveness of the Registration Statement at the earliest possible time.

(f) Technologies shall furnish to Parent, without charge, at least one copy of the Registration Statement and all post-effective amendments thereto, including financial statements and schedules, and, if Parent so requests in writing, all reports, other documents and exhibits that are filed with or incorporated by reference in the Registration Statement.

(g) Technologies shall, during the period during which Technologies is required to use reasonable best efforts to keep a Registration Statement continuously effective under Section 9.1(a) or elects to keep a Registration Statement effective under Section 9.2, deliver to Parent without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Registration Statement and any amendment or supplement thereto as Parent may reasonably request, and Technologies consents (except during the continuance of any event described in Section 9.1(b) or Section 9.3(d)(v) hereof) to the use of the prospectus, with any amendment or supplement thereto, by Parent in connection with the offering and sale of any Demand Shares or Piggy-back Shares (such shares, the "Registrable Shares") covered by the prospectus and any amendment or supplement thereto during such period.

(i) Prior to any offering of Registrable Shares pursuant to the Registration Statement, Technologies shall use reasonable best efforts to (i) register or qualify or cooperate with Parent and its counsel in connection with the registration or qualification of such Registrable Shares for offer and sale under the securities or "blue sky" laws of such jurisdictions within the United States as Parent may reasonably request, (ii) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers and sales in such jurisdictions for the period during which Technologies is required to use reasonable best efforts to keep a Registration Statement continuously effective under Section 9.1(a), and (iii) take any and all other reasonable actions requested by Parent which are necessary to enable the disposition in such jurisdictions of such Registrable Shares; provided, however, that in no event shall Technologies be obligated to (1) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to so qualify but for this Agreement or (2) file any general consent to service of process or subject itself to Tax in any jurisdiction where it is not so subject.

(j) Technologies shall cooperate with Parent to facilitate the timely preparation and delivery of certificates representing Registrable Shares to be sold pursuant to the Registration Statement, which certificates shall comply with the requirements of any United States securities exchange upon which any Registrable Shares are listed (provided that nothing herein shall require Technologies to list any Registrable Shares on any securities exchange on which they are not currently listed) and the rules and regulations of the National Association of Securities Dealers, as applicable, and which certificates shall be free of any restrictive legends and in such permitted denominations and registered in such names as Parent may request in connection with the sale of Registrable Shares pursuant to the Registration Statement.

(k) Technologies shall:

(i) make such reasonable representations and warranties in the applicable underwriting agreement to the underwriters, in form, substance and scope as are customary and as are consistent with the representations and warranties made in the Underwriting Agreements;

(ii) use reasonable best efforts to cause all Registrable Shares covered by any Registration Statement to be listed on the NYSE or on the principal securities exchange on which Technologies Common Stock is then listed, or if no similar securities are then listed, cause all such Registrable Shares to be listed on a United States national securities exchange or secure designation of each such Regitrable Share as a Nasdaq National Market "national market system security" or secure National Association of Securities Dealers Automated Quotation authorization for such shares;

(iii) in connection with any underwritten offering, use reasonable best efforts to obtain opinions of counsel to Technologies (which counsel and opinions in form, scope and substance) shall be reasonably satisfactory to the underwriters addressed to the underwriters, covering such matters as are customary to the extent reasonably required by the applicable underwriting agreement;



(iv) in connection with any underwritten offering, use reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent public accountants of Technologies (and, if necessary, from the independent public accountants of any subsidiary of Technologies or of any business acquired by Technologies for which financial statements and financial data are, or are required to be, included in the Registration Statement), addressed to Parent and the underwriters, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with secondary underwritten offerings of equity securities;

(v) in connection with any underwritten offering, use

reasonable best efforts to deliver such documents and certificates as may be reasonably requested by Parent and the underwriters, if any, including, without limitation, certificates to evidence compliance with any conditions contained in the underwriting agreement or other agreements entered into by Technologies; and

(vi) undertake such obligations relating to expense reimbursement, indemnification and contribution as provided in Section 9.4 and Article V hereof.

(k) Technologies shall comply with all applicable rules and regulations of the SEC and make available to its security holders an earning statement, as soon as reasonably practicable but in no event later than 90 days after the end of the period of 12 months commencing on the first day of any fiscal quarter next succeeding each sale by Parent of Registrable Shares after the date hereof, which earning statement shall cover such twelve month period and shall satisfy the provisions of Section 11(a) of the Securities Act and may be prepared in accordance with Rule 158 under the Securities Act.

(l) In respect of a Registration Statement under Section 9.1 (and not Section 9.2), Technologies shall use reasonable best efforts to take all other steps reasonably necessary to effect the timely registration, offering and sale of the Registrable Securities covered by the Registration Statements contemplated hereby.

(m) Parent shall notify Technologies as promptly as practicable of any inaccuracy or change in Information previously furnished by Parent to Technologies pursuant to Section 7.1 for inclusion in any Registration Statement or related prospectus or exhibits or of the occurrence of any event, in either case as a result of which any Registration Statement or related prospectus or exhibit contains or would contain an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly furnish to Technologies any additional Information required to correct and update any previously furnished Information or required so that such prospectus shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 9.4 Registration Expenses. Technologies shall bear the costs, fees and expenses arising in connection with the performance of its obligations under Section 9.1, Section 9.2 and Section 9.3. Parent shall bear all of the costs, fees and expenses of counsel to



Parent, any applicable underwriting discounts or commissions, and registration or filing fees with respect to the Registrable Shares being sold by Parent.

SECTION 9.5 Termination of Registration Obligation. Notwithstanding anything to the contrary contained in this Agreement, the provisions of Section 9.1, Section 9.2 and Section 9.3 shall terminate upon completion of the Distribution.

## ARTICLE X

## TERMINATION

SECTION 10.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Distribution Date by the mutual consent of Parent and Technologies.

SECTION 10.2 Effect of Termination. (a) In the event of any termination of this Agreement prior to consummation of the IPO, no party to this Agreement (or any of its directors or officers) shall have any Liability or further obligation to any other party.

(b) In the event of any termination of this Agreement on or after the consummation of the IPO, only the provisions of Article IV and Section 6.6 will terminate and the other provisions of this Agreement and each Ancillary Agreement shall remain in full force and effect.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 Complete Agreement; Corporate Power. (a) This Agreement, the Exhibits and Schedules hereto and the Ancillary Agreements shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

(b) Parent represents on behalf of itself and each other member of the Parent Group and Technologies represents on behalf of itself and each other member of the Technologies Group as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.



SECTION 11.2 Expenses. Except as expressly set forth in this Agreement or in any Ancillary Agreement, whether or not the Separation, the IPO or the Distribution are consummated, all third party fees, costs and expenses paid or incurred in connection with the transactions contemplated by this Agreement and the Ancillary Agreements will be paid by the party incurring such fees, costs or expenses.

SECTION 11.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (other than the laws regarding choice of laws and conflicts of laws that would apply the substantive laws of any other jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies.

SECTION 11.4 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by standard form of telecommunications, by courier, or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Parent or any member of the Parent Group:

| Prior to the Distribution: | After the Distribution: |
|---|---|
| FMC Corporation | FMC Corporation |
| 200 East Randolph Drive | 1735 Market Street |
| Chicago, Illinois 60601 | Philadelphia, Pennsylvania 19103 |
| Attention: General Counsel | Attention: Chief Executive Officer |
| Fax: (312) 861-6176 | Fax: (215) 299-5999 |

If to Technologies or any member of the Technologies Group:

FMC Technologies, Inc.

200 East Randolph Drive
Chicago, Illinois 60601
Attention: President
Fax: (312) 861-6176

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 11.4.

SECTION 11.5 Amendment and Modification. This Agreement may be amended, modified or supplemented only by a written agreement signed by all of the parties hereto.

SECTION 11.6 Successors and Assigns; No Third-Party Beneficiaries. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder shall be assigned by any party hereto without the prior written consent of the other party. Except for the provisions of Sections 5.2 and 5.3



relating to indemnities, which are also for the benefit of the Indemnitees, this Agreement is solely for the benefit of the parties hereto and their Subsidiaries and Affiliates and is not intended to confer upon any other Persons any rights or remedies hereunder.

SECTION 11.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 11.8 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

SECTION 11.9 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party.

SECTION 11.10 References; Construction. References to any "Article," "Exhibit," "Schedule" or "Section," without more, are to Articles, Exhibits, Schedules and Sections to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" set forth examples only and in no way limit the generality of the matters thus exemplified.

SECTION 11.11 Conflict with Ancillary Agreements. Except to the extent Section 5.2, 5.3 or 12.1 conflict with the Tax Sharing Agreement, in which case the Tax Sharing Agreement shall govern, the provisions of this Agreement shall govern in the event of any conflict between the provisions of any Ancillary Agreement and this Agreement.

SECTION 11.12 Post Foreign-Restructuring Capital Contribution. Parent and Technologies understand and acknowledge that certain trade and government receivables of the chemical operations of the current UK and Irish affiliates of Parent (the "Retained Receivables") are being withheld from the Foreign Restructuring transactions in these jurisdictions in order to minimize the amount of Foreign Transfer Taxes payable in each of these jurisdictions. As

a result of these transactions, Technologies will (in accordance with the operation and provision of Schedule 2.6) carry an increased initial amount of indebtedness which reflects the face value of the Retained Receivables. In order to mitigate the future carrying cost on Technologies of the Retained Receivables, Parent agrees to make periodic capital contributions to Technologies. No additional shares of Technologies stock shall be issued in consideration for Parent making such capital contributions. The capital contributions shall be made on a monthly basis (in arrears) until the date that all Retained Receivables are either paid in full or repurchased by the relevant foreign subsidiary of the parent in accordance with the relevant Foreign Restructuring Agreement. The amount of the monthly capital contribution shall be equal to:

(i) the sum of:

(a) the average monthly balance of Retained Receivables of the Lithium, Biopolymer and Agricultural Chemical Business of FMC Corporation (UK) Limited;

(b) plus average monthly balance of Retained Receivables of the Biopolymer business of FMC International A.G. Irish partnership;

(ii) times the average monthly LIBOR interest rate for the month in question (as quoted in The Wall Street Journal);

(iii) times 61%.

Such monthly capital contributions shall be made within ten (10) Business Days following the month end to which the computation relates and shall be payable in US dollars.

ARTICLE XII

NEGOTIATION

SECTION 12.1 Negotiation. In the event of any dispute or disagreement between any member of the Parent Group, on one hand, and any member of the Technologies Group, on the other hand, as to the interpretation of any provision of this Agreement or Ancillary Agreements (or the performance of obligations hereunder or thereunder), the dispute, upon written request of Parent or Technologies, as applicable, shall be referred to representatives of the parties for decision, each party being represented by its Chief Executive Officer. The Chief Executive Officers shall promptly meet in a good faith effort to resolve the dispute or determine a means to resolve the dispute. If the Chief Executive Officers do not agree upon a decision within thirty (30) days after reference of the matter to them, each Parent and Technologies shall be free to exercise all rights and remedies available to them.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

FMC CORPORATION

By:_____
Name:
Title:

FMC TECHNOLOGIES, INC.

By:_____
Name:
Title:

EXHIBIT 4.1

FORM OF FMC TECHNOLOGIES, INC.
COMMON STOCK CERTIFICATE

| Number |
|---|
| FTI |

FMC Technologies

INCORPORATED UNDER THE LAWS
OF THE STATE OF DELAWARE

PAR VALUE $.01
COMMON STOCK

| SHARES |
|---|
| |

THIS CERTIFICATE IS TRANSFERABLE
IN CHICAGO, ILLINOIS OR
NEW YORK CITY, NEW YORK

CUSIP 30249U 10 1
SEE REVERSE FOR
CERTAIN DEFINITIONS

[ARTWORK]

FMC Technologies, Inc.

This
Certifies
that

is the
owner of

FULLY PAID AND NON-ASSESSABLE COMMON SHARES OF THE COMMON STOCK OF

FMC Technologies, Inc. transferable in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are subject to all the provisions of the Certificate of Incorporation and all Amendments thereto and Supplements thereof. This Certificate is not valid unless countersigned by a Transfer Agent and registered by a Registrar.

Witness the facsimile signatures of its duly authorized officers.

Dated:

Countersigned and Registered:
COMPUTERSHARE INVESTOR SERVICES LLC
Transfer Agent
and Registrar

/s/ Steven H. Shapiro
SECRETARY

/s/ Joseph H. Netherland, Jr. By
PRESIDENT AND CHIEF
EXECUTIVE OFFICER

AUTHORIZED SIGNATURE

FMC TECHNOLOGIES, INC.

FMC Technologies, Inc. will furnish without charge to each stockholder who so requests, a statement in full of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock

or series thereof of FMC Technologies, Inc., and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Secretary of FMC Technologies, Inc.

This certificate also evidences and entitles the holder hereof to certain rights as set forth in an Agreement between FMC Technologies, Inc. and Computershare Investor Services LLC, dated as of , 2001, as it may be amended from time to time (the "Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of FMC Technologies, Inc. Under certain circumstances, as set forth in the Agreement, such Rights (as defined in the Agreement) will be evidenced by separate certificates and will no longer be evidenced by this certificate. FMC Technologies, Inc. will mail to the holder of this certificate a copy of the Agreement without charge after receipt of a written request therefor. As set forth in the Agreement, Rights beneficially owned by any Person (as defined in the Agreement) who becomes an Acquiring Person (as defined in the Agreement) become null and void.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -as tenants in common
TEN ENT -as tenants by the entireties
JT TEN -as joint tenants with right of surviorship and not as tenants in common

UNIF GIFT MIN ACT-_____Custodian_____
(Cust) (Minor)

under Uniform Gifts to Minors
Act_____
(State)

UNIF TRF MIN ACT -_____Custodian (until age_____)
(Cust)
_____under Uniform Transfers
(Minor)
to MInors Act_____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

| |
|---|

---

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

---

---

---------- Shares of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

----------Attorney to transfer the said stock on the books of FMC Technologies, Inc. with full power of substitution in the premises.

Dated _____ _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED

By

---

The signature should be guaranteed by a brokerage firm or a financial institution that is a member of a securities approved Medallion program, such as Securities Transfer Agents Medallion Program (STAMP), Stock Exchange Medallion Program (SEMP) or New York Stock Exchange, Inc. Medallion Signature Program (MSP).

| | |
|---|---|
| AMERICAN BANK NOTE COMPANY<br>55TH and SANSOM STREET<br>PHILADELPHIA, PA 19139<br>(215) 764-8600 | PRODUCTION COORDINATOR: LISA MARTIN: 215-764-8625<br>PROOF OF APRIL 16, 2001<br>FMC TECHNOLOGIES, INC.<br>H 69279 back |
| SALES: P. SHEERIN: 1-708-599-0404 | OPERATOR: JW/eg |
| / HOME 46 / LIVE JOBS / F / FMC 69279 | REV. 1 |

EXHIBIT 4.3

$250,000,000

# FIVE-YEAR
# CREDIT AGREEMENT

Among

FMC CORPORATION,

FMC TECHNOLOGIES, INC.,

BANK OF AMERICA, N.A.,
as Administrative Agent

and
L/C Issuer,

and
The Lenders Named Herein,
as Lenders

BANC OF AMERICA SECURITIES LLC
and
SALOMON SMITH BARNEY INC.,
as Co-Lead Arrangers and Co-Book Managers

CITIBANK, N.A.,
as Syndication Agent

COOPERATIVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK NEDERLAND",
as Documentation Agent

Dated as of April 26, 2001

TABLE OF CONTENTS

# FIVE-YEAR CREDIT AGREEMENT

THIS FIVE-YEAR CREDIT AGREEMENT is entered into as of April 26, 2001, among FMC CORPORATION, a Delaware corporation ("FMC"), FMC TECHNOLOGIES, INC., a Delaware corporation ("Technologies"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent (defined below) and L/C Issuer (defined below).

FMC has requested that the Lenders provide a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

## ARTICLE I.
## DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

Adjusted Total Debt means, at any date, the Debt of the Borrower and its Consolidated Restricted Subsidiaries, determined on a consolidated basis as of such date.

Administrative Agent means Bank of America in its capacity as administrative agent under the Loan Documents, or any successor administrative agent.

Administrative Agent's Office means the Administrative Agent's address and, as appropriate, account as set forth below its signature hereto, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

Administrative Questionnaire means, with respect to each Lender, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Lender.

Affiliate means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Agent-Related Persons means the Administrative Agent (including any successor administrative agent), together with its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Aggregate Commitments has the meaning specified in the definition of "Commitment."

Agreement means this Five-Year Credit Agreement (as the same may hereafter be amended, modified, supplemented or restated from time to time).



Applicable Rate means the following percentages per annum, based upon the Debt Rating:

| Applicable Rate | | | | |
|---|---|---|---|---|
| Pricing Level | Debt Ratings S&P/Moody's | Facility Fee | Eurodollar Rate + Letters of Credit | Utilization Fee |
| 1 | *BBB+/Baa1 | .125% | .500% | .125% |
| 2 | BBB/Baa2 | .150% | .725% | .125% |
| 3 | BBB-/Baa3 | .200% | .800% | .125% |
| 4 | **BB+/Ba1 | .300% | .950% | .125% |

* more than or equal to sign
** less than or equal to sign

Debt Rating means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt; provided that if a Debt Rating is issued by each of the foregoing rating agencies, then the higher of such Debt Ratings shall apply (with Pricing Level 1 being the highest and Pricing Level 4 being the lowest), unless there is a split in Debt Ratings of more than one level, in which case the average Debt Rating (or the higher of two intermediate Debt Ratings) shall apply. If neither of the foregoing rating agencies issues a Debt Rating, Pricing Level 4 shall apply.

On the Closing Date, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 4.01(a)(v) and shall become effective on the Closing Date. Until the Guaranty Release Date, the Applicable Rate shall be determined based upon the Debt Rating of FMC. On the Guaranty Release Date, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 4.04(f) and shall become effective on the Guaranty Release Date. Each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

Assignment and Acceptance means an assignment and acceptance substantially in the form of Exhibit F.

Assumption means the assumption by Technologies of all of the obligations of FMC under the Loan Documents pursuant to Section 10.07(a).

Assumption Date has the meaning specified in Section 4.02.

Attorney Costs means and includes all reasonable fees and disbursements of any law firm or other external counsel and, without duplication, the allocated cost of internal legal services and all disbursements of internal counsel.

Bank of America means Bank of America, N.A.

Base Rate means, for any day, a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." Such rate is a rate set by Bank of America based

upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

Base Rate Loan means a Loan that bears interest at the Base Rate.

Board means the Board of Governors of the Federal Reserve System of the United States of America.

Borrower means (a) for the period from the date hereof to the Assumption, FMC, and (b) for the period from and after the Assumption, Technologies, and each of their respective successors and permitted assigns.

Bridge Credit Agreement means that certain 180-Day Credit Agreement dated as of February 21, 2001, among FMC, Technologies, the lenders from time to time party thereto and Citibank, N.A., as administrative agent.

Borrowing means a borrowing consisting of simultaneous Loans of the same Type and having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

Business Day means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

Cash Collateralize means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term shall have corresponding meanings.

Change of Control means an event or series of events by which:

(a) any Person or two or more Persons acting in concert (other than a Plan or Plans) shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more of the outstanding shares of voting stock of the Borrower;

(b) during any period of 12 consecutive months (or, in the case of Technologies, such lesser period of time as shall have elapsed since the date of the Technologies IPO), commencing before or after the date of this Agreement (in the case of FMC) or commencing on the date of the Technologies IPO (in the case of Technologies), individuals who at the beginning of such 12 month (or lesser) period were directors of the Borrower (together with any new directors whose election by the Borrower's board of directors or whose nomination for election by the Borrower's stockholders was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination was previously so approved) cease for any reason to constitute a majority of the board of directors of the Borrower; or



(c) at any time prior to the Technologies IPO, Technologies shall cease to be a wholly-owned Restricted Subsidiary of FMC.

Closing Date means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with this Agreement.

Code means the Internal Revenue Code of 1986.

Commitment means, as to each Lender, its obligation to (a) make Loans to the Borrower pursuant to Section 2.01 and (b) purchase participations in L/C Obligations in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01, as

such amount may be reduced or adjusted from time to time in accordance with this Agreement (collectively, the "Aggregate Commitments").

Common Stock means all capital stock of an issuer except capital stock as to which both the entitlement to dividends and the participation in assets upon liquidation are by the terms of such capital stock limited to a fixed or determinable amount.

Compensation Period has the meaning specified in Section 2.11(d)(ii).

Compliance Certificate means a certificate substantially in the form of Exhibit E.

Consolidated Cash Flow means, for any period, Consolidated Net Income for such period, plus (a) the aggregate pre-tax amounts deducted in determining such Consolidated Net Income in respect of depreciation and amortization and other similar non-cash charges (other than Non-Recurring Items), plus (b) the amount of any increase (or minus the amount of any decrease) in the consolidated deferred tax or general tax reserves of FMC and its Consolidated Restricted Subsidiaries during such period, plus (c) Non-Recurring Items deducted in determining Consolidated Net Income for such period, minus (d) cash outlays (net of cash inflows) in such period with respect to Non-Recurring Items incurred after September 30, 2000 (such cash outlays to be included in this calculation only to the extent they cumulatively exceed $100,000,000 after September 30, 2000.)

Consolidated EBITDA means, for any period, Consolidated Net Income for such period, plus, without duplication and to the extent included in determining Consolidated Net Income for such period, the sum of (a) total income tax expense of the Borrower and its Restricted Subsidiaries, (b) Consolidated Interest Expense, (c) depreciation, depletion and amortization expense of the Borrower and its Restricted Subsidiaries, (d) amortization of intangibles (including goodwill) and organization costs of the Borrower and its Restricted Subsidiaries and (e) any other non-cash charges, minus, to the extent included in determining Consolidated Net Income for such period, any non-cash credits of the Borrower and its Restricted Subsidiaries. For purposes of Sections 4.04(f)(ii), 7.10(d) and 7.10(e), Consolidated EBITDA shall be deemed to be $49,900,000 for the fiscal quarter ended June 30, 2000, $39,800,000 for the fiscal quarter ended September 30, 2000, $48,000,000 for the fiscal quarter ended December 31, 2000 and $24,000,000 for the fiscal quarter ended March 31, 2001.

Consolidated Interest Expense means, for any period with respect to the Borrower and its Consolidated Restricted Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, fees, charges and related expenses for such period in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest, minus (c) interest income for such period. For purposes of Sections 4.04(f)(ii) and 7.10(e), Consolidated



Interest Expense shall be deemed to be $4,500,000 for each of the fiscal quarters ended June 30, 2000, September 30, 2000, December 31, 2000 and March 31, 2001 and $50,000 for each day from April1, 2001 to the Guaranty Release Date.

Consolidated Net Income means, for any period, the net income (or loss) of FMC or Technologies, as the case may be, and its Consolidated Restricted Subsidiaries for such period, excluding, without duplication, (i) extraordinary items, (ii) the effect of cumulative changes in generally accepted accounting principles and (iii) any income (or loss) of any Unrestricted Subsidiary during such period except to the extent of dividends received during such period by FMC or Technologies, as the case may be, or by a Consolidated Restricted Subsidiary.

Consolidated Restricted Subsidiary means, at any date, any Restricted Subsidiary the accounts of which would be consolidated with those of FMC or Technologies, as the case may be, in its consolidated financial statements as of such date.

Consolidated Subsidiary means, at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of FMC or Technologies, as the case may be, in its consolidated financial statements as of such date.

Consolidated Tangible Net Worth means, at any time, the consolidated stockholders' equity of the Borrower and its Consolidated Restricted Subsidiaries at such time, minus the consolidated Intangible Assets of the Borrower and its Consolidated Restricted Subsidiaries at such time, excluding, without duplication, the effects of (i) extraordinary items, (ii) cumulative changes in generally accepted accounting principles and (iii) amounts included in other comprehensive income under generally accepted accounting principles. For purposes of this definition, "Intangible Assets" means the amount (to the extent reflected in determining consolidated stockholders' equity) of all unamortized debt discount and expense (to the extent, if any, recorded as an unamortized deferred charge), unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and organization expenses.

Credit Extension means a Borrowing or an L/C Credit Extension.

Debt of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (other than the non-negotiable notes of the Borrower issued to its insurance carriers in lieu of maintenance of policy reserves in connection with its workers' compensation and auto liability insurance program), (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable, expense accruals and deferred employee compensation items arising in the ordinary course of business, (d) (i) if such date is prior to the Guaranty Release Date, all non-contingent obligations (and, for purposes of Section 7.01 and the definition of Material Financial Obligations, all contingent obligations) of such Person to reimburse any Lender or other Person in respect of amounts paid under a letter of credit or similar instrument, and (ii) if such date is on or after the Guaranty Release Date, all obligations (contingent or non-contingent) of such Person to reimburse any Lender or any other Person in respect of amounts payable or paid under a financial standby letter of credit or similar instrument, (e) all obligations of such Person as lessee under capital leases, (f) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (g) all Guaranty Obligations of such Person in respect of the Debt of any other Person

Debt Rating has the meaning specified in the definition of "Applicable Rate."



Debtor Relief Laws means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, fraudulent transfer or conveyance, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default means any event that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

Default Rate means an interest rate equal to (a) the Base Rate plus (b) 2% per annum; provided that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including the Applicable Rate) otherwise applicable to such Eurodollar Rate Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

Derivatives Obligations of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

Dollar and $ mean lawful money of the United States of America.

Eligible Assignee has the meaning specified in Section 10.07(h).

Enforceable Judgment means a judgment or order of a court or arbitral or regulatory authority as to which the period, if any, during which the enforcement of such judgment or order is stayed shall have expired. A judgment

or order which is under appeal or as to which the time in which to perfect an appeal has not expired shall not be deemed an Enforceable Judgment so long as enforcement thereof is effectively stayed pending the outcome of such appeal or the expiration of such period, as the case may be.

Environmental Laws means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment, including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

Equity Issuance means the issue or sale of any stock of Technologies to any Person other than Technologies or any Subsidiary of Technologies.

ERISA means the Employee Retirement Income Security Act of 1974.

ERISA Group means the Borrower, any Restricted Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control



which, together with the Borrower or any Restricted Subsidiary, are treated as a single employer under Section 414 of the Code.

Eurodollar Rate means, for any Interest Period with respect to any Eurodollar Rate Loan:

(a) the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Telerate screen that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) in the event the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum determined by the Administrative Agent as the rate of interest (rounded upward to the next 1/10,000th of 1%) at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

Eurodollar Rate Loan means a Loan that bears interest at a rate based on the Eurodollar Rate.

Eurodollar Reserve Percentage means, with respect to any Lender for any day during any Interest Period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day under regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) applicable to such Lender with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities").

Event of Default means any of the events or circumstances specified in Article VIII.

Evergreen Letter of Credit has the meaning specified in Section 2.03(b)(iii).

Facility Fee has the meaning specified in Section 2.08(a).

Federal Funds Rate means, for any day, the rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day,



and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

Fee Letter means that certain letter agreement dated March 28, 2001, among FMC, Bank of America and Banc of America Securities LLC.

FMC has the meaning specified in the introductory paragraph hereof.

Governmental Authority means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Guarantor means FMC from the date of its execution of the Guaranty until the Guaranty Release Conditions are satisfied on the Guaranty Release Date.

Guaranty means a guaranty executed by the Guarantor in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit G.

Guaranty Obligation means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligees in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligees against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person; provided that the term "Guaranty Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith.

Guaranty Release Conditions has the meaning specified in Section 4.04.

Guaranty Release Date has the meaning specified in Section 4.04.

Honor Date has the meaning specified in Section 2.03(c)(i).

Indemnified Liabilities has the meaning specified in Section 10.05.

Indemnitees has the meaning specified in Section 10.05.



Interest Payment Date means, (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan; provided that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period shall also be an Interest Payment Date; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

Interest Period means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date 7 or 14 days or one, two, three or six months thereafter, as selected by the Borrower in its Loan Notice; provided that:

(a) any Interest Period (other than a 7 or 14 day Interest Period) that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) an Interest Period longer than one month shall not be available prior to the Assumption Date; and

(d) no Interest Period shall extend beyond the scheduled Maturity Date.

Investee has the meaning specified in the definition of Investment.

Investment means any investment by any Person (the "Investor") in any other Person (the "Investee"), whether by means of share purchase, capital contribution, loan, time deposit, incurrence of Guaranty Obligation or otherwise. It is understood that neither (a) an item reflected in the financial statements of the Investor as an expense nor (b) an adjustment to the carrying value of the Investee in the financial statements of the Investor (such as by reason of increased retained earnings of the Investee) constitutes the making or acquisition of an Investment for purposes hereof.

Investor has the meaning specified in the definition of Investment.

IRS means the United States Internal Revenue Service.

Laws means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

L/C Advance means, with respect to each Lender, such Lender's participation in any L/C Borrowing in accordance with its Pro Rata Share.



L/C Borrowing means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

L/C Credit Extension means, with respect to any Letter of Credit, the issuance thereof, the extension of the expiry date thereof or the renewal or increase of the amount thereof.

L/C Issuer means Bank of America in its capacity as issuer of Letters of

Credit hereunder, or any successor issuer of Letters of Credit hereunder.

L/C Obligations means, as at any date of determination, the aggregate undrawn face amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings.

Lender has the meaning specified in the introductory paragraph hereof and, as the context requires, includes the L/C Issuer.

Lending Office means, as to any Lender, the office or offices of such Lender described as such on the Administrative Questionnaire, or such other office or offices as such Lender may from time to time notify the Borrower and the Administrative Agent.

Letter of Credit means any standby letter of credit issued hereunder.

Letter of Credit Application means an application and agreement for the issuance or amendment of a standby letter of credit in the form from time to time in use by the L/C Issuer.

Letter of Credit Expiration Date means the day that is 7 days prior to the Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

Letter of Credit Sublimit means an amount equal to $25,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

Lien means with respect to any asset, any mortgage, lien, pledge, security interest or encumbrance of any kind in respect of such asset. For the purpose of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

Loan has the meaning specified in Section 2.01.

Loan Documents means this Agreement, each Note, the Guaranty (prior to the Guaranty Release Date), the Fee Letter and each Request for Credit Extension.

Loan Notice means a notice of (a) a Borrowing, (b) a conversion of Loans from one type to the other, or (c) a continuation of Loans as the same type, pursuant to Section 2.02(a), which if in writing, shall be substantially in the form of Exhibit A.

Material Adverse Effect means an effect (other than the Technologies IPO) that results in or causes a material adverse effect (a) on the business, financial condition or operations of the Borrower and its Consolidated Subsidiaries, taken as a whole, or (b) on the legality, validity or enforceability of this Agreement, any Note, the Guaranty (prior to the Guaranty Release Date) or the Fee Letter.



Material Financial Obligations means a principal or face amount of Debt (other than Debt under this Agreement) and/or payment in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries or the Guarantor, arising in one or more related or unrelated transactions, exceeding in the aggregate (a) $50,000,000 prior to the Assumption Date and (b) $25,000,000 from and after the Assumption Date.

Material Plan means any Plan or Plans having aggregate Unfunded Liabilities in excess of (a) $50,000,000 prior to the Assumption Date and (b) $25,000,000 from and after the Assumption Date.

Material Subsidiary means any Restricted Subsidiary in which the Borrower has an Investment, direct or indirect, of at least (a) $15,000,000 prior to the Assumption Date and (b) $5,000,000 from and after the Assumption Date.

Maturity Date means (a) the fifth anniversary of the date of this Agreement or (b) such earlier date upon which the Commitments may be terminated in accordance with the terms hereof.

Maximum Rate has the meaning specified in Section 10.10.

Moody's means Moody's Investors Service, Inc.

Multiemployer Plan means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

Net Cash Proceeds means proceeds received by Technologies in cash or cash equivalents from any Equity Issuance, net of brokers' and advisors' fees and other costs incurred in connection with such transaction; provided that evidence of such costs as described in the Registration Statement shall be in form and substance satisfactory to the Administrative Agent.

Non-Recurring Items means, to the extent reflected in the determination of Consolidated Net Income for any period, provisions for restructuring, discontinued operations, special reserves or other similar charges including write-downs or write-offs of assets (other than write-downs resulting from foreign currency translations).

Nonrenewal Notice Date has the meaning specified in Section 2.03(b)(iii).

Note means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B.

Obligations means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest that accrues after the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws naming the Borrower as the debtor in such proceeding.

Other Taxes has the meaning specified in Section 3.01(b).



Outstanding Amount means (a) with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

Participant has the meaning specified in Section 10.07(d).

PBGC means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

Person means any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture or Governmental Authority.

Plan means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

Principal Officer means, with respect to each of FMC and Technologies, any of the following officers of such Person: Chairman of the Board, President, Secretary, Treasurer, or any Vice President. If any of the titles of the preceding officers are changed after the date hereof, the term "Principal Officer" shall thereafter mean any officer performing substantially the same

functions as are currently performed by one or more of the officers listed in the first sentence of this definition.

Pro Rata Share means, with respect to each Lender, the percentage (carried out to the tenth decimal place) of the Aggregate Commitments set forth opposite the name of such Lender on Schedule 2.01, as such share may be adjusted as contemplated herein.

Qualification means, with respect to any certificate covering financial statements, a qualification to such certificate (such as a "subject to" or "except for" statement therein) (a) resulting from a limitation on the scope of examination of such financial statements or the underlying data, (b) as to the capability of the Person whose financial statements are certified to continue operations as a going concern or (c) which could be eliminated by changes in financial statements or notes thereto covered by such certificate (such as by the creation of or increase in a reserve or a decrease in the carrying value of assets) and which if so eliminated by the making of any such change and after giving effect thereto would occasion a Default; provided that neither of the following shall constitute a Qualification: (i) a consistency exception relating to a change in accounting principles with which the independent public accountants for the Person whose financial statements are being certified have concurred or (ii) a qualification relating to the outcome or disposition of threatened litigation, pending litigation being contested in good faith, pending or threatened claims or other contingencies, the impact of which litigation, claims or contingencies cannot be determined with sufficient certainty to permit quantification in such financial statements.

Register has the meaning specified in Section 10.07(c).



Registration Statement means Technologies' Form S-1 filed with the Securities and Exchange Commission, as amended and in effect from time to time.

Request for Credit Extension means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

Required Lenders means, as of any date of determination, Lenders whose Voting Percentages aggregate 66-2/3% or more.

Restricted Payment means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or of any option, warrant or other right to acquire any such capital stock.

Restricted Subsidiary means any Subsidiary other than an Unrestricted Subsidiary.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Subsidiary means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Borrower.

Surviving Contingent Obligations means contingent obligations arising under provisions of this Agreement that by their terms survive the termination hereof.

Taxes has the meaning specified in Section 3.01.

Technologies has the meaning specified in the introductory paragraph hereof.

Technologies IPO means the consummation of an initial public offering of the Common Stock of Technologies.

364-Day Credit Agreement means the $150,000,000 364-Day Credit Agreement dated as of the date hereof, among FMC, Technologies, the lenders party thereto

and Bank of America, as administrative agent.

Type means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

Unfunded Liabilities means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

Unreimbursed Amount has the meaning specified in Section 2.03(c)(i).

Unrestricted Subsidiary means (a) prior to the Guaranty Release Date (i) FMC Funding Corporation and Astaris L.L.C. and (ii) any other Subsidiary of FMC which is declared to be an



Unrestricted Subsidiary by FMC by notice to the Lenders; provided that the sum of all (A) Investments of FMC and its Restricted Subsidiaries in any Subsidiary included in clause (a)(i) above and (B) Investments of FMC and its Restricted Subsidiaries in Unrestricted Subsidiaries so declared under clause (a)(ii) above shall not aggregate more than $200,000,000, and (b) from and after the Guaranty Release Date, any Subsidiary of Technologies that is declared to be an Unrestricted Subsidiary by Technologies.

Utilization Fee has the meaning specified in Section 2.08(b).

Voting Percentage means, as to any Lender, (a) at any time when the Commitments are in effect, such Lender's Pro Rata Share and (b) at any time after the termination of the Commitments, the percentage (carried out to the tenth decimal place) which (i) the sum of (A) the Outstanding Amount of such Lender's Loans plus (B) such Lender's Pro Rata Share of the Outstanding Amount of L/C Obligations, then constitutes of (ii) the Outstanding Amount of all Loans and L/C Obligations.

1.02 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(ii) Unless otherwise specified herein, Article, Section, Exhibit and Schedule references are to this Agreement.

(iii) The term "including" is by way of example and not limitation.

(iv) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(d) Section headings herein and the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(e) Provisions or portions of provisions of the Loan Documents that are expressly stated to be applicable prior to the Assumption Date, the Technologies IPO or the Guaranty Release Date, as the case may be, shall have no applicability from and after the Assumption Date, the Technologies IPO or the Guaranty Release Date, as the case may be.

1.03 Accounting Terms. Unless otherwise specified herein, all accounting

terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with United States generally accepted accounting principles as in effect from time to time applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the



Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VII to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VII for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, unless or until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders. The Administrative Agent shall promptly notify the Lenders of any notice received from the Borrower pursuant to this Section 1.03.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

## Article II.
## The Commitments and Credit Extensions

2.01 Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Loan") to the Borrower from time to time on any Business Day during the period from the Closing Date to the Maturity Date, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided that after giving effect to any Borrowing, (a) the aggregate Outstanding Amount of all Loans and L/C Obligations shall not exceed the Aggregate Commitments and (b) the aggregate Outstanding Amount of the Loans of any Lender plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.04 and reborrow under this Section 2.01. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Loans as the same Type shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m., New York time, (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans, and (ii) on the requested date of any Borrowing of or conversion to Base Rate Loans. Each such telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Principal Officer of the Borrower. Each Borrowing of,

conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans for a new Interest Period, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made or continued as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of its Pro Rata Share of the applicable Borrowing, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(a). In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m., New York time, on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.03 (and, if such Borrowing is the initial Credit Extension, Section 4.01 and, if such Borrowing is made on the Assumption Date, Section 4.02), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to the Administrative Agent by the Borrower; provided that if, on the date of the Borrowing there are L/C Borrowings outstanding, then the proceeds of such Borrowing shall be applied, first, to the payment in full of any such L/C Borrowings and, second, to the Borrower as provided above.

(c) During the existence of a Default or Event of Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Eurodollar Rate Loan upon determination of such interest rate. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error. The Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be at any one time more than five Interest Periods in effect with respect to Loans.



2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.03, (1) from time to time on any Business Day

during the period from the Assumption Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower and to amend or renew Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drafts under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower; provided that the L/C Issuer shall not be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in, any Letter of Credit if as of the date of such L/C Credit Extension, (x) the Outstanding Amount of all L/C Obligations and all Loans would exceed the Aggregate Commitments, (y) the aggregate Outstanding Amount of the Loans of any Lender plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations would exceed such Lender's Commitment, or (z) the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall be under no obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it (for which the L/C Issuer is not otherwise compensated hereunder);

(B) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last renewal, unless the Required Lenders have approved such expiry date;

(C) the expiry date of such requested Letter of Credit would occur after the Maturity Date, unless all the Lenders have approved such expiry date;

(D) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer; or

(E) such Letter of Credit is in a face amount less than $100,000 or is denominated in a currency other than Dollars.



(iii) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(b) Procedures for Issuance and Amendment of Letters of Credit; Evergreen Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Principal Officer of the Borrower. Such L/C Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m., New York time, at

least two Business Days (or such later date and time as the L/C Issuer may agree in a particular instance in its sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (w) the Letter of Credit to be amended; (x) the proposed date of amendment thereof (which shall be a Business Day); (y) the nature of the proposed amendment; and (z) such other matters as the L/C Issuer may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. The L/C Issuer shall (subject, if the Letter of Credit Application requests an L/C Credit Extension, to (x) receipt by the L/C Issuer of confirmation from the Administrative Agent that such L/C Credit Extension is permitted hereunder and (y) the terms and conditions hereof), on the requested date, issue or amend the applicable Letter of Credit in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic renewal provisions (each, an "Evergreen Letter of Credit"); provided that any such Evergreen Letter of Credit must permit the L/C Issuer to prevent any such renewal at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Nonrenewal Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such renewal. Once an Evergreen Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer



to permit the renewal of such Letter of Credit at any time to a date not later than the Maturity Date; provided that the L/C Issuer shall not permit any such renewal if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its renewed form under the terms hereof, or (B) it has received notice (which may be by telephone or in writing) on or before the Business Day immediately preceding the Nonrenewal Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such renewal or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.03 is not then satisfied. Notwithstanding anything to the contrary contained herein, the L/C Issuer shall have no obligation to permit the renewal of any Evergreen Letter of Credit at any time.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.
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(i) Upon any drawing under any Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m., New York time, on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and such Lender's Pro Rata Share thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.03 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender (including the Lender acting as L/C Issuer) shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Pro Rata Share of the Unreimbursed Amount not later than 1:00 p.m., New York time, on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 4.03 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent



for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until a Lender funds its Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Material Adverse Effect or a Default or Event of Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. Any such reimbursement shall not relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), the L/C Issuer shall be entitled to recover from such Lender, on demand, such amount with interest thereon for the period from the date such payment is required to the date

on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the Federal Funds Rate from time to time in effect. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), or any payment of interest thereon, the Administrative Agent will distribute to such Lender its Pro Rata Share thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned, each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit, and to repay each L/C Borrowing and each drawing under a Letter of Credit that is refinanced by a Borrowing of Loans, shall be absolute, unconditional and



irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement or instrument relating thereto;

(ii) the existence of any claim, counterclaim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the

Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. No Agent-Related Person nor any of the respective correspondents, participants or assignees of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. No Agent-Related Person, nor any of the respective correspondents, participants or assignees of the L/C



Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Cash Collateral. If, as of the Maturity Date, any Letter of Credit may for any reason remain outstanding and partially or wholly undrawn, the Borrower shall, upon the request of the Administrative Agent (made at the request of the Required Lenders), immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount).

(h) Applicability of ISP98. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued, rules of the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance) shall apply to each Letter of Credit.

(i) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share a Letter of Credit fee for each Letter of Credit equal to the Applicable Rate times the actual daily maximum amount available to be drawn under such Letter of Credit. Such fee for each Letter of Credit shall be due and payable on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, and on the Letter of Credit Expiration Date. If there is any change in the Applicable Rate during any quarter, the actual daily amount of each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C

Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee in an amount set forth in the Fee Letter, due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, and on the Letter of Credit Expiration Date. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, administration, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such fees and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Letter of Credit Application. In the event of any conflict between the terms hereof and the terms of any Letter of Credit Application, the terms hereof shall control.



2.04 Prepayments.

(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m., New York time, (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans, and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof, provided that Base Rate Loans borrowed pursuant to Section 2.03(c)(i) may be prepaid in full in an amount equal to the amount so borrowed. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of such Lender's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Pro Rata Shares.

(b) If for any reason the Outstanding Amount of all Loans and L/C Obligations at any time exceeds the Aggregate Commitments then in effect, the Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess.

(c) Upon the receipt, on or before the seventh day after the Technologies IPO, by Technologies of Net Cash Proceeds that are not applied to repay or prepay loans outstanding made under the Bridge Credit Agreement or under the 364-Day Credit Agreement, the Borrower shall immediately prepay the Loans in an amount equal to 100% of such Net Cash Proceeds.

(d) If the Technologies IPO does not occur on or before August 20, 2001, the Borrower shall immediately prepay the Loans and other Obligations, and the Aggregate Commitments shall immediately terminate without further action by the Administrative Agent or any Lender.

2.05 Reduction or Termination of Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or permanently reduce the Aggregate Commitments to an amount not less than the then Outstanding Amount of all Loans and L/C Obligations; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m., three Business Days prior to the date of termination or reduction, and (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof. The Administrative Agent shall promptly notify the Lenders of any such notice of reduction or termination of the Aggregate Commitments. Once reduced in accordance with this Section, the Aggregate Commitments may not be increased. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Pro Rata Share.

2.06 Repayment of Loans. On the Maturity Date, the Borrower shall repay to the Lenders the aggregate principal amount of Loans outstanding on such date.

2.07 Interest.

(a) Subject to the provisions of Section 2.7(b), (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to



the Eurodollar Rate for such Interest Period plus the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate.

(b) Upon the request of the Administrative Agent (made with the consent or at the direction of the Required Lenders) at any time an Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations (which shall include past-due interest and fees to the fullest extent permitted by applicable Law) at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.08 Fees. In addition to certain fees described in Sections 2.03(i) and (j):

(a) Facility Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a Facility Fee (herein so called) equal to the amount set forth in the definition of Applicable Rate times the actual daily amount of the Aggregate Commitments, regardless of usage. The Facility Fee shall accrue at all times from the Closing Date until the Maturity Date and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. The Facility Fee shall accrue at all times, including at any time during which one or more of the conditions in Article IV is not met.

(b) Utilization Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a Utilization Fee (herein so called) equal to the amount set forth in the definition of Applicable Rate times the actual daily aggregate Outstanding Amount of Loans and L/C Obligations for each day that such aggregate Outstanding Amount exceeds 33% of the Aggregate Commitments. The Utilization Fee shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The Utilization Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. The Utilization Fee shall accrue at all times, including at any time during which one or more of the conditions in Article IV is not met.

(c) Other Fees. The Borrower shall pay the other fees set forth in the Fee Letter in the amounts and at the times set forth therein.

2.09 Computation of Interest and Fees. Interest on Base Rate Loans (if determined under clause (b) of the definition of Base Rate) shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. All other types of interest and all fees shall be calculated on the basis of a year of 360 days and the actual number of days elapsed, which results in a higher yield to the payee thereof than a method based on a year of 365 or 366 days. Interest shall accrue



on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

2.10 Evide9nce of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be rebuttable presumptive evidence of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans and L/C Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of such Lender shall control. Upon the request of any Lender made through the Administrative Agent, such Lender's Loans may be evidenced by a Note in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of the applicable Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in Section 2.10(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control.

2.11 Payments Generally.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 12:00 noon, New York time, on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 12:00 noon, New York time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day (unless such Business Day falls in another calendar month in which case such payment shall be made on the next preceding Business Day), and such extension of time shall be reflected in computing interest or fees, as the case may be.

(c) If, at any time prior to the Obligations being accelerated or otherwise becoming due and payable in full, insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward repayment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the

amounts of principal and L/C Borrowings then due to such parties, (ii) second, toward repayment of interest and fees then due hereunder, ratably among



the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (iii) third, toward costs and expenses (including Attorney Costs and amounts payable under Article III) incurred by the Administrative Agent and each Lender. If. at any time after the Obligations are accelerated or otherwise become due and payable in full, funds are received by and available to the Administrative Agent to pay the Obligations, such funds shall be applied (i) first, toward costs and expenses (including Attorney Costs and amounts payable under Article III) incurred by the Administrative Agent and each Lender, (ii) second, toward repayment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (iii) third, toward repayment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

(d) Unless the Borrower or any Lender has notified the Administrative Agent prior to the date any payment is required to be made by it to the Administrative Agent hereunder, that the Borrower or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in immediately available funds, then:

(i) if the Borrower failed to make such payment, each Lender shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender to the date such amount is repaid to the Administrative Agent in immediately available funds, at the Federal Funds Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to the Borrower to the date such amount is recovered by the Administrative Agent (the "Compensation Period") at a rate per annum equal to the Federal Funds Rate from time to time in effect. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan, included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrower, and the Borrower shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Administrative Agent to any Lender with respect to any amount owing under this Section 2.11(d) shall be conclusive, absent manifest error.

(e) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the

terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(f) The obligations of the Lenders hereunder to make Loans and to fund participations in Letters of Credit are several and not joint. The failure of any Lender to make any Loan or to fund any such participation on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or purchase its participation.

(g) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.12 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it, or the participations in L/C Obligations held by it, any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them and/or such subparticipations in the participations in L/C Obligations held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of such Loan or such participations, as the case may be, pro rata with each of them; provided that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

2.13 Regulation D Compensation. Each Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Eurodollar Rate Loans, additional interest on the related Eurodollar Rate Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable Eurodollar Rate divided by (B) one minus the Eurodollar Reserve Percentage over (ii) the applicable Eurodollar Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Rate Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after such Lender gives such notice and (y) shall notify the Borrower at least five Business Days before each date on which interest is payable on the Eurodollar Rate Loans of the amount then due under this Section 2.13.



## ARTICLE III.
## TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Any and all payments by the Borrower to or for the account of the

Administrative Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of the Administrative Agent and each Lender, taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which the Administrative Agent or such Lender, as the case may be, is organized or maintains a lending office (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to the Administrative Agent or any Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Administrative Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within 30 days after the date of such payment, the Borrower shall furnish to the Administrative Agent (which shall forward the same to such Lender) the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

(c) If the Borrower shall be required to deduct or pay any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to the Administrative Agent or any Lender, the Borrower shall also pay to the Administrative Agent (for the account of such Lender) or to such Lender, at the time interest is paid, such additional amount that such Lender specifies is necessary to preserve the after-tax yield (after factoring in all taxes, including taxes imposed on or measured by net income) such Lender would have received if such Taxes or Other Taxes had not been imposed.

(d) The Borrower agrees to indemnify the Administrative Agent and each Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by the Administrative Agent and such Lender, (ii) amounts payable under Section 3.01(c) and (iii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Payment under this Section 3.01(d) shall be made within 30 days after the date the Lender or the Administrative Agent makes a demand therefor.

(e) Each Lender organized under the Laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower or the Administrative



Agent (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower and the Administrative Agent with (i) if such Lender is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, IRS Form W-8BEN or W-8ECI, as appropriate, or any successor form prescribed by the IRS, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which exempts withholding tax on (or, in the case of a form delivered subsequent to the date on which a form originally was provided, reduces the rate of withholding tax on) payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States, or (ii) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and intends to claim an exemption from United States withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," a Form W-8, or any successor or other applicable form prescribed by

the IRS, and a certificate representing that such Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower, and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code). Each Lender which so delivers a Form W-8, W-8BEN, or W-8ECI further undertakes to deliver to the Borrower and the Administrative Agent additional forms (or a successor form) on or before the date such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, in each case certifying that such Lender is entitled to receive payments from the Borrower under any Loan Document without deduction or withholding (or at a reduced rate of deduction or withholding) of any United States federal income taxes, unless an event (including without limitation any change in treaty, law, or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving such payments without any deduction or withholding of United States federal income tax.

(f) Failure to Provide Withholding Forms; Changes in Tax Laws. For any period with respect to which a Lender has failed to provide the Borrower and the Administrative Agent with the appropriate form pursuant to Section 3.01(e) (unless such failure is due to a change in Law occurring subsequent to the date on which a form originally was required to be provided), such Lender shall not be entitled to indemnification under Section 3.01(a) or 3.01(b) with respect to Taxes imposed by the United States; provided, however, that should a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Change in Applicable Lending Office. If Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 3.01, then such Lender will agree to use reasonable efforts to change the jurisdiction of its Lending Office so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the reasonable judgment of such Lender, is not otherwise materially disadvantageous to such Lender.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or materially restricts the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the applicable offshore Dollar market, or to determine or charge interest rates based upon the Eurodollar Rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans (but not to make, maintain or fund Base Rate Loans) shall be suspended until such Lender notifies the Administrative



Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period thereof, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or on such earlier date after which such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.03 Inability to Determine Rates. If the Administrative Agent determines in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the applicable offshore Dollar market for the applicable amount and Interest

Period of such Eurodollar Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurodollar Base Rate for such Eurodollar Rate Loan or (c) the Eurodollar Base Rate for such Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly notify the Borrower and all Lenders. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing, conversion or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Cost and Reduced Return; Capital Adequacy.

(a) If any Lender determines that as a result of the introduction of or any change in or in the interpretation of any Law, or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Loans or (as the case may be) issuing or participating in Letters of Credit, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.04(a) any such increased costs or reduction in amount resulting from (i) Taxes or Other Taxes (as to which Section 3.01 shall govern), (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or any foreign jurisdiction or any political subdivision of either thereof under the Laws of which such Lender is organized or has its Lending Office, and (iii) reserve requirements contemplated by Section 2.13), then from time to time upon demand of such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender determines that the introduction of any Law regarding capital adequacy or any change therein or in the interpretation thereof, or compliance by such Lender (or its Lending Office) therewith, has the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy) by an amount such Lender deems material, then from time to time upon demand of such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction.

3.05 Funding Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:



(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.15;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained, but excluding any Applicable Rate.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the applicable offshore Dollar interbank market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so

funded.

3.06 Matters Applicable to all Requests for Compensation.

(a) The applicable Lender shall notify the Administrative Agent and the Borrower as soon as practicable (and in any event within 120 days) after such Lender obtains actual knowledge of any event or condition which will entitle such Lender to compensation under Section 3.01 or 3.04, and the Borrower shall not be liable for any such amount that accrues between the date such notification is required to be given to the Borrower and the date such notice is actually given to the Borrower.

(b) A certificate of the Administrative Agent or any Lender claiming compensation under this Article III and setting forth in reasonable detail the basis for and calculation of the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Administrative Agent or such Lender may use any reasonable averaging and attribution methods.

(c) Upon any Lender making a claim for compensation under Section 3.01 or 3.04 or notifying the Borrower that such Lender may not make or maintain Eurodollar Rate Loans pursuant to Section 3.02, the Borrower may remove or replace such Lender in accordance with Section 10.15.

3.07 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Commitments and payment in full of all the Obligations.

## Article IV.
## CONDITIONS PRECEDENT TO Credit Extensions

4.01 Conditions of Initial Credit Extension. The obligation of each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:



(a) The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Principal Officer of the applicable party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note, each in a principal amount equal to such Lender's Commitment;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Principal Officers of FMC and Technologies as the Administrative Agent may request to establish the identities of and verify the authority and capacity of each Principal Officer thereof authorized to act as a Principal Officer in connection with this Agreement and the other Loan Documents to which FMC or Technologies is a party;

(iv) such evidence as the Administrative Agent may reasonably request to verify that each of FMC and Technologies is duly incorporated, validly existing and in good standing in its jurisdiction of incorporation, including certified copies of the certificate of incorporation and bylaws of each of FMC and Technologies and certificates of good standing for each of FMC and Technologies in its jurisdiction of incorporation;

(v) a certificate signed by a Principal Officer of FMC (A) certifying that the conditions specified in Sections 4.03(a) and (b) have

been satisfied, (B) certifying that there has been no event or circumstance since December 31, 2000, which has had or could be reasonably expected to have a Material Adverse Effect, and (c) showing the Debt Ratings of FMC on the Closing Date;

(vi) an opinion of Steven H. Shapiro, Associate General Counsel of FMC, substantially in the form of Exhibit C;

(vii) an opinion of Mayer, Brown & Platt, counsel to FMC and Technologies, substantially in the form of Exhibit D; and

(viii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent or the Required Lenders reasonably may require.

(b) Any fees required to be paid on or before the Closing Date pursuant to the Fee Letter shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all Attorney Costs of the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute its reasonable estimate of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(d) No event or circumstance shall have occurred since December 31, 2000 that has had or could reasonably be expected to have a Material Adverse Effect.



4.02 Conditions to the Assumption. The Assumption shall become effective on the date (the "Assumption Date") when, but only when, the following conditions precedent have been satisfied:

(a) The transfer of substantially all of the assets by FMC to Technologies, and the assumption of the liabilities of FMC by Technologies, each as described in the Registration Statement, shall have occurred.

(b) FMC shall have assigned to Technologies, and Technologies shall have assumed, all of the obligations of FMC under the Bridge Credit Agreement.

(c) No Default or Event of Default shall exist or would result from the Assumption.

(d) The representations and warranties of the Borrower contained in Article V shall be true and correct in all material respects on the Assumption Date after giving effect to the Assumption, except to the extent that such representation and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date.

(e) The Administrative Agent shall have received each of the following, in form and substance satisfactory to it:

(i) a Note executed by Technologies in favor of each Lender requesting a Note, each in a principal amount equal to such Lender's Commitment, which Note shall be in substitution and replacement of the Note, if any, executed by FMC in favor of such Lender pursuant to Section 4.01(a)(2);

(ii) the Guaranty executed by FMC;

(iii) a certificate of the Secretary or an Assistant Secretary of Technologies or FMC, as the case may be, certifying any changes in the certificate of incorporation or bylaws of Technologies or FMC, as the case may be, delivered pursuant to Section 4.01(a)(iv);

(iv) bring-down certificates of Governmental Authorities attesting to the existence and good standing of each of Technologies and FMC in its jurisdiction of incorporation;

(v) an opinion of Steven H. Shapiro, counsel to Technologies,

addressing such matters as the Administrative Agent may reasonably request;

(vi) an opinion of Mayer, Brown & Platt, counsel to FMC, addressing such matters as the Administrative Agent may reasonably request;

(vii) all documents (including an incumbency certificate and certification by the Secretary or Assistant Secretary of each of Technologies and FMC of board resolutions) it may reasonably request relating to the existence of Technologies or FMC, as the case may be, the corporate authority for and the validity of the Loan Documents, and any other matter relevant hereto;

(viii) a certificate of a Principal Officer of Technologies certifying that the conditions specified in Sections 4.02(a), (b), (c) and (d) have been satisfied;



(ix) executed copies of the Separation and Distribution Agreement, the U.S. Purchase Agreement, the International Purchase Agreement, the Tax Sharing Agreement, and the Transition Services Agreement (and any related agreements requested by the Administrative Agent), and a list of Subsidiaries of Technologies, each as described in, and substantially in the form filed as exhibits to, the Registration Statement and each having terms and conditions reasonably acceptable to the Administrative Agent; and

(x) such other documents, instruments or materials as the Administrative Agent or the Required Lenders may reasonably request.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to make any Credit Extension is subject to satisfaction of the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article V shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date, except that the representations and warranties set forth in Sections 5.04(b) and 5.05 shall be required to be true and correct in all material respects only on the date of the initial Credit Extension and on the Assumption Date after giving effect to the Assumption.

(b) No Default or Event of Default shall exist or would result from such proposed Credit Extension.

(c) The Administrative Agent and, if applicable, the L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) The Administrative Agent shall have received, in form and substance satisfactory to it, such other assurances, certificates, documents or consents related to the foregoing as the Administrative Agent or the Required Lenders may reasonably request.

Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.03(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

4.04 Guaranty Release Conditions. The Guaranty shall be released and discharged, without any action by the Administrative Agent or any Lender, on the date (the "Guaranty Release Date") when, but only when, the following conditions precedent (the "Guaranty Release Conditions") have been satisfied:

(a) The Technologies IPO shall have been consummated.

(b) The capitalization of Technologies shall be as set forth in the amendment to the Registration Statement filed with the Securities and Exchange Commission on April 4, 2001, with such changes to such capitalization as may be

acceptable to the Administrative Agent in its sole discretion.

(c) The Debt Ratings of Technologies shall be at least BBB- by S&P and at least Baa3 by Moody's.



(d) No Default or Event of Default shall exist or would result from the release of the Guaranty.

(e) All obligations owing under the Bridge Credit Agreement shall have been paid in full and all commitments thereunder shall have been terminated.

(f) FMC shall have paid to Technologies any adjustment or "true-up" of the "Final Calculation Amount" in accordance with Schedule 2.6(b) of the Separation and Distribution Agreement described in Section 4.02(e)(ix).

(g) Technologies shall have delivered to the Administrative Agent a certificate of a Principal Officer (i) certifying that the conditions set forth in Sections 4.04(a), (b), (c), (d) and (e) have been satisfied, (ii) showing pro forma compliance, assuming that the Assumption Date was April 1, 2000 and after giving effect to the satisfaction of the Guaranty Release Conditions, with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05(c) and 7.07, in each case as of March 31, 2001, (iii) showing the Debt Ratings of Technologies on the Guaranty Release Date, and (iv) certifying the accuracy and completeness, in all material respects (but subject to adjustments as set forth in the Separation and Distribution Agreement described in Section 4.02(e)(vii)), of an attached pro forma consolidated balance sheet and income statement of Technologies and its Consolidated Subsidiaries as of and for the four fiscal quarter period ended March 31, 2001, assuming that the Assumption Date was April 1, 2000 and after giving effect to the satisfaction of the Guaranty Release Conditions.

## ARTICLE V.
## REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Corporate or Partnership Existence and Power. The Borrower and each Material Subsidiary (a) is a corporation or partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has all corporate or partnership powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business and (c) is duly qualified as a foreign corporation or partnership and in good standing in each jurisdiction where qualification is required by the nature of its business or the character and location of its property, business or customers, except, as to clauses (b) and (c), where the failure so to qualify or to have such licenses, authorizations, consents and approvals, in the aggregate, would not have a Material Adverse Effect.

5.02 Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes (and by FMC of the Guaranty) are within the Borrower's (and FMC's, in the case of the Guaranty) corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Governmental Authority and do not contravene, or constitute a default under, any provision of applicable Law or of the certificate of incorporation or bylaws of the Borrower or FMC or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or FMC or result in or require the creation or imposition of any Lien on any asset of the Borrower or FMC or any Subsidiary.

5.03 Binding Effect. This Agreement constitutes a legal, valid and binding agreement of the Borrower and the Notes and the Guaranty, when executed and delivered in accordance with this

Agreement, will constitute the legal, valid and binding obligations of the Borrower (and FMC, in the case of the Guaranty), in each case enforceable in accordance with their respective terms, except as such enforceability may be limited by Debtor Relief Laws.

5.04 Financial Information.

(a) The consolidated balance sheet of FMC and its Consolidated Subsidiaries as of December 31, 2000, and the related consolidated statements of income, cash flows and changes in stockholders' equity for the fiscal year then ended, reported on by KPMG LLP and set forth in FMC's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, filed with the Securities and Exchange Commission, a copy of which has been delivered to each of the Lenders, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of FMC and its Consolidated Subsidiaries as of such date and their consolidated results of operations, cash flows and changes in stockholders' equity for such fiscal year.

(b) There has been no change since December 31, 2000 which has a Material Adverse Effect.

5.05 Litigation. There is no action, suit, proceeding or arbitration pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable likelihood of an adverse decision which would have a Material Adverse Effect or which in any manner questions the validity or enforceability of this Agreement, the Notes or the Guaranty.

5.06 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the ERISA Group has (a) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (b) failed to make any contribution or payment to any Plan or Multiemployer Plan or made any amendment to any Plan which in either case has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.07 Environmental Matters. In the ordinary course of its business, the Borrower conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that Environmental Laws are unlikely to have a Material Adverse Effect.

5.08 Taxes. United States Federal income tax returns of FMC and its Subsidiaries have been examined and closed through the fiscal year ended December 31, 1992. The Borrower and each Subsidiary have filed all United States Federal income tax returns and all other material tax returns that are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any



assessment received by any of them, except for any such taxes being diligently contested in good faith and by appropriate proceedings. Adequate reserves have been provided on the books of the Borrower and its Subsidiaries in respect of all taxes or other governmental charges in accordance with generally accepted

accounting principles, and no tax liabilities in excess of the amount so provided are anticipated that could reasonably be expected to have a Material Adverse Effect.

5.09 Full Disclosure. All information (other than financial projections) heretofore furnished by the Borrower to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (including the Technologies IPO) was, and all such information hereafter furnished by the Borrower to the Administrative Agent or any Lender will be, true and accurate in every material respect, and all financial projections concerning the Borrower and its Subsidiaries that have been or hereafter will be furnished by the Borrower to the Administrative Agent or any Lender have been and will be prepared in good faith based on assumptions believed by the Borrower to be reasonable.

5.10 Compliance with Laws. The Borrower and each Material Subsidiary are in compliance with all applicable Laws other than such Laws (a) the validity or applicability of which the Borrower or such Material Subsidiary is contesting in good faith or (b) failure to comply with which cannot reasonably be expected to have a Material Adverse Effect.

5.11 Regulated Status. The Borrower is not an "investment company," within the meaning of the Investment Company Act of 1940, or a "holding company" or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935.

## ARTICLE VI.
## AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligations (other than Surviving Contingent Obligations) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

6.01 Information. The Borrower will deliver to the Administrative Agent and each of the Lenders:

(a) within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, of cash flows and of changes in stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures as of the end of and for the previous fiscal year, all in reasonable detail and reported on without Qualification by KPMG LLP or other independent public accountants of nationally recognized standing;

(b) within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter, and the related consolidated statements of income for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter and the related consolidated statement of cash flows for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated balance sheet as of the end of the previous fiscal year and the consolidated statements of income for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of



presentation and consistency by the chief financial officer, the treasurer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in Sections 6.01(a) and (b), a Compliance Certificate of the chief financial officer, the treasurer, or the chief accounting officer of the Borrower (i) setting forth in reasonable detail such calculations as are required to establish whether the Borrower was in compliance with the requirements of Sections 7.06(c) and 7.10 and stating whether the Borrower was in compliance with the requirements of Sections 7.01(a)(viii), 7.01(b)(vii), 7.05(c) and 7.07, as applicable to the Borrower, on the date of such financial

statements and (ii) stating whether there exists on the date of such certificate any Default or Event of Default and, if any Default or Event of Default then exists, setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect thereto;

(d) simultaneously with the delivery of each set of financial statements referred to in Sections 6.01(a) and (b), a schedule, certified as to its accuracy and completeness by the chief financial officer, the treasurer or the chief accounting officer of the Borrower, listing in reasonable detail the Debt balance of each Restricted Subsidiary where such Debt balance is in excess of $1,000,000, listing only Debt instruments of $1,000,000 or more; provided that no such schedule need be furnished if at the date of the related financial statements (i) the aggregate amount of Debt of domestic Restricted Subsidiaries did not exceed (A) $100,000,000 prior to the Assumption Date or (B) $50,000,000 from and after the Assumption Date and (ii) the aggregate amount of Debt of all Restricted Subsidiaries did not exceed (C) $200,000,000 prior to the Assumption Date or (D) $100,000,000 from and after the Assumption Date;

(e) within five Business Days after any officer of the Borrower obtains knowledge of any Default or Event of Default, if such Default or Event of Default is then continuing, a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent), annual, quarterly or monthly reports and any reports on Form 8-K (or any successor form) that the Borrower or any Subsidiary shall have filed with the Securities and Exchange Commission;

(h) within 14 days after any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA which liability exceeds $1,000,000 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer, any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or



Multiemployer Plan or makes any amendment to any Plan which in either case has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer, the chief accounting officer or the treasurer of the Borrower setting forth details as to such occurrence and the action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take with respect thereto;

(i) as soon as practicable after a Principal Officer of the Borrower obtains knowledge of the commencement of an action, suit or proceeding against the Borrower or any Subsidiary before any court or arbitrator or any governmental body, agency or official in which there is a reasonable likelihood of an adverse decision which would have a Material Adverse Effect or which in any manner questions the validity or enforceability of this Agreement or any of the transactions contemplated hereby, information as to the nature of such pending or threatened action, suit or proceeding; and

(j) from time to time such additional information regarding the business,

properties, financial position, results of operations, or prospects of the Borrower or any Subsidiary as the Administrative Agent, at the request of any Lender, may reasonably request.

Payment of Obligations. Borrower will pay and discharge, and will cause each of its Subsidiaries to pay and discharge, at or before maturity, all their respective material obligations and liabilities and all lawful taxes, assessments and governmental charges or levies upon it or its property or assets, except where the same may be diligently contested in good faith by appropriate proceedings or where the failure to so pay and discharge would not have a Material Adverse Effect, and will maintain, and will cause each of its Subsidiaries to maintain, in accordance with United States generally accepted accounting principles as in effect from time to time, appropriate reserves for the accrual of any of the same.

6.03 Maintenance of Property; Insurance.

(a) The Borrower will keep, and will cause each Restricted Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, normal wear and tear excepted.

(b) The Borrower will, and will cause each of its Material Subsidiaries to, maintain (either in the name of the Borrower or in such Material Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually maintained in the same general area by companies of established repute engaged in the same or a similar business; and will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

6.04 Inspection of Property, Books and Records. The Borrower will keep, and will cause each of its Subsidiaries to keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Subject to Section 10.08, the Borrower will permit, and will cause each of its Subsidiaries to permit, representatives of any Lender to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, employees and independent public accountants (provided that the Borrower shall have the right to participate in any discussions with such accountants), all at such reasonable times and as often as may reasonably be desired, upon reasonable advance notice to the Borrower.



6.05 Maintenance of Existence, Rights, Etc.

(a) The Borrower will preserve, renew and keep in full force and effect, and will cause each of its Restricted Subsidiaries to preserve, renew and keep in full force and effect their respective corporate or partnership existence and their respective rights, privileges and franchises necessary or desirable in the normal conduct of business, except when failure to do so would not have a Material Adverse Effect; provided that nothing in this Section 6.05 shall prohibit (i) a transaction permitted under Section 7.02 or (ii) the termination of the corporate or partnership existence of any Restricted Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and would not have a Material Adverse Effect.

(b) At no time will any Unrestricted Subsidiary hold, directly or indirectly, any capital stock of any Restricted Subsidiary.

Bridge Credit Agreement. The Borrower will terminate and repay in full all obligations owing under the Bridge Credit Agreement within seven days after the Technologies IPO.

## ARTICLE VII.
## NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or

other Obligations (other than Surviving Contingent Obligations) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

7.01 Liens.

(a) Prior to the Guaranty Release Date, FMC will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) Liens existing on the date hereof, securing Debt outstanding on the date hereof;

(ii) Liens incidental to the conduct of its business or the ownership of its assets which (A) arise in the ordinary course of business, (B) do not secure Debt and (C) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(iii) Liens on property or assets of any Person existing at the time such Person becomes a Restricted Subsidiary;

(iv) Liens on any property or assets existing at the time of acquisition thereof (including acquisition through merger or consolidation) to secure the payment of all or any part of the purchase price or construction cost thereof or to secure any Debt incurred prior to, at the time of or within 120 days after the later of the acquisition of such property or assets or the completion of any such construction and the commencement of operation of such property or assets, for the purpose of financing all or any part of the purchase price or construction cost thereof;



(v) Liens in favor of a Governmental Authority to secure payments under any contract or statute, or to secure any Debt incurred in financing the acquisition, construction or improvement of property subject thereto, including Liens on, and created or arising in connection with the financing of the acquisition, construction or improvement of, any facility used or to be used in the business of FMC or any Restricted Subsidiary through the issuance of obligations, the income from which shall be excludable from gross income by virtue of Section 103 of the Code (or any subsequently adopted provisions thereof providing for a specific exclusion from gross income);

(vi) Liens on assets of Restricted Subsidiaries securing Debt owing to FMC;

(vii) any extension, renewal, substitution, or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any Lien referred to in clauses (i) through (vi) above or the Debt secured thereby; provided that (1) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets or shares of stock or Debt that secured the Lien extended, renewed, substituted or replaced (plus improvements on such property) and (2) the Debt secured by such Lien at such time is not increased; and

(viii) other Liens securing Debt in an aggregate principal amount at any time outstanding not to exceed $150,000,000 at any time; provided that, notwithstanding the foregoing, the Borrower will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien permitted solely by this clause (viii) on any stock, indebtedness or other security of any Unrestricted Subsidiary now owned or hereafter acquired by it.

(b) From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) Liens existing on the date hereof and described on Schedule 7.01, securing Debt outstanding on the date hereof;

(ii) Liens incidental to the conduct of its business or the

ownership of its assets which (A) arise in the ordinary course of business, (B) do not secure Debt and (C) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(iii) Liens in favor of the Borrower or any other Restricted Subsidiary;

(iv) Liens on any property or assets existing at the time of, or incurred within 120 days after, the acquisition thereof (by purchase, merger or otherwise), securing Debt incurred to pay the purchase price or construction cost thereof, so long as such Liens do not and are not extended to cover any other property or assets;

(v) Liens in favor of a Governmental Authority to secure payments under any contract or statute, or to secure any Debt incurred in financing the acquisition, construction or improvement of property subject thereto, including Liens on, and created or arising in connection with the financing of the acquisition, construction or improvement of, any facility used or to be used in the business of the Borrower or any Restricted Subsidiary through the issuance of obligations, the income from which shall be excludable from gross income by virtue of



Section 103 of the Code (or any subsequently adopted provisions thereof providing for a specific exclusion from gross income);

(vi) any extension, renewal, substitution, or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any Lien referred to in clauses (i) through (v) above; provided that (1) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets subject to the Lien extended, renewed, substituted or replaced (plus improvements on such property) and (2) the Debt secured by such Lien at such time is not increased; and

(vii) other Liens so long as the principal amount of the Debt of the Borrower and its Restricted Subsidiaries secured thereby does not exceed $75,000,000 in the aggregate at any time and so long as the principal amount of the Debt of the Borrower's Restricted Subsidiaries secured thereby does not exceed $25,000,000 in the aggregate at any time.

7.01 Consolidations, Mergers and Sales of Assets.

(a) Prior to the Guaranty Release Date, FMC will not (i) consolidate with or merge with or into any other Person or (ii) sell, assign, lease, transfer or otherwise dispose of all or substantially all of its assets to any other Person; provided that FMC may consolidate or merge with or into another Person if (A) immediately after giving effect to such consolidation or merger, no Default or Event of Default shall have occurred and be continuing, (B) the surviving entity is a domestic corporation and (C) the Person surviving such consolidation or merger, if not FMC, executes and delivers to the Administrative Agent and each of the Lenders an instrument satisfactory to the Required Lenders pursuant to which such Person assumes all of FMC's obligations under this Agreement as theretofore amended or modified, including the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan made to FMC pursuant to this Agreement, the full and punctual payment of all other amounts payable hereunder and the performance of all of the other covenants and agreements contained herein.

(b) From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, merge or consolidate with or into, or sell, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) a material portion of its assets to, any Person, except that, so long as no Default or Event of Default then exists or would result therefrom:

(i) any Restricted Subsidiary may merge or consolidate with (A) the Borrower, provided that the Borrower shall be the continuing or surviving Person, (B) any other Restricted Subsidiary or (C) any other Person if the Borrower in good faith determines that such merger or consolidation is in the best interest of the Borrower and would not have a Material Adverse

Effect and, at least five days prior to such merger or consolidation (if the transaction value of such merger or consolidation is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto;

(ii) any Restricted Subsidiary may sell, convey, transfer, lease or otherwise dispose of a material portion of its assets to (A) the Borrower, (B) any other Restricted Subsidiary or (C)



any other Person if the Borrower in good faith determines that such sale is in the best interest of the Borrower and would not have a Material Adverse Effect and, at least five days prior to such sale, conveyance, transfer, lease or other disposition (if the transaction value of such sale, conveyance, transfer, lease of other disposition is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto;

(iii) the Borrower may merge or consolidate with any other Person, provided that (A) the Borrower is the continuing or surviving Person, (B) the Borrower's Debt Ratings are not less than BBB- by S&P or Baa3 by Moody's after giving effect thereto, and (C) at least five days prior to such merger or consolidation (if the transaction value of such merger or consolidation is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto; and

(iv) the Borrower may sell, convey, transfer, lease or otherwise dispose of a material portion of its assets to any Person, provided that (A) the Borrower's Debt Ratings are not less than BBB- by S&P or Baa3 by Moody's after giving effect thereto and (B) at least five days prior to such sale, conveyance, transfer, lease or other disposition (if the transaction value of such sale, conveyance, transfer, lease or other disposition is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto.

7.03 Use of Proceeds. The proceeds of the Borrowings under this Agreement will be used by the Borrower for general corporate purposes. None of such proceeds will be used, directly or indirectly, in a manner that violates Regulation U or X of the Board. The Borrower will not permit more than 25% of the consolidated assets of the Borrower and its Subsidiaries to consist of "margin stock," as such term is defined in Regulation U of the Board. Borrowings by FMC under this Agreement shall be made only in contemplation of the assumption of such Borrowings by Technologies.

7.04 Compliance with Laws. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects with all requirements of Law (including ERISA, Environmental Laws and the rules and regulations thereunder), except where failure to so comply would not have a Material Adverse Effect.

7.05 Restricted Subsidiary Debt. From and after the Guaranty Release Date, the Borrower will not permit any Restricted Subsidiary to create, incur, assume or permit to exist any Debt, except:

(a) Debt existing on the date hereof and described on Schedule 7.05;

(b) Debt owed to the Borrower or any other Restricted Subsidiary; and



(c) other Debt in an aggregate principal amount for all Restricted Subsidiaries not exceeding $50,000,000 at any time.

7.06 Restricted Payments. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, declare or make any Restricted Payment, except that:

(a) any Restricted Subsidiary may declare and make Restricted Payments to the Borrower or to any other Restricted Subsidiary (and, in the case of a Restricted Payment by a non-wholly-owned Restricted Subsidiary, to the Borrower or any other Restricted Subsidiary and to each other owner of capital stock of such Restricted Subsidiary on a pro-rata basis based on their relative ownership interests);

(b) the Borrower or any Restricted Subsidiary may declare and make Restricted Payments, payable solely in the Common Stock of such Person; and

(c) the Borrower may declare and make Restricted Payments to its stockholders during any fiscal quarter in an amount not exceeding 50% of its Consolidated Net Income in respect of the immediately preceding fiscal quarter, provided that no Default or Event of Default exists at the time of the declaration thereof or would result therefrom.

7.07 Investments in Unrestricted Subsidiaries. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, make Investments in Unrestricted Subsidiaries in an aggregate amount outstanding at any time in excess of $100,000,000 for all such Unrestricted Subsidiaries.

7.08 Limitations on Upstreaming. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly agree to any restriction or limitation on the making of Restricted Payments by a Restricted Subsidiary, the repaying of loans or advances owing by a Restricted Subsidiary to the Borrower or any other Restricted Subsidiary or the transferring of assets from any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, except (a) restrictions and limitations imposed by Laws or by the Loan Documents, (b) customary restrictions and limitations contained in agreements relating to the disposition of a Restricted Subsidiary or its assets that is permitted hereunder and (c) any other restrictions that could not reasonably be expected to impair the Borrower's ability to repay the Obligations as and when due.

7.09 Transactions with Affiliates. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower (other than the Borrower or a Restricted Subsidiary), other than upon fair and reasonable terms as could reasonably be obtained in an arms-length transaction with a Person that is not an Affiliate in accordance with prevailing industry customs and practices.

7.10 Financial Covenants.

(a) Consolidated Adjusted Net Worth. Prior to the Guaranty Release Date, FMC will not permit the consolidated stockholders' equity of FMC and its Consolidated Subsidiaries to be less than $1,017,275,000.

(b) Cash Flow Coverage. Prior to the Guaranty Release Date, FMC will not permit the ratio of Consolidated Cash Flow for any period of four consecutive fiscal quarters to Adjusted Total Debt as of the last day of any such period to be less than 0.20 to 1.00.

(c) Consolidated Tangible Net Worth. From and after the Guaranty Release Date, the Borrower will not permit Consolidated Tangible Net Worth as of the end of any fiscal quarter of the Borrower ending after the Guaranty Release Date to be less than the sum of (i) 90% of Consolidated Tangible Net Worth on the Guaranty Release Date after giving effect to the satisfaction of the Guaranty Release Conditions, plus (ii) an amount equal to 50% of the Consolidated Net Income earned in each fiscal quarter ending after the Guaranty Release Date (with no deduction for a net loss in any such fiscal quarter) plus (iii) an amount equal to 75% of the aggregate increases in stockholders' equity of the Borrower and its Consolidated Restricted Subsidiaries after the Guaranty Release Date by reason of any Equity Issuance.

(d) Total Debt to EBITDA Ratio. From and after the Guaranty Release Date, the Borrower will not permit the ratio of Adjusted Total Debt as of the last day of any fiscal quarter to Consolidated EBITDA for the period of four consecutive fiscal quarters ended on such last day to be more than 3.25 to 1.00.

(e) Interest Coverage Ratio. From and after the Guaranty Release Date, the Borrower will not permit the ratio of Consolidated EBITDA for any period of four consecutive fiscal quarters to Consolidated Interest Expense for such period to be less than 4.25 to 1.00.

## ARTICLE VIII.
## EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) any principal of any Loan shall not be paid when due, or any interest, fees or other amount payable hereunder shall not be paid within five Business Days of the due date thereof;

(b) the Borrower shall fail to observe or perform any covenant contained in Section 6.05(b) or 6.06 or Article VII;

(c) the Borrower shall fail to observe or perform any of its covenants or agreements contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender; provided that the 30-day grace period set forth above shall be reduced by the number of days that any officer of the Borrower had knowledge of any applicable failure prior to giving notice thereof to the Administrative Agent and the Lenders pursuant to Section 6.01(e);

(d) any representation, warranty, certification or statement by the Borrower made in this Agreement or in any certificate, financial statement or other document delivered pursuant hereto or deemed to be made pursuant to Section 4.03 shall have been incorrect in any material respect when made or deemed to be made;

(e) the Borrower, any Material Subsidiary or the Guarantor shall fail to make any payment in respect of Material Financial Obligations when due after giving effect to any applicable grace period;

(f) any event or condition shall occur that (i) results in the acceleration of the maturity of Material Financial Obligations or (ii) enables the holder or holders of Material Financial Obligations or any Person acting on behalf of such holder or holders to accelerate the maturity thereof, provided that no



Event of Default under this clause (ii) shall occur unless and until any required notice has been given and/or period of time has elapsed with respect to such Material Financial Obligations so as to perfect such right to accelerate;

(g) the Borrower, any Material Subsidiary or the Guarantor shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any Debtor Relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower, any Material Subsidiary or the Guarantor seeking liquidation, reorganization or other relief with respect to it or its debts under any Debtor Relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower, any Material Subsidiary or the Guarantor under the Federal bankruptcy laws as now or hereafter in effect;

(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of (i) $50,000,000 prior to the Assumption or (ii) $25,000,000 after the Assumption which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer, any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of (iii) $50,000,000 prior to the Assumption or (iv) $25,000,000 after the Assumption;

(j) Enforceable Judgments for the payment of money in an aggregate amount exceeding (i) $50,000,000 prior to the Assumption or (ii) $25,000,000 ($50,000,000 if rendered against the Guarantor) after the Assumption shall be rendered against the Borrower, any Material Subsidiary or the Guarantor and shall continue unsatisfied and unstayed for a period of 30 days;

(k) a Change of Control shall occur; or

(l) any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of the Required Lenders or all Lenders, as may be required hereunder, or satisfaction in full of all the Obligations, ceases to be in full force and effect, or the Borrower or the Guarantor denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document;

then, and in every such event, the Administrative Agent shall (i) if requested by the Required Lenders, by notice to the Borrower, terminate the Commitments, and the Commitments shall thereupon terminate and (ii)



if requested by Required Lenders, by notice to the Borrower, declare the Obligations to be, and the Obligations shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (iii) if requested by the Required Lenders, require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Outstanding Amount thereof); provided that in the case of any of the Events of Default specified in Sections 8.01(g) and (h) with respect to the Borrower, immediately and without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall terminate and the Obligations shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall become effective.

ARTICLE IX.

ADMINISTRATIVE AGENT

9.01 Appointment and Authorization of Administrative Agent.

(a) Each Lender hereby irrevocably (subject to Section 9.09) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith until such time (and except for so long) as the Administrative Agent may agree at the request of the Required Lenders to act for the L/C Issuer with respect thereto; provided that the L/C Issuer shall have all of the benefits and immunities (i) provided to the Administrative Agent in this Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the application and agreements for letters of credit pertaining to the Letters of Credit as fully as if the term "Administrative Agent" as used in this Article IX included the L/C Issuer with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the L/C Issuer.

9.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

9.03 Liability of Administrative Agent. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any



other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for any recital, statement, representation or warranty made by FMC, Technologies or any officer thereof contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower or any Affiliate thereof.

9.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders or all the Lenders, if required hereunder, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and participants. Where this Agreement expressly permits or prohibits an action unless the Required Lenders otherwise determine, the Administrative Agent shall, and in all other instances, the Administrative Agent may, but shall not be required to, initiate any solicitation for the consent or a vote of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

9.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be directed by the Required Lenders in accordance with Article VIII; provided that unless and until the Administrative Agent has received any such direction, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.



9.06 Credit Decision; Disclosure of Information by Administrative Agent. Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of the Borrower or any of its Subsidiaries thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be

furnished to the Lenders by the Administrative Agent herein, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any of its Subsidiaries which may come into the possession of any Agent-Related Person.

9.07 Indemnification of Administrative Agent. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Person's gross negligence or willful misconduct; provided that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive termination of the Commitments, the payment of all Obligations hereunder and the resignation or replacement of the Administrative Agent.

9.08 Administrative Agent in its Individual Capacity. Bank of America and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its Affiliates as though Bank of America were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Bank of America or its Affiliates may receive information regarding the Borrower or any of its Subsidiaries (including information that may be subject to confidentiality obligations in favor of the Borrower or any of its Subsidiaries) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, Bank



of America shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include Bank of America in its individual capacity.

9.09 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor administrative agent for the Lenders which successor administrative agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor administrative agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor administrative agent from among the Lenders. Upon the acceptance of its appointment as successor administrative agent hereunder, such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor administrative agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article IX and Sections 10.03 and 10.13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 30 days

following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

9.10 Other Agents. None of the Lenders identified on the facing page or signature pages of this Agreement as a "syndication agent," "documentation agent," or "co-agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

## ARTICLE X.
## MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing signed by the Required Lenders (or the Administrative Agent with the written consent of the Required Lenders) and, in the case of an amendment, the Borrower and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall, unless in writing and signed by each of the Lenders directly affected thereby (or the Administrative Agent with the written consent of such Lenders) and, in the case of an amendment, by the Borrower do any of the following:

(a) except as expressly contemplated by Section 2.03, extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Article VIII);



(b) postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (iii) of the proviso below) any fees or other amounts payable hereunder or under any other Loan Document; provided that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(d) change the percentage of the Aggregate Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Lenders or any of them to take any action hereunder;

(e) change the Pro Rata Share or Voting Percentage of any Lender;

(f) release the Guaranty except in accordance with the terms and conditions of Section 4.04;

(g) amend this Section, Section 2.12, Section 4.02, Section 4.04, Section 10.05, or any provision herein providing for consent or other action by all the Lenders;

and, provided further that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Required Lenders or all the directly affected Lenders, as the case may be (or the Administrative Agent on their behalf), affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

10.02 Notices and Other Communications; Facsimile Copies.

(a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed or delivered to the address, facsimile number or (subject to subsection (c) below) electronic mail address specified for notices on the signature pages hereof or on the applicable Administrative Questionnaire or to such other address as shall be designated by a party hereto in a notice to the other parties hereto. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the intended recipient and (ii) (A) if delivered by hand or by courier, when signed for by the intended recipient; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided that notices and other communications to the Administrative Agent pursuant to Article II shall not be effective until actually received by such Person. Any notice or other communication permitted to be given, made or confirmed by telephone hereunder shall be given, made or confirmed by means of a telephone call to the intended recipient at the number specified on the signature pages hereof or on the applicable Administrative Questionnaire or at the number that may be otherwise specified in accordance



herewith, it being understood and agreed that a voicemail message shall in no event be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable Law, have the same force and effect as manually-signed originals and shall be binding on the Borrower, the Administrative Agent and the Lenders. The Administrative Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Limited Use of Electronic Mail. Electronic mail and internet and intranet websites may be used only to distribute routine communications, such as financial statements and other information, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

(d) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Agent-Related Person and each Lender from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein or therein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.04 Attorney Costs, Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all reasonable costs and expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof

(whether or not the transactions contemplated hereby or thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, and (b) to pay or reimburse the Administrative Agent and each Lender for all reasonable costs and expenses incurred in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding, including any proceeding under any Debtor Relief Law), including all Attorney Costs. The agreements in this Section shall survive the termination of the Aggregate Commitments and repayment of all the other Obligations.

10.05 Indemnification by the Borrower. Whether or not the transactions contemplated hereby are consummated, the Borrower agrees to indemnify, save and hold harmless each Agent-Related Person,



each Lender and their respective Affiliates, directors, officers, employees, counsel, agents and attorneys-in-fact (collectively the "Indemnitees") from and against: (a) any and all claims, demands, actions or causes of action that are asserted against any Indemnitee by any Person (other than the Administrative Agent or any Lender) relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Borrower, any Affiliate of the Borrower or any of their respective officers or directors, including any Indemnified Liability arising out of or based upon any untrue statement or alleged untrue statement of a material fact, or omission or alleged omission to state a material fact required to be stated, in the Registration Statement; (b) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations and the resignation or removal of the Administrative Agent or the replacement of any Lender) be asserted or imposed against any Indemnitee arising out of or relating to the Loan Documents, any Commitment, the use or contemplated use of the proceeds of any Credit Extension, or the relationship of the Borrower, the Administrative Agent and the Lenders under this Agreement or any other Loan Document; (c) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (a) or (b) above; and (d) any and all liabilities (including liabilities under indemnities), losses or reasonable costs or expenses (including Attorney Costs) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, whether or not arising out of the negligence of an Indemnitee, and whether or not an Indemnitee is a party to such claim, demand, action, cause of action or proceeding (all the foregoing, collectively, the "Indemnified Liabilities"); provided that no Indemnitee shall be entitled to indemnification for any Indemnified Liability caused by its own gross negligence or willful misconduct or for any loss asserted against it by another Indemnitee. The agreements in this Section shall survive the termination of the Aggregate Commitments and repayment of all the other Obligations.

10.06 Payments Set Aside. To the extent that the Borrower makes a payment to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

10.07 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that, except as provided in this Section 10.07(a) or in Section 7.02, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement. On the Assumption Date, and subject to the satisfaction of the conditions precedent



set forth in Section 4.02, FMC agrees to assign (and shall be deemed to have assigned without the necessity of any separate assignment agreement) and Technologies agrees to assume (and shall be deemed to have assumed without the necessity of any separate assumption agreement), all of FMC's rights and obligations as the Borrower under the Loan Documents. Upon such assignment by FMC and assumption by Technologies, FMC shall be released from all of its obligations and liabilities under the Loan Documents (except under the Guaranty) without the necessity of any separate release agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent, shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, and (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500. Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.07(c), from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.07, 10.04 and 10.05). Upon request, the Borrower (at its expense) shall execute and deliver new or replacement Notes to the assigning Lender and the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Subject to the fourth sentence of Section 2.10(a), the entries in the Register shall be rebuttably presumptively true and correct, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it);



provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification that would (i) postpone any date upon which any payment of money is scheduled to be paid to such Participant or (ii) reduce the principal, interest, fees or other amounts payable to such Participant. Subject to Section 10.07(e), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender, provided such Participant agrees to be subject to Section 2.12 as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 3.01 or Section 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Lender organized under the laws of a jurisdiction outside of the United States if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01 as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender to a Federal Reserve Bank; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in clause (i) of the proviso to the first sentence of Section 10.07(b)), the Borrower shall be deemed to have given its consent five Business Days after the date notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(h) As used herein, the following terms have the following meanings:

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) an Approved Fund; and (iv) any other Person (other than a natural Person) approved by the Administrative Agent and the L/C Issuer and, unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed).

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.



"Approved Fund" means any Fund that is administered or managed by

(i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

(i) Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer. Bank of America shall retain all the rights and obligations of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund participations in Unreimbursed Amounts pursuant to Section 2.03(c)).

10.08 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower; (g) with the consent of the Borrower; (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower; or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified in writing at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.09 Set-off. In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and during the continuance of any Event of Default, each Lender is authorized at any time and from time to time, without prior notice to the Borrower, any such notice being waived by the Borrower to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender to or for the credit or the account of the Borrower against any and all Obligations



then due and payable to such Lender, now or hereafter existing, irrespective of whether or not the Administrative Agent or such Lender shall have made demand under this Agreement or any other Loan Document. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

10.10 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

10.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.12 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided that the inclusion of supplemental rights or remedies in favor of the Administrative Agent or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

10.13 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation (other than Contingent Surviving Obligations) shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.14 Severability. Any provision of this Agreement and the other Loan Documents to which the Borrower is a party that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.



10.15 Removal and Replacement of Lenders.

(a) Under any circumstances set forth herein providing that the Borrower shall have the right to remove or replace a Lender as a party to this Agreement, the Borrower may, upon notice to such Lender and the Administrative Agent, (i) remove such Lender by terminating such Lender's Commitment or (ii) replace such Lender by causing such Lender to assign its Commitment pursuant to Section 10.07(b) to one or more other Lenders or Eligible Assignees procured by the Borrower; provided that if the Borrower elects to exercise such right with respect to any Lender pursuant to Section 3.06(b), it shall be obligated to remove or replace, as the case may be, all Lenders that have made similar requests for compensation pursuant to Section 3.01 or 3.04 or make similar notifications pursuant to Section 3.02. The Borrower shall, in the case of a

termination of such Lender's Commitment pursuant to clause (i) preceding, (x) pay in full all principal, interest, fees and other amounts owing to such Lender through the date of termination or assignment (including any amounts payable pursuant to Section 3.05), (y) provide appropriate assurances and indemnities (which may include letters of credit) to the L/C Issuer as it may reasonably require with respect to any continuing obligation of such Lender to purchase participation interests in any L/C Obligations then outstanding, and (z) release such Lender from its obligations under the Loan Documents. Any Lender being replaced shall execute and deliver an Assignment and Acceptance with respect to such Lender's Commitment and outstanding Credit Extensions. The Borrower shall, in the case of an assignment pursuant to clause (ii) preceding, cause to be paid the assignment fee payable to the Administrative Agent pursuant to Section 10.07(b). The Administrative Agent shall distribute an amended Schedule 2.01, which shall be deemed incorporated into this Agreement, to reflect changes in the identities of the Lenders and adjustments of their respective Commitments and/or Pro Rata Shares resulting from any such removal or replacement.

(b) This Section 10.15 shall supersede any provision in Section 10.01 to the contrary.

10.16 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE ADMINISTRATIVE AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN MANHATTAN OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.



10.17 Waiver of Right to Trial by Jury. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

10.18 Time of the Essence. Time is of the essence of the Loan Documents.

REMAINDER OF PAGE INTENTIONALLY BLANK.
SIGNATURE PAGES TO FOLLOW.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

FMC CORPORATION

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Address: 200 East Randolph Drive

Chicago, Illinois 60601

Attention: Treasurer

Facsimile No.: 312.861.5797

FMC TECHNOLOGIES, INC.

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Address: 200 East Randolph Drive

Chicago, Illinois 60601

Attention: Treasurer

Facsimile No.: 312.861.5797



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BANK OF AMERICA, N.A., as Administrative Agent

By:_____

Name:_____

Title:_____

Administrative Agent's Office:

Address:_____

_____

_____

Facsimile No.:_____

Attention:_____

ABA No.:_____

Account No.:_____

Reference: FMC Technologies

BANK OF AMERICA, N.A., as a Lender and L/C Issuer

By:_____

Name:_____

Title:_____

Address:_____

_____

_____

Facsimile No.:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITIBANK, N.A., as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

COOPERATIVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DEN NORSKE BANK ASA, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE ROYAL BANK OF SCOTLAND PLC, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WESTDEUTSCHE LANDESBANK GIROZENTRALE, NEW YORK BRANCH, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WELLS FARGO BANK TEXAS, NATIONAL ASSOCIATION, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly

executed as of the date first above written.

THE BANK OF NOVA SCOTIA, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE BANK OF NEW YORK, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CREDIT SUISSE FIRST BOSTON, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DANSKE BANK, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WACHOVIA BANK, N.A., as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE NORTHERN TRUST COMPANY, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE FUJI BANK, LIMITED, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE DAI-ICHI KANGYO BANK, LTD., as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE INDUSTRIAL BANK OF JAPAN, LTD., as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

_____, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

_____, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Signature Page to Five-Year Credit Agreement

EXHIBIT 4.4

$150,000,000
364-DAY
CREDIT AGREEMENT

Among

FMC CORPORATION,

FMC TECHNOLOGIES, INC.,

BANK OF AMERICA, N.A.,
as Administrative Agent,

and
The Lenders Named Herein,
as Lenders

BANC OF AMERICA SECURITIES LLC
and
SALOMON SMITH BARNEY INC.,
as Co-Lead Arrangers and Co-Book Managers

CITIBANK, N.A.,
as Syndication Agent

COOPERATIVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK NEDERLAND",
as Documentation Agent

Dated as of April 26, 2001

TABLE OF CONTENTS

# 364-DAY CREDIT AGREEMENT

THIS 364-DAY CREDIT AGREEMENT is entered into as of April 26, 2001, among FMC CORPORATION, a Delaware corporation ("FMC"), FMC TECHNOLOGIES, INC., a

Delaware corporation ("Technologies"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent (defined below) and L/C Issuer (defined below).

FMC has requested that the Lenders provide a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

## ARTICLE I.
## DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

Adjusted Total Debt means, at any date, the Debt of the Borrower and its Consolidated Restricted Subsidiaries, determined on a consolidated basis as of such date.

Administrative Agent means Bank of America in its capacity as administrative agent under the Loan Documents, or any successor administrative agent.

Administrative Agent's Office means the Administrative Agent's address and, as appropriate, account as set forth below its signature hereto, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

Administrative Questionnaire means, with respect to each Lender, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Lender.

Affiliate means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Agent-Related Persons means the Administrative Agent (including any successor administrative agent), together with its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

Aggregate Commitments has the meaning specified in the definition of "Commitment."

Agreement means this 364-Day Credit Agreement (as the same may hereafter be amended, modified, supplemented or restated from time to time).



Applicable Rate means the following percentages per annum, based upon the Debt Rating:

| Applicable Rate | | | | |
|---|---|---|---|---|
| Pricing Level | Debt Ratings S&P/Moody's | Facility Fee | Eurodollar Rate | Utilization Fee |
| 1 | *BBB+/Baa1 | .100% | .525% | .125% |
| 2 | BBB/Baa2 | .125% | .750% | .125% |
| 3 | BBB-/Baa3 | .150% | .850% | .125% |
| 4 | +BB+/Ba1 | .250% | 1.000% | .125% |

* means more than or equal too.
+ means less than

Debt Rating means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt; provided that if a Debt Rating is issued by each of the foregoing rating agencies, then the higher of such Debt Ratings shall apply (with Pricing Level 1 being the highest and Pricing Level 4 being the lowest), unless there is a split in Debt Ratings of more than one level, in which case the average Debt Rating (or the higher of two intermediate Debt Ratings) shall apply. If neither of the foregoing rating agencies issues a Debt Rating, Pricing Level 4 shall apply.

On the Closing Date, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 4.01(a)(v) and shall become effective on the Closing Date. Until the Guaranty Release Date, the Applicable Rate shall be determined based upon the Debt Rating of FMC. On the Guaranty Release Date, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 4.04(f) and shall become effective on the Guaranty Release Date. Each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

Assignment and Acceptance means an assignment and acceptance substantially in the form of Exhibit F.

Assumption means the assumption by Technologies of all of the obligations of FMC under the Loan Documents pursuant to Section 10.07(a).

Assumption Date has the meaning specified in Section 4.02.

Attorney Costs means and includes all reasonable fees and disbursements of any law firm or other external counsel and, without duplication, the allocated cost of internal legal services and all disbursements of internal counsel.

Bank of America means Bank of America, N.A.

Base Rate means, for any day, a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." Such rate is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above,



or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

Base Rate Loan means a Loan that bears interest at the Base Rate.

Board means the Board of Governors of the Federal Reserve System of the United States of America.

Borrower means (a) for the period from the date hereof to the Assumption, FMC, and (b) for the period from and after the Assumption, Technologies, and each of their respective successors and permitted assigns.

Bridge Credit Agreement means that certain 180-Day Credit Agreement dated as of February 21, 2001, among FMC, Technologies, the lenders from time to time party thereto and Citibank, N.A., as administrative agent.

Borrowing means a borrowing consisting of simultaneous Loans of the same Type and having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

Business Day means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact

closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

Change of Control means an event or series of events by which:

(a) any Person or two or more Persons acting in concert (other than a Plan or Plans) shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more of the outstanding shares of voting stock of the Borrower;

(b) during any period of 12 consecutive months (or, in the case of Technologies, such lesser period of time as shall have elapsed since the date of the Technologies IPO), commencing before or after the date of this Agreement (in the case of FMC) or commencing on the date of the Technologies IPO (in the case of Technologies), individuals who at the beginning of such 12 month (or lesser) period were directors of the Borrower (together with any new directors whose election by the Borrower's board of directors or whose nomination for election by the Borrower's stockholders was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination was previously so approved) cease for any reason to constitute a majority of the board of directors of the Borrower; or

(c) at any time prior to the Technologies IPO, Technologies shall cease to be a wholly-owned Restricted Subsidiary of FMC.

Closing Date means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with this Agreement.

Code means the Internal Revenue Code of 1986.



Commitment means, as to each Lender, its obligation to make Loans to the Borrower pursuant to Section 2.01 in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01, as such amount may be reduced or adjusted from time to time in accordance with this Agreement (collectively, the "Aggregate Commitments").

Common Stock means all capital stock of an issuer except capital stock as to which both the entitlement to dividends and the participation in assets upon liquidation are by the terms of such capital stock limited to a fixed or determinable amount.

Compensation Period has the meaning specified in Section 2.11(d)(ii).

Compliance Certificate means a certificate substantially in the form of Exhibit E.

Consolidated Cash Flow means, for any period, Consolidated Net Income for such period, plus (a) the aggregate pre-tax amounts deducted in determining such Consolidated Net Income in respect of depreciation and amortization and other similar non-cash charges (other than Non-Recurring Items), plus (b) the amount of any increase (or minus the amount of any decrease) in the consolidated deferred tax or general tax reserves of FMC and its Consolidated Restricted Subsidiaries during such period, plus (c) Non-Recurring Items deducted in determining Consolidated Net Income for such period, minus (d) cash outlays (net of cash inflows) in such period with respect to Non-Recurring Items incurred after September 30, 2000 (such cash outlays to be included in this calculation only to the extent they cumulatively exceed $100,000,000 after September 30, 2000.)

Consolidated EBITDA means, for any period, Consolidated Net Income for such period, plus, without duplication and to the extent included in determining Consolidated Net Income for such period, the sum of (a) total income tax expense of the Borrower and its Restricted Subsidiaries, (b) Consolidated Interest Expense, (c) depreciation, depletion and amortization expense of the Borrower and its Restricted Subsidiaries, (d) amortization of intangibles (including goodwill) and organization costs of the Borrower and its Restricted Subsidiaries and (e) any other non-cash charges, minus, to the extent included in determining

Consolidated Net Income for such period, any non-cash credits of the Borrower and its Restricted Subsidiaries. For purposes of Sections 4.04(f)(ii), 7.10(d) and 7.10(e), Consolidated EBITDA shall be deemed to be $49,900,000 for the fiscal quarter ended June 30, 2000, $39,800,000 for the fiscal quarter ended September 30, 2000, $48,000,000 for the fiscal quarter ended December 31, 2000 and $24,000,000 for the fiscal quarter ended March 31, 2001.

Consolidated Interest Expense means, for any period with respect to the Borrower and its Consolidated Restricted Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, fees, charges and related expenses for such period in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest, minus (c) interest income for such period. For purposes of Sections 4.04(f)(ii) and 7.10(e), Consolidated Interest Expense shall be deemed to be $4,500,000 for each of the fiscal quarters ended June 30, 2000, September 30, 2000, December 31, 2000 and March 31, 2001 and $50,000 for each day from April1, 2001 to the Guaranty Release Date.

Consolidated Net Income means, for any period, the net income (or loss) of FMC or Technologies, as the case may be, and its Consolidated Restricted Subsidiaries for such period, excluding, without duplication, (i) extraordinary items, (ii) the effect of cumulative changes in generally accepted accounting principles and (iii) any income (or loss) of any Unrestricted Subsidiary during such



period except to the extent of dividends received during such period by FMC or Technologies, as the case may be, or by a Consolidated Restricted Subsidiary.

Consolidated Restricted Subsidiary means, at any date, any Restricted Subsidiary the accounts of which would be consolidated with those of FMC or Technologies, as the case may be, in its consolidated financial statements as of such date.

Consolidated Subsidiary means, at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of FMC or Technologies, as the case may be, in its consolidated financial statements as of such date.

Consolidated Tangible Net Worth means, at any time, the consolidated stockholders' equity of the Borrower and its Consolidated Restricted Subsidiaries at such time, minus the consolidated Intangible Assets of the Borrower and its Consolidated Restricted Subsidiaries at such time, excluding, without duplication, the effects of (i) extraordinary items, (ii) cumulative changes in generally accepted accounting principles and (iii) amounts included in other comprehensive income under generally accepted accounting principles. For purposes of this definition, "Intangible Assets" means the amount (to the extent reflected in determining consolidated stockholders' equity) of all unamortized debt discount and expense (to the extent, if any, recorded as an unamortized deferred charge), unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and organization expenses.

Debt of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (other than the non-negotiable notes of the Borrower issued to its insurance carriers in lieu of maintenance of policy reserves in connection with its workers' compensation and auto liability insurance program), (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable, expense accruals and deferred employee compensation items arising in the ordinary course of business, (d) (i) if such date is prior to the Guaranty Release Date, all non-contingent obligations (and, for purposes of Section 7.01 and the definition of Material Financial Obligations, all contingent obligations) of such Person to reimburse any Lender or other Person in respect of amounts paid under a letter of credit or similar instrument, and (ii) if such date is on or after the Guaranty Release Date, all obligations (contingent or non-contingent) of such Person to reimburse any Lender or any other Person in respect of amounts payable or paid under a financial standby letter of credit or similar instrument, (e) all obligations of such Person as lessee under capital leases, (f) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (g) all Guaranty Obligations of such Person in respect of the Debt of any other Person

Debt Rating has the meaning specified in the definition of "Applicable Rate."

Debtor Relief Laws means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, fraudulent transfer or conveyance, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default means any event that, with the giving of any notice, the passage of time, or both, would be an Event of Default.



Default Rate means an interest rate equal to (a) the Base Rate plus (b) 2% per annum; provided that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including the Applicable Rate) otherwise applicable to such Eurodollar Rate Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

Derivatives Obligations of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

Dollar and $ mean lawful money of the United States of America.

Eligible Assignee has the meaning specified in Section 10.07(h).

Enforceable Judgment means a judgment or order of a court or arbitral or regulatory authority as to which the period, if any, during which the enforcement of such judgment or order is stayed shall have expired. A judgment or order which is under appeal or as to which the time in which to perfect an appeal has not expired shall not be deemed an Enforceable Judgment so long as enforcement thereof is effectively stayed pending the outcome of such appeal or the expiration of such period, as the case may be.

Environmental Laws means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment, including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

Equity Issuance means the issue or sale of any stock of Technologies to any Person other than Technologies or any Subsidiary of Technologies.

ERISA means the Employee Retirement Income Security Act of 1974.

ERISA Group means the Borrower, any Restricted Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Restricted Subsidiary, are treated as a single employer under Section 414 of the Code.

Eurodollar Rate means, for any Interest Period with respect to any Eurodollar Rate Loan:

(a) the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Telerate screen that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest

Period, determined as of



approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) in the event the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum determined by the Administrative Agent as the rate of interest (rounded upward to the next 1/10,000th of 1%) at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

Eurodollar Rate Loan means a Loan that bears interest at a rate based on the Eurodollar Rate.

Eurodollar Reserve Percentage means, with respect to any Lender for any day during any Interest Period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day under regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) applicable to such Lender with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities").

Event of Default means any of the events or circumstances specified in Article VIII.

Facility Fee has the meaning specified in Section 2.08(a).

Federal Funds Rate means, for any day, the rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

Fee Letter means that certain letter agreement dated March 28, 2001, among FMC, Bank of America and Banc of America Securities LLC.

Five-Year Credit Agreement means the $250,000,000 Five-Year Credit Agreement dated as of the date hereof, among FMC, FTI, the lenders party thereto and Bank of America, as administrative agent.



FMC has the meaning specified in the introductory paragraph hereof.

Governmental Authority means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Guarantor means FMC from the date of its execution of the Guaranty until the Guaranty Release Conditions are satisfied on the Guaranty Release Date.

Guaranty means a guaranty executed by the Guarantor in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit G.

Guaranty Obligation means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligees in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligees against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person; provided that the term "Guaranty Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith.

Guaranty Release Conditions has the meaning specified in Section 4.04.

Guaranty Release Date has the meaning specified in Section 4.04.

Indemnified Liabilities has the meaning specified in Section 10.05.

Indemnitees has the meaning specified in Section 10.05.

Interest Payment Date means, (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan; provided that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period shall also be an Interest Payment Date; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

Interest Period means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date 7 or 14 days or one, two, three or six months thereafter, as selected by the Borrower in its Loan Notice; provided that:



(a) any Interest Period (other than a 7 or 14 day Interest Period) that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) an Interest Period longer than one month shall not be available prior to the Assumption Date; and

(d) no Interest Period shall extend beyond the scheduled Maturity Date.

Investee has the meaning specified in the definition of Investment.

Investment means any investment by any Person (the "Investor") in any other Person (the "Investee"), whether by means of share purchase, capital contribution, loan, time deposit, incurrence of Guaranty Obligation or otherwise. It is understood that neither (a) an item reflected in the financial statements of the Investor as an expense nor (b) an adjustment to the carrying value of the Investee in the financial statements of the Investor (such as by reason of increased retained earnings of the Investee) constitutes the making or acquisition of an Investment for purposes hereof.

Investor has the meaning specified in the definition of Investment.

IRS means the United States Internal Revenue Service.

Laws means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

Lender has the meaning specified in the introductory paragraph hereof.

Lending Office means, as to any Lender, the office or offices of such Lender described as such on the Administrative Questionnaire, or such other office or offices as such Lender may from time to time notify the Borrower and the Administrative Agent.

Lien means with respect to any asset, any mortgage, lien, pledge, security interest or encumbrance of any kind in respect of such asset. For the purpose of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

Loan has the meaning specified in Section 2.01.



Loan Documents means this Agreement, each Note, the Guaranty (prior to the Guaranty Release Date), the Fee Letter and each Loan Notice.

Loan Notice means a notice of (a) a Borrowing, (b) a conversion of Loans from one type to the other, or (c) a continuation of Loans as the same type, pursuant to Section 2.02(a), which if in writing, shall be substantially in the form of Exhibit A.

Material Adverse Effect means an effect (other than the Technologies IPO) that results in or causes a material adverse effect (a) on the business, financial condition or operations of the Borrower and its Consolidated Subsidiaries, taken as a whole, or (b) on the legality, validity or enforceability of this Agreement, any Note, the Guaranty (prior to the Guaranty Release Date) or the Fee Letter.

Material Financial Obligations means a principal or face amount of Debt (other than Debt under this Agreement) and/or payment in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries or the Guarantor, arising in one or more related or unrelated transactions, exceeding in the aggregate (a) $50,000,000 prior to the Assumption Date and (b) $25,000,000 from and after the Assumption Date.

Material Plan means any Plan or Plans having aggregate Unfunded Liabilities in excess of (a) $50,000,000 prior to the Assumption Date and (b) $25,000,000 from and after the Assumption Date.

Material Subsidiary means any Restricted Subsidiary in which the Borrower has an Investment, direct or indirect, of at least (a) $15,000,000 prior to the Assumption Date and (b) $5,000,000 from and after the Assumption Date.

Maturity Date means (a) subject to extension pursuant to Section 2.03, the 364/th/ day after the date of this Agreement or (b) such earlier date upon which the Commitments may be terminated in accordance with the terms hereof.

Maximum Rate has the meaning specified in Section 10.10.

Moody's means Moody's Investors Service, Inc.

Multiemployer Plan means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

Net Cash Proceeds means proceeds received by Technologies in cash or cash equivalents from any Equity Issuance, net of brokers' and advisors' fees and other costs incurred in connection with such transaction; provided that evidence of such costs as described in the Registration Statement shall be in form and substance satisfactory to the Administrative Agent.

Non-Recurring Items means, to the extent reflected in the determination of Consolidated Net Income for any period, provisions for restructuring, discontinued operations, special reserves or other similar charges including write-downs or write-offs of assets (other than write-downs resulting from foreign currency translations).



Note means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B.

Obligations means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest that accrues after the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws naming the Borrower as the debtor in such proceeding.

Other Taxes has the meaning specified in Section 3.01(b).

Outstanding Amount means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

Participant has the meaning specified in Section 10.07(d).

PBGC means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

Person means any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture or Governmental Authority.

Plan means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

Principal Officer means, with respect to each of FMC and Technologies, any of the following officers of such Person: Chairman of the Board, President, Secretary, Treasurer, or any Vice President. If any of the titles of the preceding officers are changed after the date hereof, the term "Principal Officer" shall thereafter mean any officer performing substantially the same functions as are currently performed by one or more of the officers listed in the first sentence of this definition.

Pro Rata Share means, with respect to each Lender, the percentage (carried out to the tenth decimal place) of the Aggregate Commitments set forth opposite the name of such Lender on Schedule 2.01, as such share may be adjusted as contemplated herein.

Qualification means, with respect to any certificate covering financial statements, a qualification to such certificate (such as a "subject to" or "except for" statement therein) (a) resulting from a limitation on the scope of examination of such financial statements or the underlying data, (b) as to the capability of the Person whose financial statements are certified to continue operations as a going concern or (c) which could be eliminated by changes in financial statements or notes thereto covered by such certificate (such as by the creation of or increase in a reserve or a decrease in the carrying value of assets) and which if so eliminated by the making of any such change and after giving effect thereto would occasion a Default; provided that neither of the following shall constitute a Qualification: (i) a consistency exception relating to a change in accounting principles with which the independent public accountants for the Person whose



financial statements are being certified have concurred or (ii) a qualification relating to the outcome or disposition of threatened litigation, pending litigation being contested in good faith, pending or threatened claims or other contingencies, the impact of which litigation, claims or contingencies cannot be determined with sufficient certainty to permit quantification in such financial statements.

Register has the meaning specified in Section 10.07(c).

Registration Statement means Technologies' Form S-1 filed with the Securities and Exchange Commission, as amended and in effect from time to time.

Required Lenders means, as of any date of determination, Lenders whose Voting Percentages aggregate 66-2/3% or more.

Restricted Payment means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or of any option, warrant or other right to acquire any such capital stock.

Restricted Subsidiary means any Subsidiary other than an Unrestricted Subsidiary.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Subsidiary means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Borrower.

Surviving Contingent Obligations means contingent obligations arising under provisions of this Agreement that by their terms survive the termination hereof.

Taxes has the meaning specified in Section 3.01.

Technologies has the meaning specified in the introductory paragraph hereof.

Technologies IPO means the consummation of an initial public offering of the Common Stock of Technologies.

364-Day Credit Agreement means the $150,000,000 364-Day Credit Agreement dated as of the date hereof, among FMC, Technologies, the lenders party thereto and Bank of America, as administrative agent.

Type means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

Unfunded Liabilities means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the

PBGC or any other Person under Title IV of ERISA.



Unrestricted Subsidiary means (a) prior to the Guaranty Release Date (i) FMC Funding Corporation and Astaris L.L.C. and (ii) any other Subsidiary of FMC which is declared to be an Unrestricted Subsidiary by FMC by notice to the Lenders; provided that the sum of all (A) Investments of FMC and its Restricted Subsidiaries in any Subsidiary included in clause (a)(i) above and (B) Investments of FMC and its Restricted Subsidiaries in Unrestricted Subsidiaries so declared under clause (a)(ii) above shall not aggregate more than $200,000,000, and (b) from and after the Guaranty Release Date, any Subsidiary of Technologies that is declared to be an Unrestricted Subsidiary by Technologies.

Utilization Fee has the meaning specified in Section 2.08(b).

Voting Percentage means, as to any Lender, (a) at any time when the Commitments are in effect, such Lender's Pro Rata Share and (b) at any time after the termination of the Commitments, the percentage (carried out to the tenth decimal place) which (i) the Outstanding Amount of such Lender's Loans then constitutes of (ii) the Outstanding Amount of all Loans.

1.02 Other Interpretive Provisions.
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(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(ii) Unless otherwise specified herein, Article, Section, Exhibit and Schedule references are to this Agreement.

(iii) The term "including" is by way of example and not limitation.

(iv) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(d) Section headings herein and the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(e) Provisions or portions of provisions of the Loan Documents that are expressly stated to be applicable prior to the Assumption Date, the Technologies IPO or the Guaranty Release Date, as the case may be, shall have no applicability from and after the Assumption Date, the Technologies IPO or the Guaranty Release Date, as the case may be.

1.03 Accounting Terms. Unless otherwise specified herein, all accounting
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terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with United States generally accepted accounting principles as in effect from time to time applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited



consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VII to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the

Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VII for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, unless or until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders. The Administrative Agent shall promptly notify the Lenders of any notice received from the Borrower pursuant to this Section 1.03.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

## ARTICLE II.
## THE COMMITMENTS AND BORROWINGS

2.01 Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Loan") to the Borrower from time to time on any Business Day during the period from the Closing Date to the Maturity Date, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided that after giving effect to any Borrowing, (a) the aggregate Outstanding Amount of all Loans shall not exceed the Aggregate Commitments and (b) the aggregate Outstanding Amount of the Loans of any Lender shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.04 and reborrow under this Section 2.01. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Loans as the same Type shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m., New York time, (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans, and (ii) on the requested date of any Borrowing of or conversion to Base Rate Loans. Each such telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Principal Officer of the Borrower. Each Borrowing of,



conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans for a new Interest Period, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice

requesting a conversion or continuation, then the applicable Loans shall be made or continued as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of its Pro Rata Share of the applicable Borrowing, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(a). In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m., New York time, on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.03 (and, if such Borrowing is the initial Borrowing, Section 4.01 and, if such Borrowing is made on the Assumption Date, Section 4.02), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to the Administrative Agent by the Borrower.

(c) During the existence of a Default or Event of Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Eurodollar Rate Loan upon determination of such interest rate. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error. The Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be at any one time more than five Interest Periods in effect with respect to Loans.

2.03 Extension of Maturity Date.
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(a) Not earlier than 60 days or later than 30 days prior to the Maturity Date then in effect, the Borrower may, upon written notice to the Administrative Agent (which shall promptly notify the Lenders), request an extension of the Maturity Date then in effect (the "Extension Request"). Within 20 days of delivery of such notice but not earlier than 30 days prior to the Maturity Date then in effect, each



Lender shall notify the Administrative Agent by written notice whether or not it consents to such extension. Any Lender not responding within such time period shall be deemed to have not consented to such extension. The Administrative Agent shall promptly notify the Borrower of the Lenders' responses and the aggregate amount of the Commitments (the "Rejected Amount") of the Lenders (the "Rejecting Lenders") that have declined or been deemed to have declined to consent to the Extension Request. If the Maturity Date is extended as provided in Section 2.03(b), the Borrower shall cause each Rejecting Lender to be removed and/or replaced as a Lender no later than the Maturity Date then in effect pursuant to Section 10.15.

(b) The Maturity Date then in effect shall be extended only if Lenders (the "Accepting Lenders") holding more than 50% of the Aggregate Commitments (the amount of which shall be calculated prior to giving effect to any removals or replacements of the Rejecting Lenders) have consented thereto and the stated maturity date under the Five-Year Credit Agreement is not less than 364 days after the Maturity Date then in effect. If so extended, the Maturity Date then in effect shall be extended to a date 364 days from the Maturity Date then in

effect, effective as of the Maturity Date then in effect (the "Extension Effective Date"). The Administrative Agent shall promptly confirm in writing to the Lenders and the Borrower such extension and the Extension Effective Date. As a condition precedent to such extension, the Borrower shall deliver to the Administrative Agent a certificate dated as of the Extension Effective Date (in sufficient copies for each Accepting the Lender) signed by a Principal Officer of the Borrower (i) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such extension and (ii) certifying that, before and after giving effect to such extension, no Default or Event of Default exists. The Administrative Agent shall distribute an amended Schedule 2.01 (which shall be deemed incorporated into this Agreement) to reflect any changes in the Lenders and their Commitments.

(c) If the Maturity Date then in effect is extended pursuant to Section 2.03(b), the Borrower shall have the right, in consultation with and through the Administrative Agent, either prior to or within 60 days following the Extension Effective Date, to request one or more of the Accepting Lenders to increase their respective Commitments by an aggregate amount not to exceed the Rejected Amount. Each Accepting Lender shall have the right, but not the obligation, to offer to increase its Commitment by an amount up to the amount requested by the Borrower, which offer shall be made by notice from such Accepting Lender to the Administrative Agent not later than ten days after such Accepting Lender is notified of such request by the Administrative Agent, specifying the amount of the offered increase in such Accepting Lender's Commitment. If the aggregate amount of the offered increases in the Commitments of all Accepting Lenders does not equal the Rejected Amount, then the Borrower shall have the right, prior to or within 60 days following the Extension Effective Date, to add one or more Eligible Assignees as Lenders (the "Purchasing Lenders") to replace such Rejecting Lenders, which Purchasing Lenders shall have aggregate Commitments not greater than the Rejected Amount less any increases in the Commitments of the Accepting Lenders.

(d) In the event the Maturity Date then in effect is not extended pursuant to Section 2.03(b), the Borrower may, upon written notice to the Administrative Agent (which shall promptly notify the Lenders) not later than 10 days prior to the Maturity Date then in effect, elect to convert the outstanding principal amount of the Loans on the Maturity Date then in effect to a term loan, which term loan shall be payable on or before the first anniversary of the Maturity Date then in effect (but in any event not later than the stated maturity date then in effect under the Five-Year Credit Agreement. From and after such conversion, such term loan shall continue to be a Loan for purposes of this Agreement, except that such term loan shall not be a revolving credit and, if prepaid, may not be reborrowed.

(e) This Section 2.03 shall supercede any provisions in Section 10.01 to the contrary.



2.04 Prepayments.
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(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m., New York time, (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans, and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof, provided that Base Rate Loans borrowed pursuant to Section 2.03(c)(i) may be prepaid in full in an amount equal to the amount so borrowed. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of such Lender's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Pro

Rata Shares.

(b) If for any reason the Outstanding Amount of all Loans at any time exceeds the Aggregate Commitments then in effect, the Borrower shall immediately prepay Loans in an aggregate amount equal to such excess.

(c) Upon the receipt, on or before the seventh day after the Technologies IPO, by Technologies of Net Cash that are not applied to repay or prepay loans outstanding made under the Bridge Credit Agreement or under the Five-Year Credit Agreement, the Borrower shall immediately prepay the Loans in an amount equal to 100% of such Net Cash Proceeds.

(d) If the Technologies IPO does not occur on or before August 20, 2001, the Borrower shall immediately prepay the Loans and other Obligations, and the Aggregate Commitments shall immediately terminate without further action by the Administrative Agent or any Lender.

2.05 Reduction or Termination of Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or permanently reduce the Aggregate Commitments to an amount not less than the then Outstanding Amount of all Loans; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m., three Business Days prior to the date of termination or reduction, and (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof. The Administrative Agent shall promptly notify the Lenders of any such notice of reduction or termination of the Aggregate Commitments. Once reduced in accordance with this Section, the Aggregate Commitments may not be increased. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Pro Rata Share.

2.06 Repayment of Loans. Subject to Section 2.03(d), on the Maturity Date, the Borrower shall repay to the Lenders the aggregate principal amount of Loans outstanding on such date.

2.07 Interest.

(a) Subject to the provisions of Section 2.7(b), (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to



the Eurodollar Rate for such Interest Period plus the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate.

(b) Upon the request of the Administrative Agent (made with the consent or at the direction of the Required Lenders) at any time an Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations (which shall include past-due interest and fees to the fullest extent permitted by applicable Law) at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.08 Fees. (a) Facility Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a Facility Fee (herein so called) equal to the amount set forth in the definition of Applicable Rate times the actual daily amount of the Aggregate Commitments, regardless of usage. The Facility Fee shall accrue at all times from the Closing Date until the Maturity Date and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing

with the first such date to occur after the Closing Date, and on the Maturity Date. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. The Facility Fee shall accrue at all times, including at any time during which one or more of the conditions in Article IV is not met.

(b) Utilization Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a Utilization Fee (herein so called) equal to the amount set forth in the definition of Applicable Rate times the actual daily Outstanding Amount of Loans for each day that such Outstanding Amount exceeds 33% of the Aggregate Commitments. The Utilization Fee shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The Utilization Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. The Utilization Fee shall accrue at all times, including at any time during which one or more of the conditions in Article IV is not met.

(c) Other Fees. The Borrower shall pay the other fees set forth in the Fee Letter in the amounts and at the times set forth therein.

2.09 Computation of Interest and Fees. Interest on Base Rate Loans (if determined under clause (b) of the definition of Base Rate) shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. All other types of interest and all fees shall be calculated on the basis of a year of 360 days and the actual number of days elapsed, which results in a higher yield to the payee thereof than a method based on a year of 365 or 366 days. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion



thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

2.10 Evidence of Debt. The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be rebuttable presumptive evidence of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of such Lender shall control. Upon the request of any Lender made through the Administrative Agent, such Lender's Loans may be evidenced by a Note in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of the applicable Loans and payments with respect thereto.

2.11 Payments Generally.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 12:00 noon, New York time, on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer

to such Lender's Lending Office. All payments received by the Administrative Agent after 12:00 noon, New York time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day (unless such Business Day falls in another calendar month in which case such payment shall be made on the next preceding Business Day), and such extension of time shall be reflected in computing interest or fees, as the case may be.

(c) If, at any time prior to the Obligations being accelerated or otherwise becoming due and payable in full, insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, toward repayment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and then due to such parties, (ii) second, toward repayment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (iii) third, toward costs and expenses (including Attorney Costs and amounts payable under Article III) incurred by the Administrative Agent and each Lender. If. at any time after the Obligations are accelerated or otherwise become due and payable in full, funds are received by and available to the Administrative Agent to pay the Obligations, such funds shall be applied (i) first, toward costs and expenses (including Attorney Costs and amounts payable under Article III) incurred by the Administrative Agent and each Lender, (ii) second, toward repayment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (iii) third, toward repayment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.



(d) Unless the Borrower or any Lender has notified the Administrative Agent prior to the date any payment is required to be made by it to the Administrative Agent hereunder, that the Borrower or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in immediately available funds, then:

(i) if the Borrower failed to make such payment, each Lender shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender to the date such amount is repaid to the Administrative Agent in immediately available funds, at the Federal Funds Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to the Borrower to the date such amount is recovered by the Administrative Agent (the "Compensation Period") at a rate per annum equal to the Federal Funds Rate from time to time in effect. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan, included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrower, and the Borrower shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing. Nothing

herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Administrative Agent to any Lender with respect to any amount owing under this Section 2.11(d) shall be conclusive, absent manifest error.

(e) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(f) The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan.

(g) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.12 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it any payment (whether voluntary, involuntary, through



the exercise of any right of set-off, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment in respect of such Loan pro rata with each of them; provided that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

2.13 Regulation D Compensation. Each Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Eurodollar Rate Loans, additional interest on the related Eurodollar Rate Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable Eurodollar Rate divided by (B) one minus the Eurodollar Reserve Percentage over (ii) the applicable Eurodollar Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Rate Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after such Lender gives such notice and (y) shall notify the Borrower at least five Business Days before each date on which

interest is payable on the Eurodollar Rate Loans of the amount then due under this Section 2.13.

## ARTICLE III.
## TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Any and all payments by the Borrower to or for the account of the Administrative Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of the Administrative Agent and each Lender, taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which the Administrative Agent or such Lender, as the case may be, is organized or maintains a lending office (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to the Administrative Agent or any Lender, (i) the sum payable shall be increased as necessary



so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Administrative Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within 30 days after the date of such payment, the Borrower shall furnish to the Administrative Agent (which shall forward the same to such Lender) the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

(c) If the Borrower shall be required to deduct or pay any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to the Administrative Agent or any Lender, the Borrower shall also pay to the Administrative Agent (for the account of such Lender) or to such Lender, at the time interest is paid, such additional amount that such Lender specifies is necessary to preserve the after-tax yield (after factoring in all taxes, including taxes imposed on or measured by net income) such Lender would have received if such Taxes or Other Taxes had not been imposed.

(d) The Borrower agrees to indemnify the Administrative Agent and each Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by the Administrative Agent and such Lender, (ii) amounts payable under Section 3.01(c) and (iii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Payment under this Section 3.01(d) shall be made within 30 days after the date the Lender or the Administrative Agent makes a demand therefor.

(e) Each Lender organized under the Laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower or the Administrative Agent (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower and the Administrative Agent with (i) if such Lender is a "bank" within the meaning of Section 881(c)(3)(A) of the Code, IRS Form W-8BEN or W-8ECI, as appropriate, or any successor form prescribed by the IRS, certifying that such Lender is entitled to benefits under

an income tax treaty to which the United States is a party which exempts withholding tax on (or, in the case of a form delivered subsequent to the date on which a form originally was provided, reduces the rate of withholding tax on) payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States, or (ii) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and intends to claim an exemption from United States withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," a Form W-8, or any successor or other applicable form prescribed by the IRS, and a certificate representing that such Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower, and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code). Each Lender which so delivers a Form W-8, W-8BEN, or W-8ECI further undertakes to deliver to the Borrower and the Administrative Agent additional forms (or a successor form) on or before the



date such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, in each case certifying that such Lender is entitled to receive payments from the Borrower under any Loan Document without deduction or withholding (or at a reduced rate of deduction or withholding) of any United States federal income taxes, unless an event (including without limitation any change in treaty, law, or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving such payments without any deduction or withholding of United States federal income tax.

(f) Failure to Provide Withholding Forms; Changes in Tax Laws. For any period with respect to which a Lender has failed to provide the Borrower and the Administrative Agent with the appropriate form pursuant to Section 3.01(e) (unless such failure is due to a change in Law occurring subsequent to the date on which a form originally was required to be provided), such Lender shall not be entitled to indemnification under Section 3.01(a) or 3.01(b) with respect to Taxes imposed by the United States; provided, however, that should a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Change in Applicable Lending Office. If the Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 3.01, then such Lender will agree to use reasonable efforts to change the jurisdiction of its Lending Office so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the reasonable judgment of such Lender, is not otherwise materially disadvantageous to such Lender.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or materially restricts the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the applicable offshore Dollar market, or to determine or charge interest rates based upon the Eurodollar Rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans (but not to make, maintain or fund Base Rate Loans) shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period thereof, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or on such earlier date after which such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such conversion, the Borrower

shall also pay accrued interest on the amount so converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.03 Inability to Determine Rates. If the Administrative Agent determines in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the applicable offshore Dollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurodollar Base Rate for such Eurodollar Rate Loan or (c) the Eurodollar Base Rate for such Eurodollar Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding such



Eurodollar Rate Loan, the Administrative Agent will promptly notify the Borrower and all Lenders. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing, conversion or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Cost and Reduced Return; Capital Adequacy.

(a) If any Lender determines that as a result of the introduction of or any change in or in the interpretation of any Law, or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Loans or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.04(a) any such increased costs or reduction in amount resulting from (i) Taxes or Other Taxes (as to which Section 3.01 shall govern), (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or any foreign jurisdiction or any political subdivision of either thereof under the Laws of which such Lender is organized or has its Lending Office, and (iii) reserve requirements contemplated by Section 2.13), then from time to time upon demand of such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender determines that the introduction of any Law regarding capital adequacy or any change therein or in the interpretation thereof, or compliance by such Lender (or its Lending Office) therewith, has the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy) by an amount such Lender deems material, then from time to time upon demand of such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction.

3.05 Funding Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of :

(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.15;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained, but excluding any Applicable Rate.



For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the applicable offshore Dollar interbank market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Matters Applicable to all Requests for Compensation.

(a) The applicable Lender shall notify the Administrative Agent and the Borrower as soon as practicable (and in any event within 120 days) after such Lender obtains actual knowledge of any event or condition which will entitle such Lender to compensation under Section 3.01 or 3.04, and the Borrower shall not be liable for any such amount that accrues between the date such notification is required to be given to the Borrower and the date such notice is actually given to the Borrower.

(b) A certificate of the Administrative Agent or any Lender claiming compensation under this Article III and setting forth in reasonable detail the basis for and calculation of the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Administrative Agent or such Lender may use any reasonable averaging and attribution methods.

(c) Upon any Lender making a claim for compensation under Section 3.01 or 3.04 or notifying the Borrower that such Lender may not make or maintain Eurodollar Rate Loans pursuant to Section 3.02, the Borrower may remove or replace such Lender in accordance with Section 10.15.

3.07 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Commitments and payment in full of all the Obligations.

## ARTICLE IV.
## CONDITIONS PRECEDENT TO BORROWINGS

4.01 Conditions of Initial Borrowing. The obligation of each Lender to make its initial Loan hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Principal Officer of the applicable party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note, each in a principal amount equal to such Lender's Commitment;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Principal Officers of FMC and Technologies as the Administrative Agent may request to establish the identities of and verify the authority and capacity of each Principal



Officer thereof authorized to act as a Principal Officer in connection with

this Agreement and the other Loan Documents to which FMC or Technologies is a party;

(iv) such evidence as the Administrative Agent may reasonably request to verify that each of FMC and Technologies is duly incorporated, validly existing and in good standing in its jurisdiction of incorporation, including certified copies of the certificate of incorporation and bylaws of each of FMC and Technologies and certificates of good standing for each of FMC and Technologies in its jurisdiction of incorporation;

(v) a certificate signed by a Principal Officer of FMC (A) certifying that the conditions specified in Sections 4.03(a) and (b) have been satisfied, (B) certifying that there has been no event or circumstance since December 31, 2000, which has had or could be reasonably expected to have a Material Adverse Effect, and (c) showing the Debt Ratings of FMC on the Closing Date;

(vi) an opinion of Steven H. Shapiro, Associate General Counsel of FMC, substantially in the form of Exhibit C;

(vii) an opinion of Mayer, Brown & Platt, counsel to FMC and Technologies, substantially in the form of Exhibit D; and

(viii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent or the Required Lenders reasonably may require.

(b) Any fees required to be paid on or before the Closing Date pursuant to the Fee Letter shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all Attorney Costs of the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute its reasonable estimate of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(d) No event or circumstance shall have occurred since December 31, 2000 that has had or could reasonably be expected to have a Material Adverse Effect.

4.02 Conditions to the Assumption. The Assumption shall become effective on the date (the "Assumption Date") when, but only when, the following conditions precedent have been satisfied:

(a) The transfer of substantially all of the assets by FMC to Technologies, and the assumption of the liabilities of FMC by Technologies, each as described in the Registration Statement, shall have occurred.

(b) FMC shall have assigned to Technologies, and Technologies shall have assumed, all of the obligations of FMC under the Bridge Credit Agreement.

(c) No Default or Event of Default shall exist or would result from the Assumption.

(d) The representations and warranties of the Borrower contained in Article V shall be true and correct in all material respects on the Assumption Date after giving effect to the Assumption, except



to the extent that such representation and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date.

(e) The Administrative Agent shall have received each of the following, in form and substance satisfactory to it:

(i) a Note executed by Technologies in favor of each Lender requesting a Note, each in a principal amount equal to such Lender's Commitment, which Note shall be in substitution and replacement of the Note, if any, executed by FMC in favor of such Lender pursuant to Section 4.01(a)(2);

(ii) the Guaranty executed by FMC;

(iii) a certificate of the Secretary or an Assistant Secretary of Technologies or FMC, as the case may be, certifying any changes in the certificate of incorporation or bylaws of Technologies or FMC, as the case may be, delivered pursuant to Section 4.01(a)(iv);

(iv) bring-down certificates of Governmental Authorities attesting to the existence and good standing of each of Technologies and FMC in its jurisdiction of incorporation;

(v) an opinion of Steven H. Shapiro, counsel to Technologies, addressing such matters as the Administrative Agent may reasonably request;

(vi) an opinion of Mayer, Brown & Platt, counsel to FMC, addressing such matters as the Administrative Agent may reasonably request;

(vii) all documents (including an incumbency certificate and certification by the Secretary or Assistant Secretary of each of Technologies and FMC of board resolutions) it may reasonably request relating to the existence of Technologies or FMC, as the case may be, the corporate authority for and the validity of the Loan Documents, and any other matter relevant hereto;

(viii) a certificate of a Principal Officer of Technologies certifying that the conditions specified in Sections 4.02(a), (b), (c) and (d) have been satisfied;

(ix) executed copies of the Separation and Distribution Agreement, the U.S. Purchase Agreement, the International Purchase Agreement, the Tax Sharing Agreement, and the Transition Services Agreement (and any related agreements requested by the Administrative Agent), and a list of Subsidiaries of Technologies, each as described in, and substantially in the form filed as exhibits to, the Registration Statement and each having terms and conditions reasonably acceptable to the Administrative Agent; and

(x) such other documents, instruments or materials as the Administrative Agent or the Required Lenders may reasonably request.

4.03 Conditions to all Borrowings. The obligation of each Lender to make any Loan is subject to satisfaction of the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article V shall be true and correct in all material respects on and as of the date of such Borrowing, except to the extent that such



representations and warranties specifically refer to an earlier date, in which case they shall have been true and correct in all material respects as of such earlier date, except that the representations and warranties set forth in Sections 5.04(b) and 5.05 shall be required to be true and correct in all material respects only on the date of the initial Borrowing and on the Assumption Date after giving effect to the Assumption.

(b) No Default or Event of Default shall exist or would result from such proposed Borrowing.

(c) The Administrative Agent shall have received a Loan Notice in accordance with the requirements hereof.

(d) The Administrative Agent shall have received, in form and substance satisfactory to it, such other assurances, certificates, documents or consents related to the foregoing as the Administrative Agent or the Required Lenders may reasonably request.

Each Loan Notice submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.03(a) and (b) have been satisfied on and as of the date of the applicable Borrowing.

4.04 Guaranty Release Conditions. The Guaranty shall be released and

discharged, without any action by the Administrative Agent or any Lender, on the date (the "Guaranty Release Date") when, but only when, the following conditions precedent (the "Guaranty Release Conditions") have been satisfied:

(a) The Technologies IPO shall have been consummated.

(b) The capitalization of Technologies shall be as set forth in the amendment to the Registration Statement filed with the Securities and Exchange Commission on April 4, 2001, with such changes to such capitalization as may be acceptable to the Administrative Agent in its sole discretion.

(c) The Debt Ratings of Technologies shall be at least BBB- by S&P and at least Baa3 by Moody's.

(d) No Default or Event of Default shall exist or would result from the release of the Guaranty.

(e) All obligations owing under the Bridge Credit Agreement shall have been paid in full and all commitments thereunder shall have been terminated.

(f) FMC shall have paid to Technologies any adjustment or "true-up" of the "Final Calculation Amount" in accordance with Schedule 2.6(b) of the Separation and Distribution Agreement described in Section 4.02(e)(ix).

(g) Technologies shall have delivered to the Administrative Agent a certificate of a Principal Officer (i) certifying that the conditions set forth in Sections 4.04(a), (b), (c), (d) and (e) have been satisfied, (ii) showing pro forma compliance, assuming that the Assumption Date was April 1, 2000 and after giving effect to the satisfaction of the Guaranty Release Conditions, with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05(c) and 7.07, in each case as of March 31, 2001, (iii) showing the Debt Ratings of Technologies on the Guaranty Release Date, and (iv) certifying the accuracy and



completeness, in all material respects (but subject to adjustments as set forth in the Separation and Distribution Agreement described in Section 4.02(e)(vii)), of an attached pro forma consolidated balance sheet and income statement of Technologies and its Consolidated Subsidiaries as of and for the four fiscal quarter period ended March 31, 2001, assuming that the Assumption Date was April 1, 2000 and after giving effect to the satisfaction of the Guaranty Release Conditions.

## ARTICLE V.
## REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Corporate or Partnership Existence and Power. The Borrower and each Material Subsidiary (a) is a corporation or partnership duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has all corporate or partnership powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business and (c) is duly qualified as a foreign corporation or partnership and in good standing in each jurisdiction where qualification is required by the nature of its business or the character and location of its property, business or customers, except, as to clauses (b) and (c), where the failure so to qualify or to have such licenses, authorizations, consents and approvals, in the aggregate, would not have a Material Adverse Effect.

5.02 Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes (and by FMC of the Guaranty) are within the Borrower's (and FMC's, in the case of the Guaranty) corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Governmental Authority and do not contravene, or constitute a default under, any provision of applicable Law or of the certificate of incorporation or bylaws of the Borrower or FMC or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or FMC or result in or

require the creation or imposition of any Lien on any asset of the Borrower or FMC or any Subsidiary.

5.03 Binding Effect. This Agreement constitutes a legal, valid and binding agreement of the Borrower and the Notes and the Guaranty, when executed and delivered in accordance with this Agreement, will constitute the legal, valid and binding obligations of the Borrower (and FMC, in the case of the Guaranty), in each case enforceable in accordance with their respective terms, except as such enforceability may be limited by Debtor Relief Laws.

5.04 Financial Information.

(a) The consolidated balance sheet of FMC and its Consolidated Subsidiaries as of December 31, 2000, and the related consolidated statements of income, cash flows and changes in stockholders' equity for the fiscal year then ended, reported on by KPMG LLP and set forth in FMC's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, filed with the Securities and Exchange Commission, a copy of which has been delivered to each of the Lenders, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of FMC and its Consolidated Subsidiaries as of such date and their consolidated results of operations, cash flows and changes in stockholders' equity for such fiscal year.

(b) There has been no change since December 31, 2000 which has a Material Adverse Effect.



5.05 Litigation. There is no action, suit, proceeding or arbitration pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable likelihood of an adverse decision which would have a Material Adverse Effect or which in any manner questions the validity or enforceability of this Agreement, the Notes or the Guaranty.

5.06 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the ERISA Group has (a) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (b) failed to make any contribution or payment to any Plan or Multiemployer Plan or made any amendment to any Plan which in either case has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.07 Environmental Matters. In the ordinary course of its business, the Borrower conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that Environmental Laws are unlikely to have a Material Adverse Effect.

5.08 Taxes. United States Federal income tax returns of FMC and its Subsidiaries have been examined and closed through the fiscal year ended December 31, 1992. The Borrower and each Subsidiary have filed all United States Federal income tax returns and all other material tax returns that are required to be filed by them and have paid all taxes due pursuant to such returns or

pursuant to any assessment received by any of them, except for any such taxes being diligently contested in good faith and by appropriate proceedings. Adequate reserves have been provided on the books of the Borrower and its Subsidiaries in respect of all taxes or other governmental charges in accordance with generally accepted accounting principles, and no tax liabilities in excess of the amount so provided are anticipated that could reasonably be expected to have a Material Adverse Effect.

5.09 Full Disclosure. All information (other than financial projections) heretofore furnished by the Borrower to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (including the Technologies IPO) was, and all such information hereafter furnished by the Borrower to the Administrative Agent or any Lender will be, true and accurate in every material respect, and all financial projections concerning the Borrower and its Subsidiaries that have been or hereafter will be furnished by the Borrower to the Administrative Agent or any Lender have been and will be prepared in good faith based on assumptions believed by the Borrower to be reasonable.

5.10 Compliance with Laws. The Borrower and each Material Subsidiary are in compliance with all applicable Laws other than such Laws (a) the validity or applicability of which the Borrower or



such Material Subsidiary is contesting in good faith or (b) failure to comply with which cannot reasonably be expected to have a Material Adverse Effect.

5.11 Regulated Status. The Borrower is not an "investment company," within the meaning of the Investment Company Act of 1940, or a "holding company" or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935.

## ARTICLE VI.
## AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligations (other than Surviving Contingent Obligations) shall remain unpaid or unsatisfied:

6.01 Information. The Borrower will deliver to the Administrative Agent and each of the Lenders:

(a) within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, of cash flows and of changes in stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures as of the end of and for the previous fiscal year, all in reasonable detail and reported on without Qualification by KPMG LLP or other independent public accountants of nationally recognized standing;

(b) within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter, and the related consolidated statements of income for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter and the related consolidated statement of cash flows for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated balance sheet as of the end of the previous fiscal year and the consolidated statements of income for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation and consistency by the chief financial officer, the treasurer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in Sections 6.01(a) and (b), a Compliance Certificate of the chief financial officer, the treasurer, or the chief accounting officer of the Borrower (i) setting forth in reasonable detail such calculations as are

required to establish whether the Borrower was in compliance with the requirements of Sections 7.06(c) and 7.10 and stating whether the Borrower was in compliance with the requirements of Sections 7.01(a)(viii), 7.01(b)(vii), 7.05(c) and 7.07, as applicable to the Borrower, on the date of such financial statements and (ii) stating whether there exists on the date of such certificate any Default or Event of Default and, if any Default or Event of Default then exists, setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect thereto;

(d) simultaneously with the delivery of each set of financial statements referred to in Sections 6.01(a) and (b), a schedule, certified as to its accuracy and completeness by the chief financial officer, the treasurer or the chief accounting officer of the Borrower, listing in reasonable detail the Debt balance of each Restricted Subsidiary where such Debt balance is in excess of $1,000,000, listing only Debt instruments of $1,000,000 or more; provided that no such schedule need be furnished if at the date



of the related financial statements (i) the aggregate amount of Debt of domestic Restricted Subsidiaries did not exceed (A) $100,000,000 prior to the Assumption Date or (B) $50,000,000 from and after the Assumption Date and (ii) the aggregate amount of Debt of all Restricted Subsidiaries did not exceed (C) $200,000,000 prior to the Assumption Date or (D) $100,000,000 from and after the Assumption Date;

(e) within five Business Days after any officer of the Borrower obtains knowledge of any Default or Event of Default, if such Default or Event of Default is then continuing, a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent), annual, quarterly or monthly reports and any reports on Form 8-K (or any successor form) that the Borrower or any Subsidiary shall have filed with the Securities and Exchange Commission;

(h) within 14 days after any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA which liability exceeds $1,000,000 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer, any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or makes any amendment to any Plan which in either case has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer, the chief accounting officer or the treasurer of the Borrower setting forth details as to such occurrence and the action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take with respect thereto;

(i) as soon as practicable after a Principal Officer of the Borrower obtains knowledge of the commencement of an action, suit or proceeding against the Borrower or any Subsidiary before any court or arbitrator or any governmental body, agency or official in which there is a reasonable likelihood of an adverse decision which would have a Material Adverse Effect or which in

any manner questions the validity or enforceability of this Agreement or any of the transactions contemplated hereby, information as to the nature of such pending or threatened action, suit or proceeding; and

(j) from time to time such additional information regarding the business, properties, financial position, results of operations, or prospects of the Borrower or any Subsidiary as the Administrative Agent, at the request of any Lender, may reasonably request.



6.02 Payment of Obligations. Borrower will pay and discharge, and will cause each of its Subsidiaries to pay and discharge, at or before maturity, all their respective material obligations and liabilities and all lawful taxes, assessments and governmental charges or levies upon it or its property or assets, except where the same may be diligently contested in good faith by appropriate proceedings or where the failure to so pay and discharge would not have a Material Adverse Effect, and will maintain, and will cause each of its Subsidiaries to maintain, in accordance with United States generally accepted accounting principles as in effect from time to time, appropriate reserves for the accrual of any of the same.

6.03 Maintenance of Property; Insurance.

(a) The Borrower will keep, and will cause each Restricted Subsidiary to keep, all material property useful and necessary in its business in good working order and condition, normal wear and tear excepted.

(b) The Borrower will, and will cause each of its Material Subsidiaries to, maintain (either in the name of the Borrower or in such Material Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually maintained in the same general area by companies of established repute engaged in the same or a similar business; and will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

6.04 Inspection of Property, Books and Records. The Borrower will keep, and will cause each of its Subsidiaries to keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Subject to Section 10.08, the Borrower will permit, and will cause each of its Subsidiaries to permit, representatives of any Lender to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, employees and independent public accountants (provided that the Borrower shall have the right to participate in any discussions with such accountants), all at such reasonable times and as often as may reasonably be desired, upon reasonable advance notice to the Borrower.

6.05 Maintenance of Existence, Rights, Etc.

(a) The Borrower will preserve, renew and keep in full force and effect, and will cause each of its Restricted Subsidiaries to preserve, renew and keep in full force and effect their respective corporate or partnership existence and their respective rights, privileges and franchises necessary or desirable in the normal conduct of business, except when failure to do so would not have a Material Adverse Effect; provided that nothing in this Section 6.05 shall prohibit (i) a transaction permitted under Section 7.02 or (ii) the termination of the corporate or partnership existence of any Restricted Subsidiary if the Borrower in good faith determines that such termination is in the best interest of the Borrower and would not have a Material Adverse Effect.

(b) At no time will any Unrestricted Subsidiary hold, directly or indirectly, any capital stock of any Restricted Subsidiary.

6.06 Bridge Credit Agreement. The Borrower will terminate and repay in

full all obligations owing under the Bridge Credit Agreement within seven days after the Technologies IPO.



ARTICLE VII.
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligations (other than Surviving Contingent Obligations) shall remain unpaid or unsatisfied:

7.01 Liens.
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(a) Prior to the Guaranty Release Date, FMC will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) Liens existing on the date hereof, securing Debt outstanding on the date hereof;

(ii) Liens incidental to the conduct of its business or the ownership of its assets which (A) arise in the ordinary course of business, (B) do not secure Debt and (C) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(iii) Liens on property or assets of any Person existing at the time such Person becomes a Restricted Subsidiary;

(iv) Liens on any property or assets existing at the time of acquisition thereof (including acquisition through merger or consolidation) to secure the payment of all or any part of the purchase price or construction cost thereof or to secure any Debt incurred prior to, at the time of or within 120 days after the later of the acquisition of such property or assets or the completion of any such construction and the commencement of operation of such property or assets, for the purpose of financing all or any part of the purchase price or construction cost thereof;

(v) Liens in favor of a Governmental Authority to secure payments under any contract or statute, or to secure any Debt incurred in financing the acquisition, construction or improvement of property subject thereto, including Liens on, and created or arising in connection with the financing of the acquisition, construction or improvement of, any facility used or to be used in the business of FMC or any Restricted Subsidiary through the issuance of obligations, the income from which shall be excludable from gross income by virtue of Section 103 of the Code (or any subsequently adopted provisions thereof providing for a specific exclusion from gross income);

(vi) Liens on assets of Restricted Subsidiaries securing Debt owing to FMC;

(vii) any extension, renewal, substitution, or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any Lien referred to in clauses (i) through (vi) above or the Debt secured thereby; provided that (1) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets or shares of stock or Debt that secured the Lien extended, renewed, substituted or replaced (plus improvements on such property) and (2) the Debt secured by such Lien at such time is not increased; and



(viii) other Liens securing Debt in an aggregate principal amount at any time outstanding not to exceed $150,000,000 at any time; provided that, notwithstanding the foregoing, the Borrower will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien permitted solely by this clause (viii) on any stock, indebtedness or other security of any Unrestricted Subsidiary now owned or hereafter acquired by

it.

(b) From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) Liens existing on the date hereof and described on Schedule 7.01, securing Debt outstanding on the date hereof;

(ii) Liens incidental to the conduct of its business or the ownership of its assets which (A) arise in the ordinary course of business, (B) do not secure Debt and (C) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(iii) Liens in favor of the Borrower or any other Restricted Subsidiary;

(iv) Liens on any property or assets existing at the time of, or incurred within 120 days after, the acquisition thereof (by purchase, merger or otherwise), securing Debt incurred to pay the purchase price or construction cost thereof, so long as such Liens do not and are not extended to cover any other property or assets;

(v) Liens in favor of a Governmental Authority to secure payments under any contract or statute, or to secure any Debt incurred in financing the acquisition, construction or improvement of property subject thereto, including Liens on, and created or arising in connection with the financing of the acquisition, construction or improvement of, any facility used or to be used in the business of the Borrower or any Restricted Subsidiary through the issuance of obligations, the income from which shall be excludable from gross income by virtue of Section 103 of the Code (or any subsequently adopted provisions thereof providing for a specific exclusion from gross income);

(vi) any extension, renewal, substitution, or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any Lien referred to in clauses (i) through (v) above; provided that (1) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets subject to the Lien extended, renewed, substituted or replaced (plus improvements on such property) and (2) the Debt secured by such Lien at such time is not increased; and

(vii) other Liens so long as the principal amount of the Debt of the Borrower and its Restricted Subsidiaries secured thereby does not exceed $75,000,000 in the aggregate at any time and so long as the principal amount of the Debt of the Borrower's Restricted Subsidiaries secured thereby does not exceed $25,000,000 in the aggregate at any time.

7.02 Consolidations, Mergers and Sales of Assets.

(a) Prior to the Guaranty Release Date, FMC will not (i) consolidate with or merge with or into any other Person or (ii) sell, assign, lease, transfer or otherwise dispose of all or substantially all of



its assets to any other Person; provided that FMC may consolidate or merge with or into another Person if (A) immediately after giving effect to such consolidation or merger, no Default or Event of Default shall have occurred and be continuing, (B) the surviving entity is a domestic corporation and (C) the Person surviving such consolidation or merger, if not FMC, executes and delivers to the Administrative Agent and each of the Lenders an instrument satisfactory to the Required Lenders pursuant to which such Person assumes all of FMC's obligations under this Agreement as theretofore amended or modified, including the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan made to FMC pursuant to this Agreement, the full and punctual payment of all other amounts payable hereunder and the performance of all of the other covenants and agreements contained herein.

(b) From and after the Guaranty Release Date, the Borrower will not, and

will not permit any Restricted Subsidiary to, merge or consolidate with or into, or sell, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) a material portion of its assets to, any Person, except that, so long as no Default or Event of Default then exists or would result therefrom:

(i) any Restricted Subsidiary may merge or consolidate with (A) the Borrower, provided that the Borrower shall be the continuing or surviving Person, (B) any other Restricted Subsidiary or (C) any other Person if the Borrower in good faith determines that such merger or consolidation is in the best interest of the Borrower and would not have a Material Adverse Effect and, at least five days prior to such merger or consolidation (if the transaction value of such merger or consolidation is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto;

(ii) any Restricted Subsidiary may sell, convey, transfer, lease or otherwise dispose of a material portion of its assets to (A) the Borrower, (B) any other Restricted Subsidiary or (C) any other Person if the Borrower in good faith determines that such sale is in the best interest of the Borrower and would not have a Material Adverse Effect and, at least five days prior to such sale, conveyance, transfer, lease or other disposition (if the transaction value of such sale, conveyance, transfer, lease of other disposition is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto;

(iii) the Borrower may merge or consolidate with any other Person, provided that (A) the Borrower is the continuing or surviving Person, (B) the Borrower's Debt Ratings are not less than BBB- by S&P or Baa3 by Moody's after giving effect thereto, and (C) at least five days prior to such merger or consolidation (if the transaction value of such merger or consolidation is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto; and



(iv) the Borrower may sell, convey, transfer, lease or otherwise dispose of a material portion of its assets to any Person, provided that (A) the Borrower's Debt Ratings are not less than BBB- by S&P or Baa3 by Moody's after giving effect thereto and (B) at least five days prior to such sale, conveyance, transfer, lease or other disposition (if the transaction value of such sale, conveyance, transfer, lease or other disposition is in the amount of $100,000,000 or more), the Borrower delivers to the Administrative Agent a certificate of the chief financial officer, the treasurer or the chief accounting officer of the Borrower showing pro forma compliance with the covenants set forth in Sections 7.06(c), 7.10(c), 7.10(d) and 7.10(e), and stating pro forma compliance with the covenants set forth in Sections 7.01(b)(vii), 7.05 and 7.07, in each case after giving effect thereto.

7.03 Use of Proceeds. The proceeds of the Borrowings under this Agreement will be used by the Borrower for general corporate purposes. None of such proceeds will be used, directly or indirectly, in a manner that violates Regulation U or X of the Board. The Borrower will not permit more than 25% of the consolidated assets of the Borrower and its Subsidiaries to consist of "margin stock," as such term is defined in Regulation U of the Board. Borrowings by FMC under this Agreement shall be made only in contemplation of the assumption of such Borrowings by Technologies.

7.04 Compliance with Laws. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects with all requirements of Law (including ERISA, Environmental Laws and the rules and regulations thereunder), except where failure to so comply would not have a Material Adverse Effect.

7.05 Restricted Subsidiary Debt. From and after the Guaranty Release Date, the Borrower will not permit any Restricted Subsidiary to create, incur, assume or permit to exist any Debt, except:

(a) Debt existing on the date hereof and described on Schedule 7.05;

(b) Debt owed to the Borrower or any other Restricted Subsidiary; and

(c) other Debt in an aggregate principal amount for all Restricted Subsidiaries not exceeding $50,000,000 at any time.

7.06 Restricted Payments. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, declare or make any Restricted Payment, except that:

(a) any Restricted Subsidiary may declare and make Restricted Payments to the Borrower or to any other Restricted Subsidiary (and, in the case of a Restricted Payment by a non-wholly-owned Restricted Subsidiary, to the Borrower or any other Restricted Subsidiary and to each other owner of capital stock of such Restricted Subsidiary on a pro-rata basis based on their relative ownership interests);

(b) the Borrower or any Restricted Subsidiary may declare and make Restricted Payments, payable solely in the Common Stock of such Person; and

(c) the Borrower may declare and make Restricted Payments to its stockholders during any fiscal quarter in an amount not exceeding 50% of its Consolidated Net Income in respect of the immediately preceding fiscal quarter, provided that no Default or Event of Default exists at the time of the declaration thereof or would result therefrom.



7.07 Investments in Unrestricted Subsidiaries. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, make Investments in Unrestricted Subsidiaries in an aggregate amount outstanding at any time in excess of $100,000,000 for all such Unrestricted Subsidiaries.

7.08 Limitations on Upstreaming. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly agree to any restriction or limitation on the making of Restricted Payments by a Restricted Subsidiary, the repaying of loans or advances owing by a Restricted Subsidiary to the Borrower or any other Restricted Subsidiary or the transferring of assets from any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary, except (a) restrictions and limitations imposed by Laws or by the Loan Documents, (b) customary restrictions and limitations contained in agreements relating to the disposition of a Restricted Subsidiary or its assets that is permitted hereunder and (c) any other restrictions that could not reasonably be expected to impair the Borrower's ability to repay the Obligations as and when due.

7.09 Transactions with Affiliates. From and after the Guaranty Release Date, the Borrower will not, and will not permit any Restricted Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower (other than the Borrower or a Restricted Subsidiary), other than upon fair and reasonable terms as could reasonably be obtained in an arms-length transaction with a Person that is not an Affiliate in accordance with prevailing industry customs and practices.

7.10 Financial Covenants.

(a) Consolidated Adjusted Net Worth. Prior to the Guaranty Release Date, FMC will not permit the consolidated stockholders' equity of FMC and its Consolidated Subsidiaries to be less than $1,017,275,000.

(b) Cash Flow Coverage. Prior to the Guaranty Release Date, FMC will not permit the ratio of Consolidated Cash Flow for any period of four consecutive fiscal quarters to Adjusted Total Debt as of the last day of any such period to be less than 0.20 to 1.00.

(c) Consolidated Tangible Net Worth. From and after the Guaranty Release Date, the Borrower will not permit Consolidated Tangible Net Worth as of the end of any fiscal quarter of the Borrower ending after the Guaranty Release Date to be less than the sum of (i) 90% of Consolidated Tangible Net Worth on the Guaranty Release Date after giving effect to the satisfaction of the Guaranty Release Conditions, plus (ii) an amount equal to 50% of the Consolidated Net Income earned in each fiscal quarter ending after the Guaranty Release Date (with no deduction for a net loss in any such fiscal quarter) plus (iii) an amount equal to 75% of the aggregate increases in stockholders' equity of the Borrower and its Consolidated Restricted Subsidiaries after the Guaranty Release Date by reason of any Equity Issuance.

(d) Total Debt to EBITDA Ratio. From and after the Guaranty Release Date, the Borrower will not permit the ratio of Adjusted Total Debt as of the last day of any fiscal quarter to Consolidated EBITDA for the period of four consecutive fiscal quarters ended on such last day to be more than 3.25 to 1.00.

(e) Interest Coverage Ratio. From and after the Guaranty Release Date, the Borrower will not permit the ratio of Consolidated EBITDA for any period of four consecutive fiscal quarters to Consolidated Interest Expense for such period to be less than 4.25 to 1.00.



## ARTICLE VIII.
## EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) any principal of any Loan shall not be paid when due, or any interest, fees or other amount payable hereunder shall not be paid within five Business Days of the due date thereof;

(b) the Borrower shall fail to observe or perform any covenant contained in Section 6.05(b) or 6.06 or Article VII;

(c) the Borrower shall fail to observe or perform any of its covenants or agreements contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender; provided that the 30-day grace period set forth above shall be reduced by the number of days that any officer of the Borrower had knowledge of any applicable failure prior to giving notice thereof to the Administrative Agent and the Lenders pursuant to Section 6.01(e);

(d) any representation, warranty, certification or statement by the Borrower made in this Agreement or in any certificate, financial statement or other document delivered pursuant hereto or deemed to be made pursuant to Section 4.03 shall have been incorrect in any material respect when made or deemed to be made;

(e) the Borrower, any Material Subsidiary or the Guarantor shall fail to make any payment in respect of Material Financial Obligations when due after giving effect to any applicable grace period;

(f) any event or condition shall occur that (i) results in the acceleration of the maturity of Material Financial Obligations or (ii) enables the holder or holders of Material Financial Obligations or any Person acting on

behalf of such holder or holders to accelerate the maturity thereof, provided that no Event of Default under this clause (ii) shall occur unless and until any required notice has been given and/or period of time has elapsed with respect to such Material Financial Obligations so as to perfect such right to accelerate;

(g) the Borrower, any Material Subsidiary or the Guarantor shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any Debtor Relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower, any Material Subsidiary or the Guarantor seeking liquidation, reorganization or other relief with respect to it or its debts under any Debtor Relief Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower, any Material Subsidiary or the Guarantor under the Federal bankruptcy laws as now or hereafter in effect;



(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of (i) $50,000,000 prior to the Assumption or (ii) $25,000,000 after the Assumption which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer, any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of (iii) $50,000,000 prior to the Assumption or (iv) $25,000,000 after the Assumption;

(j) Enforceable Judgments for the payment of money in an aggregate amount exceeding (i) $50,000,000 prior to the Assumption or (ii) $25,000,000 ($50,000,000 if rendered against the Guarantor) after the Assumption shall be rendered against the Borrower, any Material Subsidiary or the Guarantor and shall continue unsatisfied and unstayed for a period of 30 days;

(k) a Change of Control shall occur; or

(l) any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of the Required Lenders or all Lenders, as may be required hereunder, or satisfaction in full of all the Obligations, ceases to be in full force and effect, or the Borrower or the Guarantor denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document;

then, and in every such event, the Administrative Agent shall (i) if requested by the Required Lenders, by notice to the Borrower, terminate the Commitments, and the Commitments shall thereupon terminate and (ii) if requested by Required Lenders, by notice to the Borrower, declare the Obligations to be, and the Obligations shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the Events of Default specified in Sections 8.01(g) and (h) with respect to the Borrower, immediately and without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall terminate and the Obligations shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE IX.
ADMINISTRATIVE AGENT

9.01 Appointment and Authorization of Administrative Agent. Each Lender hereby irrevocably (subject to Section 9.09) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations



or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

9.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

9.03 Liability of Administrative Agent. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for any recital, statement, representation or warranty made by FMC, Technologies or any officer thereof contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower or any Affiliate thereof.

9.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully

protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders or all the Lenders, if required hereunder, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and participants. Where this Agreement expressly permits or prohibits an action unless the Required Lenders otherwise determine, the Administrative Agent shall, and in all other instances, the Administrative Agent may, but shall not be required to, initiate any solicitation for the consent or a vote of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted



or to be satisfied with, each document or other matter either sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

9.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be directed by the Required Lenders in accordance with Article VIII; provided that unless and until the Administrative Agent has received any such direction, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

9.06 Credit Decision; Disclosure of Information by Administrative Agent. Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of the Borrower or any of its Subsidiaries thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any of its Subsidiaries which may come into the possession of any Agent-Related Person.



9.07 Indemnification of Administrative Agent. Whether or not the

transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Person's gross negligence or willful misconduct; provided that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive termination of the Commitments, the payment of all Obligations hereunder and the resignation or replacement of the Administrative Agent.

9.08 Administrative Agent in its Individual Capacity. Bank of America and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its Affiliates as though Bank of America were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Bank of America or its Affiliates may receive information regarding the Borrower or any of its Subsidiaries (including information that may be subject to confidentiality obligations in favor of the Borrower or any of its Subsidiaries) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, Bank of America shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include Bank of America in its individual capacity.

9.09 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor administrative agent for the Lenders which successor administrative agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor administrative agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor administrative agent from among the Lenders. Upon the acceptance of its appointment as successor administrative agent hereunder, such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor administrative agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article IX and Sections 10.03 and 10.13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of



the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

9.10 Other Agents. None of the Lenders identified on the facing page or signature pages of this Agreement as a "syndication agent," "documentation agent," or "co-agent" shall have any right, power, obligation, liability,

responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

## ARTICLE X.
## MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing signed by the Required Lenders (or the Administrative Agent with the written consent of the Required Lenders) and, in the case of an amendment, the Borrower and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall, unless in writing and signed by each of the Lenders directly affected thereby (or the Administrative Agent with the written consent of such Lenders) and, in the case of an amendment, by the Borrower do any of the following:

(a) except as expressly contemplated by Section 2.03, extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Article VIII);

(b) except as expressly contemplated by Section 2.03, postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (iii) of the proviso below) any fees or other amounts payable hereunder or under any other Loan Document; provided that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(d) change the percentage of the Aggregate Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Lenders or any of them to take any action hereunder;

(e) change the Pro Rata Share or Voting Percentage of any Lender;

(f) release the Guaranty except in accordance with the terms and conditions of Section 4.04;

(g) amend this Section, Section 2.12, Section 4.02, Section 4.04, Section 10.05, or any provision herein providing for consent or other action by all the Lenders;

and, provided further that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Required Lenders or all the directly affected Lenders, as the case



may be (or the Administrative Agent on their behalf), affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

10.02 Notices and Other Communications; Facsimile Copies.

(a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed or delivered to the address, facsimile number or (subject to subsection (c) below) electronic mail address specified for notices on the signature pages hereof or on the applicable Administrative Questionnaire or to such other address as shall be designated by a party hereto in a notice to the other parties hereto. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of

(i) actual receipt by the intended recipient and (ii) (A) if delivered by hand or by courier, when signed for by the intended recipient; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided that notices and other communications to the Administrative Agent pursuant to Article II shall not be effective until actually received by such Person. Any notice or other communication permitted to be given, made or confirmed by telephone hereunder shall be given, made or confirmed by means of a telephone call to the intended recipient at the number specified on the signature pages hereof or on the applicable Administrative Questionnaire or at the number that may be otherwise specified in accordance herewith, it being understood and agreed that a voicemail message shall in no event be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable Law, have the same force and effect as manually-signed originals and shall be binding on the Borrower, the Administrative Agent and the Lenders. The Administrative Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Limited Use of Electronic Mail. Electronic mail and internet and intranet websites may be used only to distribute routine communications, such as financial statements and other information, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

(d) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Agent-Related Person and each Lender from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.



10.03 No Waiver; Cumulative Remedies. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein or therein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.04 Attorney Costs, Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all reasonable costs and expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated hereby or thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, and (b) to pay or reimburse the Administrative Agent and each Lender for all reasonable costs and expenses incurred in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding, including any proceeding under any Debtor Relief Law), including all Attorney Costs. The agreements in this Section shall survive the termination of the

Aggregate Commitments and repayment of all the other Obligations.

10.05 Indemnification by the Borrower. Whether or not the transactions contemplated hereby are consummated, the Borrower agrees to indemnify, save and hold harmless each Agent-Related Person, each Lender and their respective Affiliates, directors, officers, employees, counsel, agents and attorneys-in-fact (collectively the "Indemnitees") from and against: (a) any and all claims, demands, actions or causes of action that are asserted against any Indemnitee by any Person (other than the Administrative Agent or any Lender) relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Borrower, any Affiliate of the Borrower or any of their respective officers or directors, including any Indemnified Liability arising out of or based upon any untrue statement or alleged untrue statement of a material fact, or omission or alleged omission to state a material fact required to be stated, in the Registration Statement; (b) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations and the resignation or removal of the Administrative Agent or the replacement of any Lender) be asserted or imposed against any Indemnitee arising out of or relating to the Loan Documents, any Commitment, the use or contemplated use of the proceeds of any Borrowing, or the relationship of the Borrower, the Administrative Agent and the Lenders under this Agreement or any other Loan Document; (c) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (a) or (b) above; and (d) any and all liabilities (including liabilities under indemnities), losses or reasonable costs or expenses (including Attorney Costs) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, whether or not arising out of the negligence of an Indemnitee, and whether or not an Indemnitee is a party to such claim, demand, action, cause of action or proceeding (all the foregoing, collectively, the "Indemnified Liabilities"); provided that no Indemnitee shall be entitled to indemnification for any Indemnified Liability caused by its own gross negligence or willful misconduct or for any loss asserted against it by another Indemnitee. The agreements in this Section shall survive the termination of the Aggregate Commitments and repayment of all the other Obligations.



10.06 Payments Set Aside. To the extent that the Borrower makes a payment to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

10.07 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that, except as provided in this Section 10.07(a) or in Section 7.02, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement. On the Assumption Date, and subject

to the satisfaction of the conditions precedent set forth in Section 4.02, FMC agrees to assign (and shall be deemed to have assigned without the necessity of any separate assignment agreement) and Technologies agrees to assume (and shall be deemed to have assumed without the necessity of any separate assumption agreement), all of FMC's rights and obligations as the Borrower under the Loan Documents. Upon such assignment by FMC and assumption by Technologies, FMC shall be released from all of its obligations and liabilities under the Loan Documents (except under the Guaranty) without the necessity of any separate release agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent, shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, and (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500. Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.07(c), from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this



Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.07, 10.04 and 10.05). Upon request, the Borrower (at its expense) shall execute and deliver new or replacement Notes to the assigning Lender and the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Subject to the fourth sentence of Section 2.10(a), the entries in the Register shall be rebuttably presumptively true and correct, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or

instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification that would (i) postpone any date upon which any payment of money is scheduled to be paid to such Participant or (ii) reduce the principal, interest, fees or other amounts payable to such Participant. Subject to Section 10.07(e), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender, provided such Participant agrees to be subject to Section 2.12 as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 3.01 or Section 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Lender organized under the laws of a jurisdiction outside of the United States if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01 as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender to



a Federal Reserve Bank; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in clause (i) of the proviso to the first sentence of Section 10.07(b)), the Borrower shall be deemed to have given its consent five Business Days after the date notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(h) As used herein, the following terms have the following meanings:

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) an Approved Fund; and (iv) any other Person (other than a natural Person) approved by the Administrative Agent and, unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed).

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Approved Fund" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

10.08 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement

of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower; (g) with the consent of the Borrower; (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower; or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified in writing at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to



have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.09 Set-off. In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and during the continuance of any Event of Default, each Lender is authorized at any time and from time to time, without prior notice to the Borrower, any such notice being waived by the Borrower to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender to or for the credit or the account of the Borrower against any and all Obligations then due and payable to such Lender, now or hereafter existing, irrespective of whether or not the Administrative Agent or such Lender shall have made demand under this Agreement or any other Loan Document. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

10.10 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

10.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.12 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided that the inclusion of supplemental rights or

remedies in favor of the Administrative Agent or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

10.13 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation (other than Contingent Surviving Obligations) shall remain unpaid or unsatisfied.



10.14 Severability. Any provision of this Agreement and the other Loan Documents to which the Borrower is a party that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.15 Removal and Replacement of Lenders.

(a) Under any circumstances set forth herein providing that the Borrower shall have the right or obligation to remove or replace a Lender as a party to this Agreement, the Borrower may or shall, as the case may be, upon notice to such Lender and the Administrative Agent, (i) remove such Lender by terminating such Lender's Commitment or (ii) replace such Lender by causing such Lender to assign its Commitment pursuant to Section 10.07(b) to one or more other Lenders or Eligible Assignees procured by the Borrower; provided that if the Borrower elects to exercise such right with respect to any Lender pursuant to Section 3.06(b), it shall be obligated to remove or replace, as the case may be, all Lenders that have made similar requests for compensation pursuant to Section 3.01 or 3.04 or make similar notifications pursuant to Section 3.02. The Borrower shall, in the case of a termination of such Lender's Commitment pursuant to clause (i) preceding, (y) pay in full all principal, interest, fees and other amounts owing to such Lender through the date or assignment (including any amounts payable pursuant to Section 3.05), and (z) release such Lender from its obligations under the Loan Documents. Any Lender being replaced shall execute and deliver an Assignment and Acceptance with respect to such Lender's Commitment and outstanding Loans. The Borrower shall, in the case of an assignment pursuant to clause (ii) preceding, cause to be paid the assignment fee payable to the Administrative Agent pursuant to Section 10.07(b). The Administrative Agent shall distribute an amended Schedule 2.01, which shall be deemed incorporated into this Agreement, to reflect changes in the identities of the Lenders and adjustments of their respective Commitments and/or Pro Rata Shares resulting from any such removal or replacement.

(b) This Section 10.15 shall supersede any provision in Section 10.01 to the contrary.

10.16 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE ADMINISTRATIVE AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN MANHATTAN OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS

PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER WAIVES



PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.

10.17 Waiver of Right to Trial by Jury. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

10.18 Time of the Essence. Time is of the essence of the Loan Documents.

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SIGNATURE PAGES TO FOLLOW.



SCHEDULE 2.01

COMMITMENTS
AND PRO RATA SHARES

| Lender | Commitment | Pro Rata Share |
|---|---|---|
| Bank of America, N.A. | $ 17,812,500.00 | .1187500000 |
| Citibank, N.A. | $ 17,812,500.00 | .1187500000 |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" | $ 16,875,000.00 | .1125000000 |
| Den norske Bank ASA | $ 11,250,000.00 | .0750000000 |
| The Royal Bank of Scotland plc | $ 11,250,000.00 | .0750000000 |
| Westdeutsche Landesbank Girozentrale, New York Branch | $ 11,250,000.00 | .0750000000 |
| Wells Fargo Bank Texas, National Association | $ 7,500,000.00 | .0500000000 |
| The Bank of Nova Scotia | $ 7,500,000.00 | .0500000000 |
| The Bank of New York | $ 7,500,000.00 | .0500000000 |
| Credit Suisse First Boston | $ 7,500,000.00 | .0500000000 |
| Danske Bank | $ 7,500,000.00 | .0500000000 |
| Wachovia Bank, N.A. | $ 7,500,000.00 | .0500000000 |
| The Northern Trust Company | $ 7,500,000.00 | .0500000000 |
| The Fuji Bank, Limited | $ 4,821,428.58 | .0321428572 |

| | | |
|---|---|---|
| The Dai-Ichi Kangyo Bank, Ltd. | $ 3,214,285.71 | .0214285714 |
| The Industrial Bank of Japan, Ltd. | $ 3,214,285.71 | .0214285714 |
| Total | $150,000,000.00 | 100.000000000% |



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

FMC CORPORATION

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Address: 200 East Randolph Drive

Chicago, Illinois 60601

Attention: Treasurer

Facsimile No.: 312.861.5797

FMC TECHNOLOGIES, INC.

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Address: 200 East Randolph Drive

Chicago, Illinois 60601

Attention: Treasurer

Facsimile No.: 312.861.5797



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BANK OF AMERICA, N.A., as Administrative Agent

By:_____

Name:_____

Title:_____

Administrative Agent's Office:

Address:_____

_____

_____

Facsimile No.:_____

Attention:_____

ABA No.:_____

Account No.:_____

Reference: FMC Technologies

BANK OF AMERICA, N.A., as a Lender

By:_____

Name:_____

Title:_____

Address:_____

_____

_____

Facsimile No.:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITIBANK, N.A., as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

COOPERATIVE CENTRALE RAIFFEISEN-BOERENLEENBANK

B.A., "RABOBANK NEDERLAND", as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DEN NORSKE BANK ASA, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE ROYAL BANK OF SCOTLAND PLC, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WESTDEUTSCHE LANDESBANK GIROZENTRALE, NEW YORK BRANCH, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WELLS FARGO BANK TEXAS, NATIONAL ASSOCIATION, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE BANK OF NOVA SCOTIA, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE BANK OF NEW YORK, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CREDIT SUISSE FIRST BOSTON, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DANSKE BANK, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WACHOVIA BANK, N.A., as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE NORTHERN TRUST COMPANY, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE FUJI BANK, LIMITED, as a Lender

By:_____

Name:_____

Title:_____

Signature Page to 364-Day Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE DAI-ICHI KANGYO BANK, LTD., as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE INDUSTRIAL BANK OF JAPAN, LTD., as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

_____, as a Lender

By:_____

Name:_____

Title:_____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

_____, as a Lender

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

EXHIBIT 10.1

FORM OF

Tax Sharing Agreement,

dated as of May ___, 2001,

by and among

FMC Corporation

and

FMC Technologies, Inc.

# TAX SHARING AGREEMENT

TAX SHARING AGREEMENT (this "Agreement"), dated as of _____ __, 2001, by and between FMC Corporation, a Delaware corporation ("FMC"), and FMC Technologies, Inc., a Delaware corporation and a wholly-owned subsidiary of FMC ("Subsidiary").

## RECITALS

WHEREAS, FMC is the common parent corporation of an affiliated group of corporations within the meaning of Section 1504(a) of the Code (as defined herein) and of consolidated, combined, unitary and other similar groups as defined under similar laws of other jurisdictions, and Subsidiary and certain Subsidiary Affiliates (as defined herein) are members of such groups;

WHEREAS, the groups of which FMC is the common parent and Subsidiary and the Subsidiary Affiliates are members file or intend to file Consolidated Returns and Combined Returns (as defined herein);

WHEREAS, FMC and Subsidiary have entered into a Separation and Distribution Agreement dated as of [_____ __, 2001] (the "Separation Agreement"), and subject to the terms and conditions thereof, FMC wishes to transfer and assign to Subsidiary substantially all of the assets and liabilities currently associated with the Technologies Business (as defined below) and the stock, investments and similar interests currently held by FMC in subsidiaries and other entities that conduct such business (the "Separation");

WHEREAS, following the Separation, FMC and Subsidiary currently contemplate that Subsidiary will make an initial public offering (the "IPO") of Subsidiary common stock (the "Common Stock") that will reduce FMC's ownership of Subsidiary on a fully-diluted basis to not less than 80.1 percent;

WHEREAS, FMC intends to distribute in the Spin-Off (as defined below) all of its shares of Common Stock, on a pro rata basis, to the holders of the common stock of FMC, subject to the terms and conditions of the Separation Agreement;

WHEREAS, prior to consummating the Separation and the Spin-Off, various FMC Affiliates and the Subsidiary Affiliates will have undertaken the transactions contemplated by the Restructuring (as defined below) that are designed to separate the Technologies Business from the Chemical Business (as defined below), and Intermountain Research and Development Corporation, a Wyoming corporation and a wholly-owned subsidiary of FMC, will distribute all of the stock of FMC International A.G. ("FMC International"), a Swiss corporation, to FMC (the "Internal Distribution");

WHEREAS, the Separation, the Spin-Off, the Internal Distribution and certain of the transactions involved in the Restructuring are intended to qualify as tax-free reorganizations and distributions under Sections 368(a)(1)(D) and 355 of the Code;

WHEREAS, at the close of business on the day on which the Spin-Off occurs (the "Distribution Date"), the taxable year of Subsidiary shall close for U.S. federal income tax purposes; and

WHEREAS, in contemplation of the Spin-Off pursuant to which Subsidiary and its domestic subsidiaries will cease to be members of the FMC Group (as defined below), FMC and Subsidiary wish to set forth the principles and responsibilities of the parties to this Agreement regarding the allocation of Taxes (as defined herein) and other related liabilities and adjustments with respect to Taxes, Proceedings (as defined herein) and other related Tax matters.

NOW, THEREFORE, in consideration of the premises and the representations, covenants and agreements contained herein and intending to be legally bound, the parties hereto hereby agree as follows:

Section 1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Separation Agreement. As used in this Agreement, capitalized terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"Acceptable Letter of Credit" shall mean a clean, unconditional and irrevocable letter of credit in favor of FMC, issued or confirmed for direct payment by a commercial bank that is a member of the New York Clearinghouse Association and qualifies as "well capitalized" (as such term is defined in section 325.103(b)(1) of the regulations of the Federal Deposit Insurance Corporation (12 C.F.R. (S) 325.103(b)(1)) which shall (a) provide that the issuing bank shall pay to FMC an amount up to the face amount thereof upon presentation of only the letter of credit and a sight draft in the face amount, (b) have an expiration date of not less than one year from its date of issuance and provide for automatic renewal, without amendment, for an additional one year term followed by consecutive periods of six (6) months, unless the issuing bank sends written notice to FMC not less than one hundred and twenty (120) days prior to the then expiration date of the letter of credit that it elects not to have the same renewed (a "Non-Renewal Notice") and (c) otherwise be in a form satisfactory to FMC.

"Actually Realized" or "Actually Realizes" means, for purposes of determining the timing of the incurrence of any Income Tax Liability or the realization of a Refund (or any related Tax Benefit (as defined below) or Tax Detriment (as defined below)) by a Person in respect of any payment, transaction, occurrence or event, the time at which the amount of Income Taxes paid by such Person is increased above or reduced below the amount of Income Taxes that such Person would have been required to pay but for such payment, transaction, occurrence or event or, in the case of a cash refund, the date on which such refund is actually received.

"Actually Utilized" means, with respect to a Tax Asset, that the Tax Asset reduced the amount of Taxes that such a Person would have been required to pay but for such Tax Asset or, in the case of a cash refund, that such refund was actually received.



"Aggregate Assumed Spin-Off Tax Liabilities" means (i) the sum of the Assumed Spin-Off Tax Liabilities with respect to each relevant Taxing Jurisdiction plus (ii) an amount equal to the amount of interest that would accrue on the amount determined under clause (i) calculated at 110% of the

highest Underpayment Rate for U.S. corporations from the Distribution Date until the date that is thirty months after the Distribution Date.

"Aggregate Spin-Off Tax Liabilities" means the sum of the Spin-Off Disqualification Taxes with respect to each Taxing Jurisdiction.

"Agreement" has the meaning set forth in the Recitals.

"Assumed Spin-Off Tax Liabilities" means, with respect to any Taxing Jurisdiction (as defined below), the product of (x) the excess of (A) 105% of the highest trading value of Common Stock during the five Business Days following the Spin-Off over (B) the tax basis, per share, in the Common Stock held by FMC, (y) the number of shares of Common Stock held by FMC and distributed in the Spin-Off and (z) the Taxing Jurisdiction's highest marginal tax rate applicable to the taxable income of corporations on income of the character subject to tax and indemnified against under this Agreement.

"Board Certification" shall mean a certified copy of a resolution of Subsidiary's Board of Directors in which the Board, after an investigation of the facts and advice concerning the applicable law, finds and warrants to FMC that (a) following the transaction at issue, Subsidiary or any Subsidiary Affiliate will not have issued or agreed to issued (including, for these purposes, any sale of or agreement to sell stock of Subsidiary or any Subsidiary Affiliate by FMC or any FMC Affiliate) (i) more than 40% (by vote or value), in the case of a Board Certification provided pursuant to Section 10(a)(1)(vi)(c) hereof or (ii) more than 35% (by vote or value), in the case of a Board Certification provided pursuant to Section 10(a)(1)(vi)(d) hereof, of its outstanding stock (determined immediately prior to the IPO) taking into account all issuances of (and agreements to issue) Equity Securities (and assuming the exercise of all such Equity Securities and the closing of all such agreements) from the point in time immediately prior to the IPO to the date immediately following such transaction, (b) if such transaction involves a merger, Subsidiary will be the surviving entity and the merger will not be a reverse subsidiary merger in which Subsidiary is the surviving entity and (c) the facts and conclusions contained in the resolution will be true and correct at the time the transaction at issue closes.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Illinois are authorized or obligated by law or executive order to close.

"Carryback" means the carryback of a Tax Attribute (including, without limitation, a net operating loss, a net capital loss or a tax credit) by a member of the Subsidiary Group (as defined below) (i) from a Post-Deconsolidation Period to a Straddle Period or a Pre-Deconsolidation Period or (ii) from a Straddle Period to a Pre-Deconsolidation Period.

"Chemical Business" means all the businesses and operations (including related joint ventures and alliances) of FMC, other than the Technologies Business.

"Code" means the United States Internal Revenue Code of 1986, as amended.



"Combined Group" means a group of corporations or other entities that files a Combined Return or a corporation or other entity that files a Combined Return described in clause (ii) or clause (iii) of the definition of "Combined Return."

"Combined Return" means any Tax Return with respect to Non-Federal

Taxes (i) filed on a consolidated, combined (including nexus combination, worldwide combination, domestic combination, line of business combination or any other form of combination) or unitary basis wherein Subsidiary or one or more Subsidiary Affiliates join in the filing of such Tax Return (for any taxable period or portion thereof) with FMC or one or more FMC Affiliates, (ii) filed on a separate basis that includes Tax Items relating to, or arising from, both the Technologies Business and the Chemical Business, or (iii) pursuant to which Tax Items or Tax Assets of (A) FMC (or any FMC Affiliate) are included on a separate Tax Return of Subsidiary (or any Subsidiary Affiliate) or (B) Subsidiary (or any Subsidiary Affiliate) are included on a separate Tax Return of FMC (or any FMC Affiliate).

"Common Stock" has the meaning set forth in the Recitals.
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"Consolidated Group" means an affiliated group of corporations within
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the meaning of Section 1504(a) of the Code that files a Consolidated Return.

"Consolidated Return" means any Tax Return with respect to Federal
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Income Taxes filed on a consolidated basis wherein Subsidiary or one or more Subsidiary Affiliates join in the filing of such Tax Return (for any taxable period or portion thereof) with FMC or one or more FMC Affiliates.

"Deconsolidation" means with respect to each Tax Return (i) any event
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pursuant to which Subsidiary ceases to be a subsidiary corporation includable in the Consolidated Return, (ii) any event pursuant to which neither Subsidiary nor any Subsidiary Affiliate continues to be included in a Combined Return which includes FMC and/or a FMC Affiliate, (iii) any event (including as a result of transactions contemplated by the Restructuring) pursuant to which Tax Items relating to, or arising from, both the Technologies Business and the Chemical Business are no longer included on a Combined Return described in clause (ii) of the definition of Combined Return or (iv) any event pursuant to which a Tax Return described in clause (iii) of the definition of Combined Return no longer includes Tax Items or Tax Assets of both FMC (or any FMC Affiliate) and Subsidiary (or any Subsidiary Affiliate).

"Deconsolidation Date" means with respect to each Tax Return the day
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on which a Deconsolidation occurs.

"Deconsolidation Tax" means any Tax, resulting from a Deconsolidation,
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that results from the application of Section 1.1502-13 or Section 1.1502-19 or any predecessor provision of the Treasury Regulations (or any similar provision under Non-Federal Tax law).

"Distribution Date" has the meaning set forth in the Recitals.
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"Equity Securities" means any stock or other equity securities treated
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as stock for tax purposes, or options, warrants, rights, convertible debt, or any other instrument or security that affords any Person the right, whether conditional or otherwise, to acquire stock.



"Estimated Tax Installment Date" means the installment due dates
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prescribed in Section 6655(c) of the Code (presently April 15, June 15, September 15 and December 15).

"Federal Income Tax" means any Tax imposed under Subtitle A of the
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Code or any other provision of United States federal Income Tax law (including the Taxes imposed by Sections 11, 55, 59A, and 1201(a) of the Code), and any interest, additions to Tax or penalties applicable or related thereto.

"Federal Tax" means any Tax imposed under the Code or otherwise under
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United States federal Tax law.

"Fifty-Percent or Greater Interest" shall have the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

"Final Determination" means the final resolution of any Tax (or other matter) for a taxable period, including related interest or penalties, that, under applicable law, is not subject to further appeal, review or modification through proceedings or otherwise, including (1) by the expiration of a statute of limitations or a period for the filing of claims for Refunds, amending Tax Returns, appealing from adverse determinations, or recovering any Refund (including by offset), (2) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable, (3) by a closing agreement or an accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreements under laws of other jurisdictions, (4) by execution of an Internal Revenue Service Form 870 or 870AD, or by a comparable form under the laws of other jurisdictions (excluding, however, with respect to a particular Tax Item for a particular taxable period any such form that reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for Refund and/or the right of the Tax Authority to assert a further deficiency with respect to such Tax Item for such period), or (5) by any allowance of a Refund or credit, but only after the expiration of all periods during which such Refund or credit may be recovered (including by way of offset).

"FMC" has the meaning set forth in the Recitals.

"FMC Affiliate" means any corporation or other entity in which FMC owns more than fifty percent (50%) of the total combined voting power (at any time after the completion of the Restructuring), other than Subsidiary or any Subsidiary Affiliate.

"FMC Group" means the affiliated group of corporations as defined in Section 1504(a) of the Code, or similar group of entities as defined under corresponding provisions of the laws of other jurisdictions, of which FMC is the common parent, and any corporation or other entity which is a member of such group for the relevant taxable period or portion thereof, but excluding any member of the Subsidiary Group.

"FMC Subsidiaries" means all direct and indirect subsidiaries of FMC other than Subsidiary and its subsidiaries.

"Income Tax" means (a) any Tax based upon, measured by, or calculated with respect to (1) net income or profits (including, without limitation, any capital gains Tax, minimum Tax and any Tax on items of Tax preference, but not including sales, use, real or personal



property, gross or net receipts, transfer or similar Taxes) or (2) multiple bases if one or more of the bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (1) above, or (b) any United States state or local franchise Tax.

"Income Tax Liability" means all liabilities for Income Taxes.

"Indemnifiable Loss Deduction" has the meaning set forth in Section 6.3(b) of this Agreement.

"Indemnified Loss" has the meaning set forth in Section 6.3(b) of this Agreement.

"Indemnified Party" means any Person that has received or is seeking indemnification pursuant to the provisions of this Agreement.

"Indemnifying Party" means any party hereto from which any Indemnified Party has received or is seeking indemnification pursuant to the provisions of this Agreement.

"Independent Entity" has the meaning set forth in Section 8 of this Agreement.

"Interim Period" means any taxable period with respect to a Consolidated Return or Combined Return, as the case may be, beginning, with respect to Subsidiary and/or any Subsidiary Affiliate, on or before the Separation Date and ending after the Separation Date.

"Internal Distribution" has the meaning set forth in the Recitals.

"IPO" has the meaning set forth in the Recitals.

"IPO Date" has the meaning set forth in the Separation Agreement.

"Losses" has the meaning set forth in the Separation Agreement.

"Non-Federal Combined Tax" means any Non-Federal Tax with respect to which a Combined Return is filed.

"Non-Federal Separate Tax" means any Non-Federal Tax other than a Non-Federal Combined Tax.

"Non-Federal Tax" means any Tax other than a Federal Tax.

"Non-Renewal Notice" shall have the meaning set forth in the definition of "Acceptable Letter of Credit."

"Option" means an option to acquire common stock, or other equity-based incentives the economic value of which is designed to mirror that of an option, including non-qualified stock options, discounted non-qualified stock options, cliff options to the extent stock is issued or issuable (as opposed to cash compensation), and tandem stock options to the extent stock is issued or issuable (as opposed to cash compensation).



"Other Foreign Restructuring Tax" means any Tax, other than a Federal Tax, a United States state or local Tax or a Spin-Off Disqualification Tax, resulting directly from a Secondary Restructuring.

"Payment Period" has the meaning set forth in Section 6.4 of this Agreement.

"Person" means and includes any individual, partnership, joint venture, limited liability company, corporation, association, joint stock company, trust, unincorporated organization or similar entity or a governmental authority or any department or agency or other unit thereof.

"Post-Deconsolidation Period" means any taxable period with respect to a Consolidated Return or Combined Return, as the case may be, (i) beginning with respect to Subsidiary and/or any Subsidiary Affiliate after a Deconsolidation Date and/or (ii) the portion of the Straddle Period commencing on the Deconsolidation Date.

"Pre-Deconsolidation Period" means any taxable period with respect to a Consolidated Return or Combined Return, as the case may be, (i) beginning with respect to Subsidiary and/or any Subsidiary Affiliate on or after the Separation Date and on or before a Deconsolidation Date, and/or (ii) the portion of the Straddle Period ending on the Deconsolidation Date.

"Pre-Restructuring Foreign Dividend" means (i) the payment of an actual dividend (as defined under U.S. Tax law) by a foreign Subsidiary Affiliate to Subsidiary or Parent; (ii) a transaction which by its terms will give rise to a deemed dividend under Section 956 of the Code; (iii) a transaction by which a foreign Subsidiary Affiliate makes a distribution which is treated as a return of capital (due to the absence of accumulated earnings and profits for U.S. Tax purposes); or (iv) a transaction by which a foreign Subsidiary Affiliate makes a distribution which for U.S. purposes is treated as a distribution of previously taxed income (as defined in Section 959 of the Code), in each case prior to or in connection with the Restructuring.

"Privilege" means any privilege that may be asserted under applicable law including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege, and any privilege relating to internal evaluation processes.

"Prime Rate" means, for any day, the rate of interest per annum established from time to time by The Chase Manhattan Bank as its prime rate in effect on such day at its principal office in New York City, plus 150 basis points.

"Pro Forma Subsidiary Group Combined Return" means a pro forma Non-Federal Combined Tax return or other schedule prepared pursuant to Section 4.3 of this Agreement.

"Pro Forma Subsidiary Group Consolidated Return" means a pro forma consolidated Federal Income Tax return or other schedule prepared pursuant to Section 4.2 of this Agreement.



"Proceeding" means any assessment, audit, or other examination by any Tax Authority, relating to Taxes (including Refunds), whether administrative or judicial, and any appeal of the foregoing.

"Qualified Tax Counsel" means a nationally recognized independent public accounting firm or law firm, which does not currently represent Subsidiary or any Subsidiary Affiliate, as shall be agreed upon by FMC and Subsidiary.

"Qualifying Pre-Restructuring Foreign Dividend" means a Pre-Restructuring Foreign Dividend in connection with which an amount equal to such Pre-Restructuring Foreign Dividend (net of any foreign withholding tax) is remitted to Parent and, after the Restructuring, the obligation to repay such amount, if any, is transferred to and assumed by, or remains with, Subsidiary.

"Refund" means any refund of Taxes, including any reduction in Tax liabilities by means of a credit, offset or otherwise.

"Representatives" means with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

"Restated Tax Saving Amount" has the meaning set forth in Section

6.3(c) of this Agreement.

"Restriction Period" means the period beginning on the date hereof and ending thirty (30) months after the Distribution Date.

"Restructuring" means the series of transactions contemplated by the Separation Agreement relating to (i) any transfer or assignment of the Technologies Business and any Technologies Subsidiary to Subsidiary and the Subsidiary Affiliates, (ii) any transfer or assignment of the Chemical Business and any FMC Subsidiary from Subsidiary and the Subsidiary Affiliates and (iii) any other transaction undertaken to restructure or separate the Technologies Business and the Technology Subsidiaries, on the one hand, and the Chemical Business and the FMC Subsidiaries, on the other hand, in connection with the IPO; provided, however, that the Internal Distribution and the Spin-Off shall not be treated as part of the Restructuring.

"Restructuring Tax" means any Tax resulting from the Restructuring imposed upon FMC or any FMC Affiliate or Subsidiary or any Subsidiary Affiliate; provided that, such term shall not refer to any Spin-Off Disqualification Tax.

"Ruling" means (a) the initial private letter ruling, if any, issued by the Service in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions) or (b) any similar ruling issued by any Tax Authority other than the Service in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions).

"Ruling Documents" means (a) the request for the Ruling submitted to the Service, together with the appendices and exhibits thereto and any supplemental filings or other mate-



rials subsequently submitted to the Service, in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions) or (b) any similar filings submitted to any other Tax Authority in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions).

"Secondary Restructuring" means (a) a secondary public offering pursuant to which FMC sells shares of Common Stock or (b) a Spin-Off.

"Separate Return" means any Tax Return with respect to Non-Federal Separate Taxes filed by FMC, Subsidiary, or any of their respective affiliates.

"Separation" has the meaning set forth in the Recitals.

"Separation Agreement" has the meaning set forth in the Recitals.

"Separation Date" means the date on which the Separation occurs.

"Service" means the Internal Revenue Service or any successor agency or authority.

"Spin-Off" means any distribution (or exchange) by FMC or any FMC Affiliate, with respect to its stock, of the stock of Subsidiary (or any successor corporation or corporation which owns stock of Subsidiary) in a transaction intended to qualify under Section 355 of the Code.

"Spin-Off Disqualification Tax" means any Taxes (and other costs, liabilities, expenses or damages) imposed upon or incurred by FMC or any FMC

Affiliate or Subsidiary or any Subsidiary Affiliate that are attributable to, or result from, the failure of the Spin-Off and/or the Internal Distribution to qualify under Section 355 of the Code (including, without limitation, any Tax attributable to the application of Section 355(d), Section 355(e) or Section 355(f) of the Code to the Spin-Off and/or the Internal Distribution) or corresponding provisions of the laws of other jurisdictions. Each Tax referred to in the immediately preceding sentence shall be determined using the highest statutory marginal corporate income Tax rate for the relevant taxable period (or portion thereof).

"Straddle Period" means any taxable period with respect to a Consolidated Return or Combined Return, as the case may be, beginning with respect to Subsidiary and/or any Subsidiary Affiliate on or before the Deconsolidation Date and ending after the Deconsolidation Date.

"Subsidiary" has the meaning set forth in the Recitals.

"Subsidiary Affiliate" means (i) any corporation or other entity in which Subsidiary owns directly or indirectly more than fifty percent (50%) of the total combined voting power (at any time after the completion of the Restructuring), (ii) any non-stock entity such as a contractual joint venture, alliance, consortium or similar entity in which the Technology Businesses have participated and (iii) any of the entities listed on Exhibit A hereto.



"Subsidiary Group" means the affiliated group of corporations as defined in Section 1504(a) of the Code, or similar group of entities as defined under corresponding provisions of the laws of other jurisdictions following the completion of the Restructuring, of which Subsidiary would be the common parent if it were not a subsidiary of FMC, and any corporation or other entity which would be a member of such group for the relevant taxable period or portion thereof.

"Subsidiary Group Combined Tax Liability" means, with respect to any taxable period, the Subsidiary Group's liability for Non-Federal Combined Taxes as determined under Section 4.3 of this Agreement.

"Subsidiary Group Federal Income Tax Liability" means, with respect to any taxable period, the Subsidiary Group's liability for Federal Income Taxes as determined under Section 4.2 of this Agreement.

"Subsidiary IPO Tax Return" has the meaning set forth in Section 9.2(a) of this Agreement.

"Subsidiary Restructuring Tax Return" has the meaning set forth in Section 9.2(b) of this Agreement.

"Supplemental Ruling" means (a) any private letter ruling (other than the Ruling) issued by the Service in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions) or (b) any similar ruling issued by any Tax Authority other than the Service in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions).

"Supplemental Ruling Documents" means (a) the request for the Supplemental Ruling submitted to the Service, together with the appendices and exhibits thereto and any supplemental filings or other materials subsequently submitted to the Service, in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions) or (b) any similar filings submitted to any other Tax Authority in connection with the Spin-Off and/or the Internal Distribution (and, in each case, any related transactions).

"Tax" means any charges, fees, levies, imposts, duties, or other

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assessments of a similar nature, including income, alternative or add-on minimum, gross receipts, profits, lease, service, service use, wage, wage withholding, employment, workers compensation, business occupation, occupation, premiums, environmental, estimated, excise, employment, sales, use, transfer, license, payroll, franchise, severance, stamp, occupation, windfall profits, withholding, social security, unemployment, disability, ad valorem, highway use, commercial rent, capital stock, paid up capital, recording, registration, property, real property gains, value added, business license, custom duties, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by any Tax Authority including any interest, additions to tax, or penalties applicable or related thereto.

"Tax Asset" means any Tax Item that could reduce a Tax, including,
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without limitation, a net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or credit related to alternative minimum tax or any other Tax credit.



"Tax Attribute" means a consolidated net operating loss, a
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consolidated net capital loss, a consolidated unused investment credit, a consolidated unused foreign tax credit, or a consolidated excess charitable contribution (as such terms are used in Treasury Regulations 1.1502-79 and 1.1502-79A), or a U.S. federal minimum tax credit or U.S. federal general business credit (but not tax basis or earnings and profits) that arises in a Pre-Deconsolidation Period (including the taxable period in which the Deconsolidation Date occurs) and can be carried to a taxable period ending after the Deconsolidation Date.

"Tax Authority" means a governmental authority (foreign or domestic)
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or any subdivision, agency, commission or authority thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including, without limitation, the Service).

"Tax Benefit" means a reduction in the Tax liability (or, without
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duplication, the increase in any Refund) of a taxpayer (or the affiliated group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Benefit shall be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax liability of the taxpayer (or of the affiliated group of which it is a member) for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all other prior periods, is less than it would have been if such Tax liability were determined without regard to such Tax Item.

"Tax Detriment" means an increase in the Tax liability (or, without
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duplication, the reduction in any Refund) of a taxpayer (or the affiliated group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Detriment shall be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax liability of the taxpayer (or of the affiliated group of which it is a member) for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all other prior periods, is greater than it would have been if such Tax liability were determined without regard to such Tax Item.

"Tax-Free Status" means the qualification of (A) the Spin-Off (i) as a
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transaction described in Sections 355(a)(1) and 368(a)(1)(D) of the Code, (ii) as a transaction in which the stock distributed thereby is qualified property for purposes of section 355(c)(2) of the Code, and (iii) as a transaction in which FMC recognizes no income or gain other than intercompany items or excess loss accounts taken into account pursuant to applicable Treasury Regulations promulgated pursuant to Section 1502 of the Code and (B) the Internal Distribution (i) as a transaction described in Sections 355(a)(1) and 368(a)(1)(D) of the Code, (ii) as a transaction in which the stock distributed thereby is qualified property for purposes of section 355(c)(2) of the Code, and

(iii) as a transaction in which FMC recognizes no income or gain other than intercompany items or excess loss accounts taken into account pursuant to applicable Treasury Regulations promulgated pursuant to Section 1502 of the Code.

"Tax Item" means any item of income, gain, loss, deduction or credit, or other attribute that may have the effect of increasing or decreasing any Tax.

"Tax-Related Losses" means (without duplication):



(i) the Aggregate Spin-Off Tax Liabilities,

(ii) all accounting, legal and other professional fees, and court costs incurred in connection with any settlement, Final Determination, judgment or other determination with respect to such Aggregate Spin-Off Tax Liabilities, and

(iii) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by FMC or Subsidiary in respect of the liability of shareholders, whether paid to shareholders or to the Service or any other Tax Authority payable by FMC or Subsidiary or their respective Affiliates, in each case, resulting from the failure of the Spin-Off and/or the Internal Distribution to qualify for Tax-Free Status.

"Tax Return" means any return, report, certificate, form or similar statement or document (including, any related or supporting information or schedule attached thereto and any information return, amended Tax Return, claim for Refund or declaration of estimated tax) required to be supplied to, or filed with, a Tax Authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Tax Saving Amount" has the meaning set forth in Section 6.3(b) of this Agreement.

"Taxing Jurisdiction" means the United States and each and every other government or governmental unit (foreign and domestic) having jurisdiction to tax any of FMC, the FMC Affiliates, Subsidiary and the Subsidiary Affiliates.

"Technologies Business" has the meaning set forth in the Separation Agreement.

"Technologies Subsidiaries" has the meaning set forth in the Separation Agreement.

"Treasury Regulations" means the final, temporary and proposed income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Underpayment Rate" means the annual rate of interest described in Section 6621(c) of the Code for large corporate underpayments of Income Tax (or similar provision of state, local, or foreign Income Tax law, as applicable), as determined from time to time.

"Unqualified Tax Opinion" means an unqualified "will" opinion of Qualified Tax Counsel on which FMC may rely, in form and substance reasonably acceptable to FMC (and in determining whether an opinion is reasonably acceptable, FMC may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion) to the effect that a transaction (taking into account all prior transactions and agreements during the Restriction Period) will not disqualify

the Spin-Off from Tax-Free Status, assuming that the Spin-Off would have qualified for Tax-Free Status if such transaction did not occur.



Section 2. Filing and Preparation of Tax Returns

2.1 In General. (a) Except to the extent provided in Sections 2.2(c) and (d) of this Agreement, FMC shall have the sole and exclusive responsibility for the preparation and filing of, and shall prepare and file or cause to be prepared and filed: (1) all Consolidated Returns and (2) all Combined Returns. Notwithstanding the immediately preceding sentence, Subsidiary shall (subject to Section 2.2(b) of this Agreement) be responsible for preparing and filing, and shall prepare and file or cause to be prepared and filed, any Combined Return of Subsidiary or any Subsidiary Affiliate described in clause (ii) or clause (iii)(A) of the definition of "Combined Return."

(b) Except as otherwise provided in Section 2.1(a) and Section 2.2 of this Agreement, Subsidiary shall have the sole and exclusive responsibility for the preparation and filing of, and shall prepare and file or cause to be prepared and filed, all Tax Returns of Subsidiary and any Subsidiary Affiliate; provided that, without limiting FMC's rights contained elsewhere in this Agreement or limiting Subsidiary's obligations under this Agreement, if FMC owns (or at any time during the taxable period to which such Tax Return relates owned) a Fifty-Percent or Greater Interest in the outstanding stock of Subsidiary, Subsidiary shall, at the request of FMC, submit such Tax Returns to FMC (no later than forty (40) Business Days prior to the due date for the filing of such Tax Returns (taking into account applicable extensions)) for FMC's review and approval, which approval shall not be unreasonably withheld. Subsidiary shall, at its expense, promptly provide FMC with such information and documentation as FMC shall reasonably request in connection with such review and approval.

(c) Within thirty (30) Business Days from the Separation Date, Subsidiary shall provide Parent with a completed year-end reporting package (containing such information and in such form as FMC shall direct) for the period January 1, 2001 through the Separation Date.

(d) Within thirty (30) Business Days from the Distribution Date, Subsidiary shall provide Parent with a completed year-end reporting package (containing such information and in such form as FMC shall direct) for the period through the Distribution Date.

(e) Within ten (10) Business Days of the end of the 2001 calendar year, Subsidiary shall provide Parent with such supplemental Tax information (containing such information and in such form as FMC shall direct) as Parent shall reasonably request for completion of its annual financial statements.

2.2 Manner of Preparing and Filing Tax Returns. (a) All Tax Returns filed after the date of this Agreement by FMC, any FMC Affiliate, Subsidiary or any Subsidiary Affiliate shall be (1) prepared in a manner that is consistent with (i) Sections 5.1 and 5.2 of this Agreement and (ii) any Ruling Documents, Supplemental Ruling Documents, Ruling or Supplemental Ruling, and (2) filed on a timely basis (taking into account applicable extensions) by the party responsible for such filing under Section 2.1 of this Agreement.

(b) Subject to Sections 2.2(c) and (d) of this Agreement, FMC shall have the exclusive right, in its sole discretion, with respect to any Tax Return described in Sec-



tion 2.1(a) of this Agreement (without regard to which party is responsible for preparing and filing such Tax Return) to determine (1) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported, (2) whether any extensions may be requested, (3) the elections that will be made or revoked by FMC, each FMC Affiliate, Subsidiary, and each Subsidiary Affiliate on such Tax Return, (4) whether any amended Tax Returns shall be filed, (5) whether any claims for Refund shall be made, (6) whether any Refunds shall be paid by way of refund or

credited against any liability for the related Tax, and (7) whether to retain outside firms to prepare or review such Tax Return, whom to retain for such purpose and the scope of any such retention.

(c) Subsidiary shall, at its expense, be responsible for preparing (or causing to be prepared) and shall provide to FMC (or cause to be so provided), all information that FMC shall reasonably request, in such form as FMC shall reasonably request (including in the form of Pro Forma Subsidiary Group Consolidated Returns and Pro Forma Subsidiary Group Combined Returns), relating to the rights and obligations of FMC with respect to Taxes and Tax Returns hereunder, including any such information so requested to enable FMC to prepare the Tax Returns that it is required to prepare under Section 2.1 and allocate Taxes as required by this Agreement (which information shall be provided by Subsidiary promptly after it is requested but in any event no later than forty (40) Business Days prior to the due date (taking into account extensions) of such Tax Return). Without limiting the generality of the foregoing, Subsidiary shall, at its expense, prepare (or cause to be prepared) the portions of the Consolidated Returns and Combined Returns (including making any related elections and submitting any consents) that relate exclusively to Subsidiary or any Subsidiary Affiliate or the Technologies Business. Subsidiary shall submit (1) any portions of the Tax Returns referred to in the immediately preceding sentence or (2) any Combined Return referred to in the last sentence of Section 2.1(a) of this Agreement to FMC at least forty (40) Business Days (or such shorter period as agreed to by FMC) prior to the due date for the filing of such Tax Returns (taking into account applicable extensions) for FMC's review and approval. Subsidiary shall advise FMC, each time that it delivers the portion of a Consolidated Return or Combined Return for which it is responsible pursuant to this Section 2.2(c) or any Combined Return referred to in the last sentence of Section 2.1(a) of this Agreement, that there is substantial authority (within the meaning of Section 1.6662-4(d) of the Treasury Regulations) with respect to United States federal, state and local Tax Returns or similar appropriate authoritative support with respect to any Tax Return other than United States federal, state and local Tax Returns for each of the positions set forth on such portion of the Tax Return or such Combined Return. Notwithstanding any other provisions of this Agreement, Subsidiary shall use reasonable efforts to respond promptly to specific questions from FMC concerning tax matters with respect to which Subsidiary could reasonable be expected to have relevant information.

(d) Subsidiary shall have the right to request that FMC file an amended Tax Return or claim for Refund relating to the portion of any Consolidated Return or Combined Return which Subsidiary is responsible for preparing under Section 2.2(c) of this Agreement or any Tax Item on any other Consolidated Return or Combined Return that relates exclusively to the Technologies Business, but only if such amended Tax Return would include aggregate adjustments relating to Subsidiary and Subsidiary Affiliates in excess of $5 million of Tax. Subsidiary shall be responsible for preparing the portion of any such amended Tax Return



or claim for Refund relating to (i) the portion of the Consolidated Return or Combined Return which Subsidiary is responsible for preparing under Section 2.2(c) of this Agreement or (ii) the Tax Item on any other Consolidated Return or Combined Return that relates exclusively to the Technologies Business. Subsidiary shall submit such portion of the amended Tax Return or claim for Refund to FMC no later than forty (40) Business Days prior to the due date for filing such amended Tax Return or claim for Refund for FMC's review, approval and determination as to whether to honor such request and file such amended Tax Return or claim for Refund.

(e) In the event that a Tax Item affects a Tax Return described in Section 2.1(a) of this Agreement and also affects a Tax Return described in Section 2.1(b) of this Agreement that is filed after the date of this Agreement, the filing party shall conform the treatment of such Tax Item in any Tax Return described in Section 2.1(b) of this Agreement to the treatment of such Tax Item in the applicable Tax Return described in Section 2.1(a) of this Agreement.

(f) Without limiting the generality of the foregoing provisions of this Section 2, consistent with Section 6038 of the Code and Treasury Regulation 1.6038-2(j)(1), Parent and Subsidiary agree specifically that Subsidiary shall be responsible for the filing of all Forms 5471 (including all related schedules, statements and forms) for tax year 2001 for all foreign

Subsidiary Affiliates which were, after the Restructuring, directly or indirectly owned by Subsidiary. Subsidiary shall provide to the Parent proof of the filing of all such Forms 5471 on or before the due date of the Parent's Tax return for the period which includes the Distribution Date.

2.3 Agent. Subject to the other applicable provisions of this Agreement, Subsidiary hereby irrevocably designates, and agrees to cause each Subsidiary Affiliate to so designate, FMC as its sole and exclusive agent and attorney-in-fact to take such action (including execution of documents) as FMC, in its sole discretion, may deem appropriate in any and all matters (including Proceedings) relating to any Tax Return described in Section 2.1(a) of this Agreement. In furtherance of the immediately prior sentence, Subsidiary shall, if requested by FMC, (i) execute (or cause to be executed) powers-of-attorney and (ii) shall appoint (or cause to be appointed) one or more employees of FMC or an FMC Affiliate as an officer of Subsidiary or a Subsidiary Affiliate. Notwithstanding the foregoing, FMC shall not exercise its rights as attorney-in-fact or permit any employee of FMC appointed as such an officer to exercise such officer's rights in any manner that is inconsistent with the rights granted to Subsidiary under this Agreement and nothing in this Section 2.3 shall limit Subsidiary's rights under this Agreement.

## Section 3. Payment of Taxes to Tax Authorities

3.1 Federal Income Taxes. FMC shall pay (or cause to be paid) to the Service all Federal Income Taxes with respect to any Consolidated Return due and payable for all Pre-Deconsolidation Periods.

3.2 Non-Federal Combined Taxes. FMC shall pay (or cause to be paid) to the appropriate Tax Authorities all Non-Federal Combined Taxes with respect to any Combined Return due and payable for all Pre-Deconsolidation Periods, provided that, with respect to those Tax Returns described in clauses (ii) and (iii) of the definition of "Combined Return," (1) FMC



shall pay (or cause to be paid) to the appropriate Tax Authorities all Taxes due with respect to any Tax Return of FMC (or any FMC Affiliate) and (2) Subsidiary shall pay (or cause to be paid) to FMC or the appropriate Tax Authorities all Taxes due with respect to any Tax Return of Subsidiary (or any Subsidiary Affiliate).

3.3 Non-Federal Separate Taxes. Subsidiary shall pay (or cause to be paid) to the appropriate Tax Authorities all Non-Federal Separate Taxes of Subsidiary or any Subsidiary Affiliate and shall have no claim against FMC or any FMC Affiliate for any such Non-Federal Separate Taxes. FMC shall pay (or cause to be paid) to the appropriate Tax Authorities all Non-Federal Separate Taxes of FMC or any FMC Affiliate and shall have no claim against Subsidiary or any Subsidiary Affiliate for any such Non-Federal Separate Taxes.

3.4 Other Federal Taxes. The parties shall each pay (or cause to be paid) to the appropriate Tax Authorities all of their respective Federal Taxes (excluding Federal Income Taxes for Pre-Deconsolidation Periods which are governed by Section 3.1 of this Agreement).

## Section 4. Allocation of Taxes

4.1 Subsidiary Liability for Federal Income Taxes and Non-Federal Combined Taxes. Except as otherwise provided in Sections 9, 10, 11 and 12 of this Agreement, for each Pre-Deconsolidation Period, Subsidiary shall be liable for and shall pay to FMC an amount equal to the sum of the Subsidiary Group Federal Income Tax Liability and the Subsidiary Group Combined Tax Liability for such taxable period.

4.2 Subsidiary Group Federal Income Tax Liability. Except as otherwise provided in Sections 9, 10, 11 and 12 of this Agreement, with respect to each Pre-Deconsolidation Period, the Subsidiary Group Federal Income Tax Liability for such taxable period shall be the Subsidiary Group's liability for Federal Income Taxes for such taxable period, as determined on a Pro Forma Subsidiary Group Consolidated Return prepared:

(a) on a basis consistent (including consistency with the manner and principles of preparation contained in Section 2) with the

preparation of the Consolidated Return for such period, determined by including only Tax Items of members of the Subsidiary Group which are included in the Consolidated Return and by allocating Tax Assets to the Subsidiary Group to the extent that the Tax Asset was created by a member of the Subsidiary Group and such Tax Asset was Actually Utilized on the relevant Consolidated Return; and

(b) applying the highest statutory marginal corporate income Tax rate in effect for such taxable period (or portion thereof).

4.3 Subsidiary Group Combined Tax Liability. Except as otherwise provided in Sections 9, 10, 11 and 12 of this Agreement, with respect to any Pre-Deconsolidation Period, the Subsidiary Group Combined Tax Liability shall be the sum for such taxable period of the Subsidiary Group's liability for each Non-Federal Combined Tax, as determined on Pro Forma Subsidiary Group Combined Returns prepared in a manner consistent with the principles and procedures set forth in Section 4.2 hereof. The Pro Forma Subsidiary Group Combined Returns relating to Tax Returns described in clauses (ii) and (iii) of the definition of "Combined



Return" shall be prepared by including only Tax Items and Tax Assets relating to or arising from the Technologies Business.

4.4 Cooperation. (a) Subsidiary shall prepare (or, if requested by FMC, Subsidiary and FMC shall jointly prepare) any Pro Forma Subsidiary Group Consolidated Returns and Pro Forma Subsidiary Group Combined Returns. FMC and Subsidiary agree to cooperate in good faith in connection with the preparation of such pro forma Tax Returns and agree to make reasonably available any documents, information or employees in connection therewith.

(b) The Pro Forma Subsidiary Group Consolidated Returns and Pro Forma Subsidiary Group Combined Returns shall be completed no later than fifty (50) Business Days following the date on which the related Consolidated Return or Combined Return, as the case may be, is filed with the appropriate Tax Authority. Any disputes relating to the reporting of any Tax Item on the pro forma Tax Returns that have not been resolved within the fifty (50) Business Day period referred to in the immediately preceding sentence shall be referred to the Independent Entity, in accordance with the principles and procedures set forth in Section 8 of this Agreement, but nothing in this Section 4.4 shall limit any of FMC's rights under this Agreement, including FMC's right to approve certain Tax Returns and to require compliance with Section 2.2(b) and the other terms of this Agreement.

4.5 Tax Sharing Installment Payments. (a) Federal Income Taxes. Not later than five (5) Business Days prior to each Estimated Tax Installment Date with respect to any Pre-Deconsolidation Period (including the Straddle Period), the parties shall determine under the principles of Section 6655 of the Code the estimated amount of the related installment of the Subsidiary Group Federal Income Tax Liability. Subsidiary shall pay to FMC no later than two (2) Business Days before such Estimated Tax Installment Date the amount thus determined.

(b) Non-Federal Combined Taxes. (1) FMC Tax Returns. FMC shall, in connection with any installment payment (payable with respect to any Combined Return filed by FMC) with respect to Non-Federal Combined Taxes for any Pre-Deconsolidation Period, determine the estimated amount of the related installment of the Subsidiary Group Combined Tax Liability. Within the first ten (10) Business Days of any month, FMC may provide Subsidiary with a written statement setting forth amounts FMC believes are owed by Subsidiary in connection with any installment payments with respect to Non-Federal Combined Taxes made by FMC for the immediately preceding month and any other month for which a statement has not previously been provided by FMC. Subsidiary shall pay the amounts set forth on any statement within five (5) Business Days following the receipt of such statement.

(2) Subsidiary Tax Returns. Subsidiary shall, in connection with any installment payment (payable with respect to any Combined Return prepared and filed by Subsidiary) with respect to Non-Federal Combined Taxes for any Pre-Deconsolidation Period, consistent with past practice, determine the estimated amount of the related installment of the Subsidiary Group Combined Tax Liability. Within the first ten (10) Business Days of any month, Subsidiary may provide FMC with a written statement setting forth amounts Subsidiary believes are owed by FMC in connection with any installment payments with respect to Non-

Federal Combined Taxes made by Subsidiary for the immediately preceding month and any other month for which a statement has not previously been provided by Subsidiary. The amount payable by



FMC pursuant to the immediately preceding sentence shall equal the aggregate amount of the installment payment made by Subsidiary less the estimated amount of the Subsidiary Group Combined Tax Liability related to such installment as determined in the first sentence of this Section 4.5(b)(2). FMC shall pay the amounts set forth on any statement within five (5) Business Days following the receipt of such statement.

4.6 Tax Sharing True-Up Payments. (a) Federal Income Taxes. Not later than fifteen (15) Business Days following the completion of any Pro Forma Subsidiary Group Consolidated Return, Subsidiary shall pay to FMC, or FMC shall pay to Subsidiary, as appropriate, an amount equal to the difference, if any, between the Subsidiary Group Federal Income Tax Liability for the Pre-Deconsolidation Period and the aggregate amount paid by Subsidiary with respect to such period under Section 4.5(a) of this Agreement.

(b) Non-Federal Combined Taxes. Not later than fifteen (15) Business Days following the completion of any Pro Forma Subsidiary Group Combined Return, Subsidiary shall pay to FMC, or FMC shall pay to Subsidiary, as appropriate, an amount equal to the difference, if any, between the Subsidiary Group Combined Tax Liability for the Pre-Deconsolidation Period and the amounts paid by Subsidiary with respect to such period under Sections 4.5(b)(1) and (2) of this Agreement. For purposes of this Section 4.6(b), the amounts paid by Subsidiary under (i) Section 4.5(b)(1) shall be the amounts paid to FMC and (ii) Section 4.5(b)(2) shall be the amounts paid to the relevant Tax Authority less any amounts received from FMC.

4.7 Redetermination Amounts. Except as otherwise provided in Sections 9, 10, 11 and 12 of this Agreement, for any Pre-Deconsolidation Period, in the event of a redetermination of any Tax Item of any member of a Consolidated Group or Combined Group as a result of a Final Determination, the filing of a claim for Refund or the filing of an amended Tax Return pursuant to which Taxes are paid to a Tax Authority or a Refund of Taxes is received from a Tax Authority, FMC and Subsidiary shall prepare jointly, in accordance with the principles and procedures set forth in this Section 4, revised Pro Forma Subsidiary Group Consolidated Returns and/or revised Pro Forma Subsidiary Group Combined Returns, as appropriate, to reflect the redetermination of such Tax Item as a result of such Final Determination, filing of a claim for Refund or filing of an amended Tax Return. Following the preparation of such revised pro forma Tax Returns, FMC's and Subsidiary's payment obligations shall be redetermined. A party hereto that is liable pursuant to this Section 4.7 to make a payment by reason of a redetermination to another party hereto shall make such payment with interest thereon, computed at the Underpayment Rate, from the due date for filing such Tax Return for which the Tax liabilities were redetermined until the date of payment pursuant to this Section 4.7 (but without duplication of the amount of interest included in the Tax liabilities as so redetermined). Such payment shall be made no later than five (5) Business Days prior to the date that payment is due to the relevant Tax Authority by reason of such redetermination.

4.8 Payment of Taxes for Post-Deconsolidation Periods. Except as otherwise provided in this Agreement, FMC shall pay or cause to be paid all Taxes and shall be entitled to receive and retain all Refunds of Taxes with respect to Tax Returns relating to Post-Deconsolidation Periods for which FMC has filing responsibility, including filing responsibility under this Agreement. Except as otherwise provided in this Agreement, Subsidiary shall pay or



cause to be paid all Taxes and shall be entitled to receive and retain all Refunds of Taxes with respect to Tax Returns relating to Post-Deconsolidation Periods for which Subsidiary has filing responsibility, including under this Agreement.

4.9 Special Rules For Allocating Taxes. (a) Closing of Tax Years. For U.S. federal Income Tax purposes, the taxable year of the Subsidiary Group shall end as of the close of the Deconsolidation Date with respect to Subsidiary and, with respect to all other Income Taxes, FMC (or the appropriate member of

the FMC Group) and Subsidiary (or the appropriate member of the Subsidiary Group) shall, unless prohibited by applicable law, take all action necessary or appropriate to close the taxable period of the members of the Subsidiary Group as of the close of such Deconsolidation Date. Neither any member of the FMC Group nor any member of the Subsidiary Group shall take any position inconsistent with the preceding sentence on any Income Tax Return. If a Person is permitted but not required under applicable state, local or foreign income tax laws to treat the Deconsolidation Date as the last day of a taxable period, then the parties shall cause such Person to treat that day as the last day of a taxable period.

(b) Partnership and Flowthrough Entities. In the case of any Income Tax Liability of any member of the FMC Group or the Subsidiary Group which is attributable to the ownership by such member of an equity interest in a partnership or other "flowthrough" entity for Income Tax purposes, such allocation shall be made as if the taxable period of such partnership or other "flowthrough" entity ended as of the close of the Deconsolidation Date; provided that to the extent that the information necessary to compute such allocation on the basis of an interim closing of the books of such "flowthrough" entity is not available to FMC or Subsidiary, such allocation shall be made between the period ending on the Deconsolidation Date and the period after the Distribution Date in proportion to the number of days in each such period.

4.10 Separate Agreements. Notwithstanding any other provision of this Agreement, in the event that there is a conflict between the provisions of this Agreement governing the payment or allocation of Taxes and any separate written agreement entered into in connection with the Restructuring (including the Separation Agreement) regarding the payment or allocation of Taxes, such separate agreement shall control.

## Section 5. Tax Attributes

5.1 Allocation of Tax Items. (a) In General. All Tax computations for (i) any Pre-Deconsolidation Period ending on a Deconsolidation Date, (ii) the immediately following taxable period of Subsidiary or any Subsidiary Affiliate and (iii) any Straddle Period, shall be made pursuant to the principles of Section 1.1502-76(b) of the Treasury Regulations or of a corresponding provision under the laws of other jurisdictions and, to the extent possible, in a manner consistent with the principles set forth in Section 4.2(a) of this Agreement.

(b) Reattribution. In the event of a Deconsolidation, FMC may, at its option, elect to reattribute to itself certain Tax Items of the Subsidiary Group pursuant to Section 1.1502-20(g) of the Treasury Regulations. If FMC makes such election, Subsidiary shall comply with the requirements of Section 1.1502-20(g)(5) of the Treasury Regulations.



5.2 Allocation of Tax Assets. Subject to Section 5.1(b), to the extent permitted by applicable law, following any Deconsolidation, the relevant Tax Assets with respect to the Consolidated Group or Combined Group, as the case may be, shall be allocated in accordance with the principles and procedures applied in determining the allocation of Tax Assets between Parent and Subsidiary for purposes of the financial statements included in the Form S-1 filed with the U.S. Securities and Exchange Commission in connection with the IPO.

## Section 6. Additional Obligations

6.1 Provision of Information and Mutual Cooperation. (a) FMC shall (and shall cause the FMC Affiliates) and Subsidiary shall (and shall cause the Subsidiary Affiliates) to, (1) furnish to the other in a timely manner such information, documents and other materials as the other may reasonably request for purposes of (i) preparing any Tax Return (or pro forma Tax return prepared in accordance with Section 4 hereof) or portion thereof for which the other has responsibility for preparing under this Agreement, (ii) contesting or defending any Proceeding, and (iii) making any determination or computation necessary or appropriate under this Agreement, (2) make its employees available to the other to provide explanations of documents and materials and such other information as the other may reasonably request in connection with any of the matters described in subclauses (i), (ii) and (iii) of clause (1) above, and (3) reasonably

cooperate in connection with any Proceeding.

(b) FMC shall (and shall cause the FMC Affiliates to) and Subsidiary shall (and shall cause the Subsidiary Affiliates to) retain and provide on reasonable demand books, records, documentation or other information relating to any Tax Return or Proceeding, with respect to any taxable period in which FMC owns a Fifty Percent or Greater Interest in the outstanding stock of Subsidiary, until the later of (i) the expiration of the applicable statute of limitations (after giving effect to any extension, waiver, or mitigation thereof) and (ii) in the event any claim is made under this Agreement or by any Tax Authority for which such information is relevant, until a Final Determination is reached with respect to such claim. Notwithstanding anything to the contrary included in this Agreement, the parties will comply in all respects with the requirements of any applicable record retention agreement with the Service or other Tax Authority.

(c) Notwithstanding any other provision of this Agreement, no member of the FMC Group shall be required to provide Subsidiary or any Subsidiary Affiliate access to or copies of (1) any Tax information that relates exclusively to any member of the FMC Group, (2) any Tax information as to which any member of the FMC Group is entitled to assert the protection of any Privilege, or (3) any Tax information as to which any member of the FMC Group is subject to an obligation to maintain the confidentiality of such information. FMC shall use reasonable efforts to separate any such information from any other information to which Subsidiary is entitled to access or to which Subsidiary is entitled to copy under this Agreement, to the extent consistent with preserving its rights under this Section 6.1(c).

(d) Notwithstanding any other provision of this Agreement, with respect to Tax information that relates to any taxable period in which Subsidiary is no longer included in the FMC Consolidated Group and no Combined Return is filed, no member of the Subsidiary Group shall be required to provide FMC or any FMC Affiliate access to or copies of (1)



any Tax information as to which any member of the Subsidiary Group is entitled to assert the protection of any Privilege or (2) any Tax information as to which any member of the Subsidiary Group is subject to an obligation to maintain the confidentiality of such information. Subsidiary shall use reasonable efforts to separate any such information from any other information to which FMC is entitled to access or to which FMC is entitled to copy under this Agreement, to the extent consistent with preserving its rights under this Section 6.1(d).

(e) FMC agrees to notify Subsidiary in writing within ten (10) Business Days of any sale by FMC or any FMC Affiliate of Common Stock following the IPO.

(f) Notwithstanding any other provision of this Agreement, all books, records, documentation or other information relating to Taxes for any period (or portion thereof) ending on or before the Deconsolidation Date of (i) FMC or any FMC Affiliate and (ii) Subsidiary or any Subsidiary Affiliate shall be the property of, and shall be retained by, FMC; provided, however, that
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Subsidiary shall be permitted, at its own expense, to obtain copies of any books, records, documentation or other information relating to any Pre-Deconsolidation Period Tax Return of Subsidiary or any Subsidiary Affiliate other than any books, records, documentation or other information described in Section 6.1(c).

6.2 Indemnification. (a) Failure to Pay. FMC and each FMC Affiliate shall jointly and severally indemnify Subsidiary, each Subsidiary Affiliate and each of their respective Representatives, and hold them harmless from and against any Tax or Losses that are attributable to, or results from the failure of FMC or any FMC Affiliate to make any payment required to be made under this Agreement. Subsidiary and each Subsidiary Affiliate shall jointly and severally indemnify FMC, each FMC Affiliate and each of their respective Representatives, and hold them harmless from and against any Tax or Losses that are attributable to, or results from, the failure of Subsidiary or any Subsidiary Affiliate to make any payment required to be made under this Agreement.

(b) Inaccurate or Incomplete Information. FMC and each FMC Affiliate shall jointly and severally indemnify Subsidiary, each Subsidiary

Affiliate and each of their respective Representatives, and hold them harmless from and against any Tax or Loss attributable to the negligence of FMC or any FMC Affiliate in supplying Subsidiary or any Subsidiary Affiliate with inaccurate or incomplete information, in connection with the preparation of any Tax Return or any Proceeding. Subsidiary and each Subsidiary Affiliate shall jointly and severally indemnify FMC, each FMC Affiliate and their respective Representatives, and hold them harmless from and against any Tax or Losses attributable to the negligence of Subsidiary or any Subsidiary Affiliate in supplying FMC or any FMC Affiliate with inaccurate or incomplete information, in connection with the preparation of any Tax Return or any Proceeding.

6.3 Tax Consequences of Payments. (a) Tax Characterization of Payments. For all Tax purposes and notwithstanding any other provision of this Agreement, to the extent permitted by applicable law, the parties hereto shall treat any payment made pursuant to this Agreement (other than any payment made in satisfaction of an intercompany obligation) as a capital contribution or dividend distribution, as the case may be, immediately prior to the IPO Date and, accordingly, as not includible in the taxable income of the recipient. If, as a result of a Final Determination, it is determined that the receipt or accrual of any payment made under this



Agreement is taxable to the Indemnified Party, the Indemnifying Party of this Agreement shall pay to the Indemnified Party an amount equal to any increase in the Income Taxes of the Indemnified Party as a result of receiving the payment from the Indemnifying Party (grossed up to take into account such payment, if applicable).

(b) Adjustments to Payments. Any Indemnified Party that has received a payment under this Agreement from an Indemnifying Party with respect to any Losses or Taxes suffered or incurred by the Indemnified Party ( an "Indemnified Loss") shall pay to such Indemnifying Party an amount equal to any "Tax Saving Amount" Actually Utilized by the Indemnified Party promptly after it is Actually Realized, but only if and to the extent that such Tax Saving Amount is Actually Realized within five (5) years of the date hereof. For purposes of this Section 6.3(b), the Tax Saving Amount shall equal the amount by which the Income Taxes of the Indemnified Party or any of its affiliates are reduced (including, without limitation, through the receipt of a Refund, credit or otherwise), plus any related interest received from a Tax Authority, as a result of claiming as a deduction or offset on any relevant Tax Return amounts attributable to an Indemnified Loss (the "Indemnifiable Loss Deduction").

(c) Reporting of Indemnifiable Loss. In the event that an Indemnified Party incurs an Indemnified Loss, such Indemnified Party shall claim as a deduction or offset on any relevant Tax Return (including, without limitation, any claim for Refund) such Indemnified Loss to the extent such position is supported by "substantial authority" (within the meaning of Section 1.6662-4(d) of the Treasury Regulations) with respect to United States federal, state and local Tax Returns or has similar appropriate authoritative support with respect to any Tax Return other than United States federal, state and local Tax Returns. The Indemnified Party shall have primary responsibility for the preparation of its Tax Returns and reporting thereon such Indemnifiable Loss Deduction; provided, that the Indemnified Party shall consult with, and provide the Indemnifying Party with a reasonable opportunity to review and comment on the portion of the Indemnified Party's Tax Return relating to the Indemnified Loss. If a dispute arises between the Indemnified Party and the Indemnifying Party as to whether there is "substantial authority" (with respect to United States federal, state and local Tax Returns) or similar appropriate authoritative support (with respect to any Tax Return other than United States federal, state and local Tax Returns) for the claiming of an Indemnifiable Loss Deduction, such dispute shall be resolved in accordance with the principles and procedures set forth in Section 8 of this Agreement. Both FMC and Subsidiary shall (and shall cause its respective affiliates to) act in good faith to coordinate their Tax Return filing positions with respect to the taxable periods that include an Indemnifiable Loss Deduction. There shall be an adjustment to any Tax Saving Amount calculated under Section 6.3(b) hereof in the event of any Proceeding which results in a Final Determination that increases or decreases the amount of the Indemnifiable Loss Deduction reported on any relevant Tax Return of the Indemnified Party. The Indemnified Party shall promptly inform the Indemnifying Party of any such Proceeding and shall attempt in good faith to sustain the Indemnifiable Loss Deduction at issue in the Proceeding. If a written notice of a Final Determination in respect of an Indemnifiable Loss Deduction is received within five (5) years of the date hereof, the Indemnified

Party shall redetermine the Tax Saving Amount attributable to the Indemnifiable Loss Deduction under Section 6.3(b) hereof, taking into account the Final Determination (the "Restated Tax Saving Amount"). If the Restated Tax Saving Amount is greater than the Tax Saving Amount, the Indemnified Party shall promptly pay the Indemnifying Party an amount equal to the difference between such amounts. If the Restated



Tax Saving Amount is less than the Tax Saving Amount, then the Indemnifying Party shall promptly pay the Indemnified Party an amount equal to the difference between such amounts.

6.4 Interest. Unless a different rate of interest is provided for in this Agreement, payments pursuant to this Agreement that are not made within the period prescribed in this Agreement or, if no period is prescribed, within fifteen (15) Business Days after demand for payment is made (the "Payment Period") shall bear interest for the period from and including the date immediately following the last date of the Payment Period through and including the date of payment at a per annum rate equal the Prime Rate. Such interest will be payable at the same time as the payment to which it relates and shall be calculated based on a year of 365 or 366 days, as appropriate, for the actual number of days for which due.

6.5 Stock Options and Restricted Stock

(a) In General. Notwithstanding any contrary provision contained herein, the parties hereto agree that FMC shall be entitled to any Tax Benefit arising by reason of exercises of Options to purchase shares of FMC stock, and that Subsidiary shall be entitled to any Tax Benefit arising by reason of exercises of options to purchase shares of Subsidiary stock. In addition, FMC shall be entitled to any Tax Benefit arising by reason of the lapse of any restrictions with respect to shares of FMC stock, Subsidiary stock or other property subject to a substantial risk of forfeiture (within the meaning of Section 83 of the Code) held by an employee of FMC, and Subsidiary shall be entitled to any Tax Benefit arising by reason of the lapse of any restrictions with respect to shares of Subsidiary stock, FMC stock or other property subject to a substantial risk of forfeiture (within the meaning of Section 83 of the Code) held by an employee of Subsidiary. The parties hereto agree to report all Tax deductions with respect to stock options and other equity issued to their employees consistently with this Section 6.5(a), to the extent permitted by law.

(b) Notices, Withholding, Reporting. FMC shall promptly notify Subsidiary of any event giving rise to income to any Subsidiary Group employees or former employees in connection with exercises of options to purchase shares of FMC stock, or the lapse of any restrictions with respect to shares of FMC stock or other property subject to a substantial risk of forfeiture (within the meaning of Section 83 of the Code). If required by law, Subsidiary shall withhold applicable Taxes and satisfy applicable Tax reporting obligations in connection therewith.

(c) Adjustments. If Subsidiary or any Subsidiary Affiliate receives any Tax Benefit to which FMC is entitled under Section 6.5(a) of this Agreement, Subsidiary shall pay the amount of such Tax Benefit to FMC. If FMC or any FMC Affiliate receives any Tax Benefit to which Subsidiary is entitled under Section 6.5(a) of this Agreement, FMC shall pay the amount of such Tax Benefit to Subsidiary.

## Section 7. Proceedings

7.1 In General. (a) Subject to Section 7.1(b) of this Agreement, FMC shall have the exclusive right, in its sole discretion, to control, contest, and represent the interests of FMC, any FMC Affiliate, Subsidiary or any Subsidiary Affiliate in any Proceeding relating to



any claim that the Spin-Off does not have Tax-Free Status and/or any Tax Return described in Section 2.1(a) of this Agreement and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Proceeding. FMC's rights shall extend to any

matter pertaining to the management and control of any Proceeding, including, without limitation, execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item. Subsidiary shall have the right to participate in that part of any Proceeding relating to a claim that the Spin-Off and/or the Internal Distribution does not have Tax-Free Status, but only if Subsidiary (i) satisfies the terms and conditions contained in Section 10.1(a)(1)(iv)(b) and (ii) acknowledges liability to FMC in writing for the full amount at stake in such Proceeding.

(b) Subsidiary shall have the right to control, contest and represent the interests of Subsidiary or any Subsidiary Affiliate in any Proceeding to the extent relating directly and exclusively to any Tax Item included on the portion of any Consolidated Return or Combined Return which Subsidiary is responsible for preparing pursuant to Section 2.2(c) of this Agreement in which the amount of the Tax liability in issue exceeds $500,000 and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of such Proceeding; provided that, the entering into of (or rejection of) any such resolution, settlement or agreement or any decision in connection with (including the entering into of or rejection of) any judicial or administrative proceeding relating to Taxes shall be subject to the review and approval of FMC, which approval shall not be unreasonably withheld.

(c) Subsidiary shall have the exclusive right, in its sole discretion, to control, contest, and represent the interests of Subsidiary or any Subsidiary Affiliate in any Proceeding relating to any Tax Return described in Section 2.1(b) of this Agreement and to resolve, settle, or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Proceeding; provided that, if the Proceeding relates to a taxable period in which FMC at any time owned a Fifty-Percent or Greater Interest in the outstanding stock of Subsidiary, the entering into of (or rejection of) any such resolution, settlement or agreement or any decision in connection with (including the entering into of or rejection of) any judicial or administrative proceeding relating to Taxes shall be subject to FMC's review and approval, which approval shall not be unreasonably withheld.

(d) In addition to the parties' obligations under Section 6.1 of this Agreement, (i) Subsidiary shall, and shall cause is Affiliates to, cooperate fully with FMC in contesting or defending any Proceeding with respect to Pre-Deconsolidation Period Taxes, including, without limitation, by furnishing to FMC in a timely manner such information, documents or other materials related to the Technologies Business as FMC may reasonably request and (ii) FMC shall, and shall cause its Affiliates to, cooperate with Subsidiary in contesting or defending (x) any Proceeding with respect to Pre-Deconsolidation Period Non-Federal Taxes and (y) any Proceeding with respect to the Post-Deconsolidation Period to the extent such Proceeding relates to any Pre-Deconsolidation Period deferred tax item.

7.2 Notice. If FMC or any member of the FMC Group receives written notice of or relating to, any Proceeding from a Tax Authority that asserts, proposes or recommends a deficiency, claim or adjustment that, if sustained, would result in the redetermination of a Tax



Item of a member of the Subsidiary Group, FMC shall promptly provide a copy of such notice to Subsidiary (but in no event later than ten (10) Business Days following the receipt of such notice). If Subsidiary or any member of the Subsidiary Group receives written notice of, or relating to, any Proceeding from a Tax Authority with respect to a Tax Return described in Section 2.1(a) of this Agreement, Subsidiary shall promptly provide a copy of such notice to FMC (but in no event later than ten (10) Business Days following the receipt of such notice).

7.3 Failure to Notify. The failure of FMC or Subsidiary to notify the other of any matter relating to a particular Tax for a taxable period or to take any action specified in this Agreement shall not relieve such other party of any liability and/or obligation which it may have under this Agreement with respect to such Tax for such taxable period except to the extent that such other party's rights hereunder are materially prejudiced by such failure.

7.4 Remedies. Subsidiary agrees that no claim against FMC and no defense to Subsidiary's liabilities to FMC under this Agreement shall arise from the resolution by FMC of any deficiency, claim or adjustment relating to the

redetermination of any Tax Item of FMC or a FMC Affiliate.

7.5 Timing Differences. Except as otherwise provided under this Agreement, if, pursuant to a Final Determination, a party to this Agreement suffers a Tax Detriment and, as a result, the other party to this Agreement obtains a corresponding Tax Benefit, and such Tax Detriment is not otherwise compensated under this Agreement, then the party obtaining such Tax Benefit shall make a payment to the other party in an amount equal to such Tax Benefit, but only to the extent such Tax Benefit is Actually Realized within five (5) years of such Final Determination.

7.6 Carrybacks. Except to the extent otherwise consented to by FMC or prohibited by applicable law, Subsidiary shall elect to relinquish, waive or otherwise forgo all Carrybacks. In the event that Subsidiary (or the appropriate member of the Subsidiary Group) is prohibited by applicable law to relinquish, waive or otherwise forgo a Carryback (or FMC consents thereto), (i) FMC shall cooperate with Subsidiary, at Subsidiary's expense, in seeking from the appropriate Tax Authority such Refund as reasonably would result from such Carryback, and (ii) Subsidiary shall be entitled to any Tax Benefit Actually Realized by a member of the FMC Group (including any interest thereon received from such Tax Authority) within five (5) years of the date of such Carryback, to the extent that (x) such Tax Benefit is directly attributable to such Carryback and (y) such Tax Benefit would not have been Actually Utilized but for such Carryback, within seven (7) Business Days after such Tax Benefit is Actually Realized; provided, however, that Subsidiary shall indemnify and hold the
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members of the FMC Group harmless from and against any and all collateral tax consequences resulting from or caused by any such Carryback, including (but not limited to) the loss or postponement of benefit from the use of Tax Attributes generated by a member of the FMC Group or an Affiliate thereof and (x) that expire unutilized, but would have been utilized but for such Carryback, or (y) the use of which is postponed to a later taxable period than the taxable period in which such Tax Attributes otherwise would have been utilized but for such Carryback. If there is a Final Determination that results in any change to or adjustment of a Tax Benefit Actually Utilized by a member of the FMC Group that is directly attributable to a Carryback, then FMC (or its designee) shall make a payment to Subsidiary, or Subsidiary shall make a payment to FMC (or its designee), as may be necessary to



adjust the payments between Subsidiary and FMC (or its designee) to reflect the payments that would have been made under this Section 7.6 had the adjusted amount of such Tax Benefit been taken into account in computing the payments due under this Section 7.6. For the avoidance of doubt, in the event that FMC or any FMC Affiliate, on the one hand, and Subsidiary or any Subsidiary Affiliate, on the other hand, both have Carrybacks applicable to the same period, the determination of the Tax Benefit attributable to the Carryback of Subsidiary or any Subsidiary Affiliate will be made after first giving effect to the Carryback of FMC or any FMC Affiliate.

Section 8. Dispute Resolution. In the event that FMC or any FMC
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Affiliate, as the case may be, on the one hand, and Subsidiary or any Subsidiary Affiliate, as the case may be, on the other hand, disagree as to the amount or calculation of any payment to be made under this Agreement, or the interpretation or application of any provision under this Agreement, the parties shall attempt in good faith to resolve such dispute. If such dispute is not resolved within sixty (60) Business Days following the commencement of the dispute, FMC and Subsidiary shall jointly retain a tax attorney that is a member of a nationally recognized law firm or independent public accounting firm, which firm is independent of both parties (the "Independent Entity"), to resolve the dispute. The Independent Entity shall act as an arbitrator to resolve all points of disagreement and its decision shall be final and binding upon all parties involved. Following the decision of the Independent Entity, FMC, the FMC Affiliates, Subsidiary and the Subsidiary Affiliates shall each take or cause to be taken any action necessary to implement the decision of the Independent Entity. The fees and expenses relating to the Independent Entity shall be borne equally by FMC and Subsidiary.

Section 9. IPO
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9.1 IPO Related Items. (a) Liability for Restructuring Taxes,

Deconsolidation Taxes and Other Foreign Restructuring Taxes. Notwithstanding any other provision of this Agreement (other than Section 9.1(b) hereof) and except as provided in any separate written agreement between the parties entered into in connection with the Restructuring (including the Separation Agreement), (i) FMC shall be responsible for the payment of, and shall indemnify and hold Subsidiary harmless from and against, any Deconsolidation Taxes and (ii) responsibility for the payment of any Restructuring Taxes or Other Foreign Restructuring Taxes shall be allocated in the manner provided in the Separation Agreement.

(b) Liability for Undertaking Certain Actions. Notwithstanding Section 9.1(a) of this Agreement, Subsidiary and each Subsidiary Affiliate shall be jointly and severally responsible for, and shall indemnify and hold FMC harmless from and against, any Restructuring Taxes that are attributable to, or result from, (i) any action taken by Subsidiary or any Subsidiary Affiliate that was prohibited by this Agreement or was not contemplated by the parties in connection with the Restructuring (including, without limitation, by taking any action not contemplated in connection with obtaining the Ruling or a Supplemental Ruling, or any opinions, rulings, agreements or written advice relating to foreign transfers) or (ii) the failure by Subsidiary or any Subsidiary Affiliate to take any action that Subsidiary is responsible for taking under this Agreement, the Separation Agreement or any other agreement related to the Restructuring or the IPO (including, without limitation, by failing to make an election or enter into a transaction specifically required in connection with obtaining a ruling from any Tax Authority). Each of the parties hereto agrees to act in good faith and without negligence in connection with the



Tax reporting of and all other aspects related to the Tax consequences of the Restructuring, any Deconsolidation and any Secondary Restructuring and shall be responsible for any Taxes or Losses arising from any failure to act in good faith or any negligent act or omission with respect thereto.

9.2 Tax Reporting of IPO Related Items. (a) Restructuring Taxes. Any Tax Return (or portion thereof) that includes any Tax Item resulting from the Restructuring shall be prepared and filed by the party responsible for preparing (or causing to be prepared) and filing such Tax Return (under Sections 2.1 and 2.2 of this Agreement); provided that, notwithstanding any other provision of this Agreement, if Subsidiary is the party responsible for preparing any such Tax Return (or portion thereof) (each a "Subsidiary IPO Tax Return"), Subsidiary shall provide to FMC, no later than twenty (20) Business Days following the IPO Date, a written list of those Subsidiary IPO Tax Returns that Subsidiary reasonably believes could result in the imposition of a Tax liability of more than $10,000 for which FMC will be responsible pursuant to this Section 9. Within twenty (20) Business Days following the receipt of such list, FMC shall provide a written list to Subsidiary of those Subsidiary IPO Tax Returns that FMC wishes to review. Subsidiary shall provide any such Subsidiary IPO Tax Returns (or portions thereof) to FMC (no later than forty-five (45) Business Days (or such shorter period as agreed to by FMC) prior to the due date for the filing of such Tax Return (taking into account applicable extensions)), for FMC's review and approval, which approval, to the extent it relates to any Tax Item resulting from, or arising out of, the Restructuring may be withheld by FMC in its sole discretion and any such Tax Item shall be reported as determined by FMC in its sole discretion (so long as such reporting position is supported by "substantial authority" (within the meaning of Section 1.6662-4(d) of the Treasury Regulations) with respect to United States federal, state and local Tax Returns or has similar appropriate authoritative support with respect to any Tax Return other than United States federal, state and local Tax Returns). In the event that the time periods provided in this Section 9.2(a) would not provide FMC with a reasonable period of time within which to review any such Subsidiary IPO Tax Return prior to the filing of such Tax Return, then the parties shall cooperate in order that FMC may participate in the preparation of such Tax Return and have the rights otherwise provided in this Section 9.2(a).

(b) Deconsolidation Taxes and Other Foreign Restructuring Taxes. Any Tax Return (or portion thereof) that includes any Tax Item relating to any Deconsolidation (to the extent resulting in Deconsolidation Taxes) or Secondary Restructuring (to the extent resulting in Other Foreign Restructuring Taxes) shall be prepared and filed by the party responsible for preparing and filing such Tax Return (under Sections 2.1 and 2.2 of this Agreement); provided that, notwithstanding any other provision of this Agreement, if Subsidiary is the party responsible for preparing (or causing to be prepared) any such Tax

Return (or portion thereof) (each a "Subsidiary Restructuring Tax Return"), Subsidiary shall provide any such Subsidiary Restructuring Tax Return (or portion thereof) to FMC (no later than forty-five (45) Business Days (or such shorter period as agreed to by FMC) prior to the due date for the filing of such Tax Return (taking into account applicable extensions)), for FMC's review and approval, which approval, to the extent it relates to any Tax Item relating to any Deconsolidation (to the extent resulting in Deconsolidation Taxes) or Secondary Restructuring (to the extent resulting in Other Foreign Restructuring Taxes), may be withheld by FMC in its sole discretion and any such Tax Item shall be reported as determined by FMC in its sole discretion (so long as such reporting position is supported by "substantial authority" (within the meaning of Section 1.6662-4(d) of



the Treasury Regulations) with respect to United States federal, state and local Tax Returns or has similar appropriate authoritative support with respect to any Tax Return other than United States federal, state and local Tax Returns).

9.3 Proceedings Relating to Restructuring. Notwithstanding any other provision of this Agreement, FMC shall have the exclusive right, in its sole discretion, to control, contest, and represent the interests of FMC, any FMC Affiliate, Subsidiary or any Subsidiary Affiliate in any Proceeding with respect to Tax Items related to the Restructuring, Deconsolidation (to the extent resulting in Deconsolidation Taxes) or Secondary Restructuring (to the extent resulting in Other Foreign Restructuring Taxes), and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Proceeding. FMC's rights shall extend to any matter pertaining to the management and control of any Proceeding, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item.

9.4 Provision of Information and Mutual Cooperation. In addition to the parties' respective obligations under Section 6.1 of this Agreement, FMC and Subsidiary shall, and shall cause their respective Affiliates to cooperate with respect to all aspects of the Restructuring including, without limitation, by (1) furnishing to the other in a timely manner such information, documents and other materials as the other may reasonably request for purposes of (i) preparing any Tax Return that includes Tax Items relating to or arising from the Restructuring and (ii) contesting or defending any Proceeding with respect to Tax Items relating to or arising from the Restructuring and (2) make its employees available to the other to provide explanations of documents and materials and such other information as the other may reasonably request in connection with any of the matters described in subclauses (i) and (ii) of clause (1) above.

## Section 10. Spin-Off and Internal Distribution

10.1 Spin-Off and Internal Distribution Related Items. (a) Restrictions on Certain Post-Spin-Off Actions.

(1) Subsidiary Restrictions.

(i) Subsidiary will not take any action or permit any Subsidiary Affiliate to take any action, and Subsidiary will not fail to take any action or permit any Subsidiary Affiliate to fail to take any action, where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in the Ruling Documents, Supplemental Ruling Documents, Ruling, Supplemental Ruling or this Agreement.

(ii) Subsidiary shall not take any action (including any cessation, transfer or disposition of its active trade or business; payment of extraordinary dividends to shareholders; and acquisitions or issuances or stock) or permit any Subsidiary Affiliate to take any action (including any cessation, transfer or disposition if its active trade or business; payment of extraordinary dividends to shareholders; and acquisitions or issuances or stock), and Subsidiary will not fail to take any action or permit any Subsidiary Affili-

ate to fail to take any action, where such action or failure to act would cause the Spin-Off or the Internal Distribution not to have Tax-Free Status.

(iii) Until the first day after the Restriction Period, no member of the Subsidiary Group shall sell, agree to sell or otherwise issue or agree to issue to any Person, or redeem or otherwise acquire from any Person, any Equity Securities of any member of the Subsidiary Group; provided, however, that (A) the adoption by Subsidiary of a rights plan shall not constitute a sale or issuance of such Equity Securities, (B) Subsidiary may repurchase Equity Securities to the extent that such repurchases meet the requirements of section 4.05(1)(b) of Revenue Procedure 96-30 and (C) Subsidiary may, subject to the terms and conditions contained in paragraph (vi) below, issue Equity Securities of Subsidiary.

(iv) Until the first day after the Restriction Period, no member of the Subsidiary Group shall (A) solicit any Person to make a tender offer for, or otherwise acquire or sell, the Equity Securities of Subsidiary, (B) participate in or support any unsolicited tender offer for, or other acquisition, issuance or disposition of, the Equity Securities of Subsidiary or (C) approve or otherwise permit any proposed business combination or any transaction which, in the case of (A), (B) or (C), individually or in the aggregate, together with the transactions contemplated by this Agreement, the Distribution Agreement, any other agreements or the Ruling Documents, Supplemental Ruling Documents, Ruling, Supplemental Ruling, results in one or more Persons acquiring (other than in acquisitions not taken into account for purposes of Section 355(e)) directly or indirectly stock representing a Fifty-Percent or Greater Interest in Subsidiary or in any Subsidiary Affiliate if (i) in the case of Subsidiary, it would cause the Spin-Off not to have Tax-Free Status and (ii) in the case of such Subsidiary Affiliate, it would cause the Internal Distribution not to have Tax-Free Status. In addition, no member of the Subsidiary Group shall at any time, whether before or subsequent to the expiration of the Restriction Period, engage in any action described in clauses (A), (B) or (C) of the preceding sentence if it is pursuant to an arrangement or agreement negotiated (in whole or in part) prior to the Spin-Off, even if at the time of the Spin-Off it is subject to various conditions, nor shall any member take any action, or fail or omit to take any action, that would cause Section 355(d) or (e) to apply to the Spin-Off or the Internal Distribution.

(v) Any of the provisions of Section 10.1(a)(1) shall be waived with respect to any particular transaction or transactions if (A) FMC or Subsidiary has obtained a Supplemental Ruling from the Service in accordance with and under the terms and conditions contained in paragraph (vi)(a) below, (B) FMC has determined, in its sole and absolute discretion, that it could not reasonably be expected that such proposed transaction would have an adverse effect on the Tax-Free Status of the Internal Distribution and the Spin-Off, or (C) Subsidiary satisfies the terms and conditions contained in paragraph (vi)(b) below. Waiver with respect to one transaction or group of transactions shall not constitute a waiver with respect to any other transaction.

(vi) Except as provided in paragraphs (i) and (ii) above, until the first day after the Restriction Period, unless FMC and Subsidiary agree otherwise, prior to entering into any agreement to (A) sell all or substantially all of the assets of Subsidiary



or any Subsidiary Affiliate, (B) merge Subsidiary or any Subsidiary Affiliate with another entity (without regard to which party is the surviving entity) or (C) issue Equity Securities of Subsidiary or any Subsidiary Affiliate in an acquisition or public or private offering (excluding any issuance pursuant to the exercise of employee stock options or other employment related arrangements):

a) Subsidiary shall request that FMC obtain a Supplemental Ruling in accordance with Section 10.1(d)(1) of this Agreement that such transaction will not affect the treatment of the Spin-Off and the Internal Distribution under Section 355 of the Code and FMC shall have received such a Supplemental Ruling in form and substance reasonably satisfactory to FMC;

b) Subsidiary shall deliver to FMC an Acceptable Letter of Credit with a face amount equal to the amount of Aggregate Assumed Spin-Off Tax Liabilities as security for any Tax-Related Losses that result if such issuance of Equity Securities or other transaction results in Tax-Related Losses. Subsidiary shall keep in place the Acceptable Letter of Credit until the end of the Restriction Period (or if any claim for indemnity or claim which could give rise to such a claim for indemnity is pending at the end of the Restriction Period, the Acceptable Letter of Credit will be renewed and its face amount increased by an amount equal to the amount of interest that would accrue, during the period of renewal, on the face amount of the Acceptable Letter of Credit (prior to renewal and prior to increase pursuant to this sentence) at 110% of the highest Underpayment Rate for U.S. corporations in effect on the date of determination, and such Acceptable Letter of Credit will continue to be renewed and, upon each such renewal, its face amount so increased, until such claim is finally resolved) or, in the event a Non-Renewal Notice has been given with respect to such Acceptable Letter of Credit, replace such Acceptable Letter of Credit with a substitute Acceptable Letter of Credit. FMC may, in its discretion, seek a Supplemental Ruling with respect to such issuance of Equity Securities or other transaction, in which case Subsidiary shall (and shall cause each Subsidiary Affiliate to) cooperation with FMC and use its reasonable best efforts to seek to obtain, as expeditiously as possible, such Supplemental Ruling. FMC may at any time, in its discretion, present the Acceptable Letter of Credit for payment in its face amount in the event that it or an FMC Affiliate incurs a Tax-Related Loss or Subsidiary fails to renew or replace the Acceptable Letter of Credit as aforesaid by the date which is 30 days prior to the expiration date of the Acceptable Letter of Credit then in effect. Subsidiary shall remain liable for any obligations under this Agreement to the extent the Acceptable Letter of Credit is insufficient to satisfy such obligations or is unavailable for drawing for any reason. In the event the amount drawn under the Acceptable Letter of Credit exceeds the amount of Subsidiary's obligations under this Agreement, such excess, as reasonably determined by FMC, shall be paid to Subsidiary at the end of the Restriction Period (or if any claim for indemnity or claim which could give rise to such a claim for indemnity is pending at the end of the Restriction Period, when such claim is finally resolved) with interest on such excess calculated using the Underpayment Rate for the period from the day FMC



received such payment through the Business Day immediately prior to the day such payment is made to Subsidiary;

c) If and only if following the transaction at issue, (x) Subsidiary or any Subsidiary Affiliate will not have issued in the aggregate (including, for these purposes, stock issued in connection with the IPO and any sale of stock of Subsidiary or any Subsidiary Affiliate by FMC or any FMC Affiliate) 40% or more (by vote or value) of its outstanding stock (determined immediately following such transaction) taking into account all issuances of (and agreements to issue) Equity Securities (and assuming the exercise of all such Equity Securities and the closing of all such agreements) from the point in time immediately prior to the IPO to the date immediately following such transaction and (y) Subsidiary will be the surviving entity if such transaction is a merger (excluding, for these purposes, any reverse subsidiary merger in which Subsidiary is the surviving entity in which case this clause (c) shall not apply and Subsidiary shall be required to satisfy the requirements of clause (a) or (b) above), Subsidiary may, in lieu of obtaining a Supplemental Ruling described in clause (a) above or delivering an Acceptable Letter of Credit as described in clause (b) above, obtain and deliver to FMC an appropriate Board Certification and an Unqualified Tax Opinion (at its own expense), in form and substance reasonably satisfactory to FMC and on which FMC may rely, from Qualified Tax Counsel that such transaction will not affect the treatment of the Spin-Off and the Internal Distribution under Section 355 of the Code; or

d) If and only if following the transaction at issue, (x) Subsidiary or any Subsidiary Affiliate will not have issued in the

aggregate (including, for these purposes, stock issued in connection with the IPO and any sale of stock of Subsidiary or any Subsidiary Affiliate by FMC or any FMC Affiliate) 35% or more (by vote or value) of its outstanding stock (determined immediately following such transaction) taking into account all issuances of (and agreements to issue) Equity Securities (and assuming the exercise of all such Equity Securities and the closing of all such agreements) from the point in time immediately prior to the IPO to the date immediately following such transaction and (y) Subsidiary will be the surviving entity if such transaction is a merger (excluding, for these purposes, any reverse subsidiary merger in which Subsidiary is the surviving entity in which case this clause (d) shall not apply and Subsidiary shall be required to satisfy the requirements of clause (a) or clause (b) above), Subsidiary may, in lieu of obtaining a Supplemental Ruling described in clause (a) above or delivering an Acceptable Letter of Credit as described in clause (b) above, obtain and deliver to FMC an appropriate Board Certification.

(2) FMC Restrictions. FMC agrees that it will not take or fail to take, or permit any FMC Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with any material, information, covenant or representation in the Ruling Documents, Supplemental Ruling Documents, Ruling or Supplemental Ruling.

(b) Liability for Undertaking Certain Actions.



(1) Subsidiary Liability. Subsidiary and each Subsidiary Affiliate shall be responsible for one hundred percent (100%) of any and all Tax-Related Losses that are attributable to, or result from, any act or failure to act described in Section 10.1(a)(1) of this Agreement by Subsidiary or any Subsidiary Affiliate. Subsidiary and each Subsidiary Affiliate shall jointly and severally indemnify FMC, each FMC Affiliate and their directors, officers and employees and hold them harmless from and against any such Taxes.

(2) FMC Liability. FMC and each FMC Affiliate shall be responsible for one hundred percent (100%) of any and all Tax-Related Losses that are attributable to, or result from, any act or failure to act described in Section 10.1(a)(2) of this Agreement by FMC or any FMC Affiliate. FMC and each FMC Affiliate shall jointly and severally indemnify Subsidiary, each Subsidiary Affiliate and their directors, officers and employees and hold them harmless from and against any such Taxes.

(c) Participation Rights. FMC shall have the right to obtain a Ruling or Supplemental Ruling in its sole and exclusive discretion. If FMC determines to obtain a Ruling or a Supplemental Ruling, Subsidiary shall (and shall cause each Subsidiary Affiliate to) cooperate with FMC and take any and all actions reasonably requested by FMC in connection with obtaining the Ruling or Supplemental Ruling (including, without limitation, by making any representation or covenant or providing any materials or information requested by any Tax Authority; provided that, Subsidiary shall not be required to make (or cause any Subsidiary Affiliate to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control). In connection with obtaining a Ruling or Supplemental Ruling, (i) FMC shall cooperate with and keep Subsidiary informed in a timely manner of all material actions taken or proposed to be taken by FMC in connection therewith; (ii) FMC shall (A) reasonably in advance of the submission of any Ruling Documents or Supplemental Ruling Documents, provide Subsidiary with a draft copy thereof, (B) reasonably consider Subsidiary's comments on such draft copy, and (C) provide Subsidiary with a final copy; and (iii) FMC shall provide Subsidiary with notice reasonably in advance of, and Subsidiary shall have the right to attend, any formally scheduled meetings with any Tax Authority (subject to the approval of the Tax Authority) that relate to such Ruling or Supplemental Ruling.

(d) Supplemental Rulings at Subsidiary's Request. FMC agrees that at the reasonable request of Subsidiary, FMC shall (and shall cause each FMC Affiliate to) cooperate with Subsidiary and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a Supplemental Ruling or other guidance from the Service or any other Tax Authority for the purpose of confirming (i) the continuing validity of (A) the Ruling or (B) any Supplemental Ruling issued previously, and (ii) compliance on the part of Subsidiary or any Subsidiary Affiliate with its obligations under Section 10.1 of this Agreement.

Further, in no event shall FMC file any Supplemental Ruling under this Section 10.1(d) unless Subsidiary represents that (1) it has read the request for the Supplemental Ruling and any materials, appendices and exhibits submitted or filed therewith (the "Supplemental Ruling Documents") and (2) all information and representations, if any, relating to Subsidiary and any Subsidiary Affiliate contained in the Supplemental Ruling Documents are true, correct and complete in all material respects. Subsidiary shall reimburse FMC for all reasonable costs and expenses incurred by FMC (and any FMC Affiliate) in obtaining a Supplemental Ruling requested by Subsidiary. Subsidiary hereby agrees that FMC shall, subject to Section 10.1(c) of this Agreement, have sole and exclusive control



over the process of obtaining a Supplemental Ruling, and that only FMC shall apply for a Supplemental Ruling. Subsidiary further agrees that it shall not seek any guidance from the Service or any other Tax Authority concerning the Spin-Off except as set forth in Section 10.1 of this Agreement.

(e) Liability of Subsidiary for Certain Transactions. Notwithstanding anything to the contrary in this Agreement, Subsidiary and each Subsidiary Affiliate shall be responsible for one hundred percent (100%) of any Tax-Related Losses that are attributable to, or result from any acquisition of stock of Subsidiary or any Subsidiary Affiliate by any person or persons (including, without limitation, as a result of an issuance of Subsidiary stock or a merger of another entity with and into Subsidiary or any Subsidiary Affiliate) or any acquisition of assets of Subsidiary or any Subsidiary Affiliate (including, without limitation, as a result of a merger) by any person or persons. Subsidiary and each Subsidiary Affiliate shall jointly and severally indemnify FMC, each FMC Affiliate and their directors, officers and employees and hold them harmless from and against any such Tax-Related Losses.

(f) Liability for Breach of Representation. Each of FMC and Subsidiary hereby represents that (1) it will read the Ruling Documents and Supplemental Ruling Documents prior to the date submitted, (2) all information contained in such Ruling Documents and Supplemental Ruling Documents that concerns or relates to such party or any affiliate of such party will be true, correct and complete in all material respects, and (3) except to the extent that such party shall have notified the other party in writing to the contrary and with reasonable specificity prior to the Distribution Date, all such information that concerns or relates to such party or any affiliate of such party will be true, correct and complete in all material respects as of the Distribution Date. If any Tax Authority withdraws all or any portion of a Ruling or Supplemental Ruling issued to FMC in connection with the Spin-Off because of a breach by Subsidiary or any Subsidiary Affiliate of a representation made in this Section 10.1(f), Subsidiary and each Subsidiary Affiliate shall be responsible for one hundred percent (100%) of any Tax-Related Losses resulting from such breach. In such event, Subsidiary and each Subsidiary Affiliate shall jointly and severally indemnify FMC, each FMC Affiliate and their directors, officers and employees and hold them harmless from and against any such Tax-Related Losses. If any Tax Authority withdraws all or any portion of a Ruling or Supplemental Ruling issued to FMC in connection with the Spin-Off because of a breach by FMC or any FMC Affiliate of a representation made in this Section 10.1(f), FMC and each FMC Affiliate shall be responsible for one hundred percent (100%) of any Tax-Related Losses resulting from such breach. In such event, FMC and each FMC Affiliate shall jointly and severally indemnify Subsidiary, each Subsidiary Affiliate and their directors, officers and employees and hold them harmless from and against any such Tax-Related Losses.

10.2 Enforcement. The parties hereto acknowledge that irreparable harm would occur in the event that any of the provisions of this Section 10 were not performed in accordance with their specific terms or were otherwise breached. The parties hereto agree that, in order to preserve the Tax-Free Status of the Spin-Off, injunctive relief is appropriate to prevent any violation of the foregoing covenants, provided, however, that injunctive relief
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shall not be the exclusive legal or equitable remedy for any such violation.



10.3 Information for Shareholders. FMC shall provide each shareholder that receives stock of Subsidiary pursuant to the Spin-Off with the information necessary for such shareholder to comply with the requirements of Section 355 of the Code and the Treasury regulations thereunder with respect to

statements that such shareholders must file with their United States federal income Tax Returns demonstrating the applicability of Section 355 of the Code to the Spin-Off.

Section 11. Special Allocations With Respect to Certain Tax Matters

11.1 Foreign Sales Corporation Matters. For purposes of this Agreement, and notwithstanding any contrary provision contained in this Agreement, any Tax Detriment arising out of or relating to any disallowance or denial of any Tax Benefits claimed by FMC, any FMC Affiliate, Subsidiary or any Subsidiary Affiliate relating to a Technologies Business in any Pre-Deconsolidation Period under (i) Subpart C of Part III of Subchapter N of Chapter 1 of the Code (as in effect prior to the passage of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000) or Section 114 of the Code or (ii) any similar provision or benefit accorded under foreign laws, shall be allocated to, and the amount of such Tax Detriment shall be payable by, Subsidiary. For the avoidance of doubt, it is the intent of the parties to this agreement that Subsidiary be liable for the amount of any such Tax Detriment relating to any such disallowance or denial of any such Tax Benefits regardless of whether such Tax Benefit arose before or after the Separation. The amount of such Tax Detriment shall be calculated without giving effect to any unused Tax Assets of FMC or any FMC Affiliate that becomes available for use and is used as a result of such Tax Detriment.

11.2 Intercompany Pricing Adjustments. For purposes of this Agreement, and notwithstanding any contrary provision contained in this Agreement, any Tax Detriment arising out of or relating to any adjustment by the Service or any foreign Tax authority pursuant to Section 482 or any similar provision of foreign Tax law of any Tax Item relating to a Technologies Business shall be allocated to, and payable by, the Subsidiary. For the avoidance of doubt, it is the intent of the parties to this agreement that Subsidiary be liable for the amount of any such Tax Detriment relating to any such adjustment regardless of whether such adjustment relates to a taxable period ending before or after the Separation. The amount of such Tax Detriment shall be calculated without giving effect to any unused Tax Assets of FMC or any FMC Affiliate that becomes available for use and is used as a result of such Tax Detriment.

11.3 Permanent Establishment Related Adjustments. For purposes of this Agreement, and notwithstanding any contrary provision contained in this Agreement, any Tax Detriment arising out of or relating to the determination by a foreign Tax Authority that FMC, any FMC Affiliate, Subsidiary or any Subsidiary Affiliate maintained a "permanent establishment" (within the meaning of the applicable tax treaty) or other taxable presence in such jurisdiction during any Pre-Deconsolidation Period, shall be allocated 100% to Subsidiary to the extent the Tax Detriment relates to or arises out of the Technologies Business. For the avoidance of doubt, it is the intent of the parties to this agreement that Subsidiary be liable for 100% of the amount of the Tax Detriment that relates to the Technologies Business regardless of whether such amount relates to a taxable period ending before or after the Separation. The amount of such Tax Detriment shall be calculated (i) without giving effect to any unused Tax Assets of FMC or any FMC Affiliate that becomes available for use and is used as a result of such



Tax Detriment and (ii) after giving effect to the increase in Taxes (that relate to the Chemical Business) for which FMC or any FMC Affiliate is liable.

11.4 1994 Tax Case. FMC has filed a certain Tax case in the United States Tax Court against the Commissioner of Internal Revenue, Docket No. 2317-00, with respect to Tax year 1994 (the "FMC Tax Case"). FMC and Subsidiary hereby agree, notwithstanding any contrary provision contained herein, to allocate responsibility, liability and Refunds for the FMC Tax Case as follows:

(i) FMC will pay for all out of pocket expenses relating to the prosecution of the FMC Tax Case;

(ii) FMC shall have the sole right to control the prosecution of the FMC Tax Case, provided that FMC shall provide Subsidiary with a timely and reasonably detailed account of each stage of the FMC Tax Case, shall consult with Subsidiary before taking any significant action in connection with the FMC Tax Case and shall prosecute the FMC Tax Case diligently and in good faith as if FMC were the only party in interest;

(iii) To the extent that the Service prevails in the FMC Tax Case, Subsidiary shall be responsible for, and shall pay to FMC on demand, the first $4.3 million of any payment (including payment of Taxes, interest or penalties) due the Service;

(iv) Any amounts due the Service in excess of $4.3 million shall be the sole responsibility of FMC;

(v) To the extent that as a result of the disposition of the FMC Tax Case, FMC is entitled to a Refund of Taxes (including interest), the amount of such Refund will be allocated equally between the parties;

(vi) FMC shall pay any amounts due to Subsidiary pursuant to (v) hereof within thirty (30) Business Days of receipt of such amounts from the Service;

(vii) The parties intend that for financial accounting purposes, any payment made by FMC to Subsidiary under (v) hereof shall be treated as an increase in tax expense for FMC and a decrease in tax expense for Subsidiary and the parties shall use reasonable efforts to obtain such treatment; and

(viii) The obligation of FMC to make payments to Subsidiary under (v) hereof shall cease with respect to tax years ending after the 2004 tax year, and no payments shall be due to Subsidiary with respect to Refunds received after the ending of such tax year.

11.5 Notwithstanding any other provision of this Agreement, in the event that prior to or in connection with the Restructuring a foreign Subsidiary Affiliate makes a payment to Parent which is treated as a Qualifying Pre-Restructuring Foreign Dividend, FMC shall be liable (and Subsidiary shall not be liable) for any Taxes of Subsidiary resulting from, arising out of or relating to such Qualifying Pre-Restructuring Foreign Dividend.



11.6 In the event it is necessary to allocate income, expense or other items between the Technologies Business and the Chemicals Business in connection with any aspect of the matters described in sections 11.1, 11.2, 11.3, 11.4 or 11.5, such allocation shall be made by FMC in good faith and in its reasonable discretion.

Section 12. Miscellaneous

12.1 Effectiveness. This Agreement shall become effective upon execution by both parties hereto.

12.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and, unless otherwise provided herein, shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is given, (ii) on the day of transmission if sent via facsimile transmission to the facsimile number given below; provided, telephonic confirmation of receipt is obtained promptly after completion of transmission, (iii) on the business day after delivery to an overnight courier service or the Express mail service maintained by the United States Postal Service, provided, receipt of delivery has been confirmed, or (iv) on the fifth day after mailing, provided, receipt of delivery is confirmed, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, properly addressed and return-receipt requested, to the party as follows:

If to FMC or any FMC Affiliate prior to the Distribution, to:

FMC Corporation
200 East Randolph Drive
Chicago, Illinois 60601
Facsimile: (312) 861-6176
Attention: Secretary

If to FMC or any FMC Affiliate after the Distribution, to:

FMC Corporation

1735 Market Street
Philadelphia, Pennsylvania 19103
Facsimile: (215) 299-5999
Attention: Secretary

If to Subsidiary or any Subsidiary Affiliate to:

FMC Technologies, Inc.
200 East Randolph Drive
Chicago, Illinois 60601
Facsimile: (312) 861-6176
Attention: Secretary



Any party may change its address or fax number by giving the other party written notice of its new address or fax number in the manner set forth above.

12.3 Changes in Law. Any reference to a provision of the Code or a law of another jurisdiction shall include a reference to any applicable successor provision or law.

12.4 Successors and Assigns. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party without the prior written consent of the other party.

12.5 Authorization, Etc. Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of each such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision of law or of its charter or bylaws or any agreement, instrument or order binding on such party.

12.6 Complete Agreement. This Agreement shall constitute the entire agreement between FMC or any FMC Affiliate and Subsidiary or any Subsidiary Affiliate with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. Unless the context indicates otherwise, any reference to Subsidiary in this Agreement shall refer to Subsidiary and the Subsidiary Affiliates and any reference to FMC in this Agreement shall refer to FMC and the FMC Affiliates. Notwithstanding anything to the contrary herein, nothing in this Agreement shall modify the rights and obligations of the parties as set forth in Section 2.3 of the Separation Agreement.

12.7 Interpretation. The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. Whenever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. The parties have participated jointly in the negotiation and drafting of this agreement.

12.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable principles of conflicts law) as to all matters, including, without limitation, matters of validity, construction, effect, performance and remedies.

12.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.10 Legal Enforceability; No Presumption against Drafter. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction

shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

12.11 No Third Party Beneficiaries. This Agreement is solely for the benefit of FMC, the FMC Affiliates, Subsidiary and the Subsidiary Affiliates, and is not intended to confer upon any other person any rights or remedies hereunder.

12.12 Jurisdiction; Forum. (a) By the execution and delivery of this Agreement, FMC and Subsidiary submit and agree to cause the FMC Affiliates and Subsidiary Affiliates, respectively, to submit to the personal jurisdiction of any state or federal court in the State of Delaware in any suit or proceeding arising out of or relating to this Agreement.

(b) To the extent that FMC, Subsidiary, any FMC Affiliate or any Subsidiary Affiliate has or hereafter may acquire any immunity from jurisdiction of any Delaware court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, FMC or Subsidiary, as the case may be, hereby irrevocably waives, and agrees to cause the FMC Affiliates and the Subsidiary Affiliates, respectively, to waive such immunity in respect of its obligations with respect to this Agreement.

(c) The parties hereto agree that an appropriate and convenient, non-exclusive forum for any disputes between any of the parties hereto or the FMC Affiliates and the Subsidiary Affiliates arising out of this Agreement shall be in any state or federal court in the State of Delaware.

12.13 Confidentiality. Each party shall hold and cause its consultants and advisors to hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information (other than any such information relating solely to the business or affairs of such party) concerning the other parties hereto furnished it by such other party or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (a) previously known by the party to which it was furnished, (b) in the public domain through no fault of such party, or (c) later lawfully acquired from other sources by the party to which it was furnished), and each party shall not release or disclose such information to any other person, except its auditors, attorneys, financial advisors, bankers and other consultants and advisors who shall be advised of the provisions of this Section. Each party shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

12.14 Expenses. Unless otherwise expressly provided in this Agreement or in the Separation and Distribution Agreement, each party shall bear any and all expenses that arise from their respective obligations under this Agreement. In the event either party to this Agreement brings an action or proceeding for the breach or enforcement of this Agreement, the prevailing party in such action or proceeding, whether or not such action or proceeding proceeds to final judgment, shall be entitled to recover as an element of its costs, and not as damages, such



reasonable attorneys' fees as may be awarded in the action or proceeding in addition to whatever other relief to which the prevailing party may be entitled.

12.15 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of the parties.



IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

FMC Corporation

on behalf of itself and each of the FMC Affiliates

By _____
Name:
Title:

FMC Technologies, Inc.
on behalf of itself and each of the Subsidiary Affiliates

By _____
Name:
Title:

EXHIBIT 10.2

FORM OF

EMPLOYEE BENEFITS AGREEMENT

by and between

FMC CORPORATION

and

FMC TECHNOLOGIES, INC.

Dated as of _____, 2001

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# EMPLOYEE BENEFITS AGREEMENT

## RECITALS

This EMPLOYEE BENEFITS AGREEMENT (this "Agreement"), dated as of ____ ---------
__, 2001 is by and between FMC CORPORATION, a Delaware corporation ("Parent"), ------
and FMC TECHNOLOGIES, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Technologies"). ------------

WHEREAS, the Board of Directors of Parent has determined that it is in the best interests of Parent and its stockholders to separate Parent's existing businesses into two independent companies;

WHEREAS, in furtherance of the foregoing, Parent and Technologies have entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation and Distribution Agreement") and certain other ---------------------------------------
agreements that will govern certain matters relating to the Separation and the Contribution, the IPO, the Distribution and the relationship of Parent, Technologies, and their respective Subsidiaries following the IPO and the Distribution; and

WHEREAS, pursuant to the Separation and Distribution Agreement, Parent and Technologies have agreed to enter into this Agreement allocating assets, liabilities and responsibilities with respect to certain employee and director compensation and benefit plans and programs between them.

NOW, THEREFORE, in consideration of the premises, and of the agreements set forth herein, the parties hereto hereby agree as follows:

## ARTICLE I
## DEFINITIONS

Any capitalized terms that are used in this Agreement but not defined herein (other than the names of Parent employee benefit plans) shall have the meanings set forth in the Separation and Distribution Agreement, and, as used herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

1.1 Aetna Annuity means the non-participating group annuity contract issued by Aetna Life Insurance Company funding a portion of the Parent Pension Plan.

1.2 Agreement means this Employee Benefits Agreement, including all the Schedules and Exhibits hereto.

1.3 ASO Contract is defined in Section 5.5(a)(i).

1.4 Auditing Party is defined in Section 8.6(a)(i).

1.5 Award means an award under an Incentive Plan.

1.6 Benefits and Employee Services Organization means the Employee Service Center and corporate human resources department, including human resources information systems and relocation, each of which shall be a part of Parent through April 30, 2001 and each of which shall become a part of Technologies effective as of May 1, 2001.

1.7 Benefits Database is defined in Section 5.11(c)(iii).

1.8 Change is defined in Section 2.5(b)(i).

1.9 Close of the Distribution Date means 11:59:59 P.M. City of Chicago time on the Distribution Date.

1.10 COBRA means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and Sections 601 through 608 of ERISA.

1.11 Code means the Internal Revenue Code of 1986, as amended, or any successor Federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

1.12 Defined Contribution Plan, when immediately preceded by "Parent," means the FMC Corporation Savings and Investment Plan. When immediately preceded by "Technologies," Defined Contribution Plan means the plan to be established by Technologies pursuant to Section 2.3 that corresponds to both the Parent Defined Contribution Plan and the Parent Defined Contribution Plan for Bargaining Unit Employees.

1.13 Defined Contribution Plan for Bargaining Unit Employees means the FMC Corporation Savings and Investment Plan for Bargaining Unit Employees.

1.14 Distribution Date Ratio means the amount obtained by dividing the Parent Distribution Date Stock Value by the Technologies Distribution Date Stock Value.

1.15 DOL means the United States Department of Labor.

1.16 Enrolled Actuary means Hewitt Associates, 100 Half Day Road, Lincolnshire, Illinois 60069.

1.17 ERISA means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

1.18 Excluded Liabilities means any Liabilities to or relating to Parent Transferred Employees and their respective dependents and beneficiaries relating to, arising out of or resulting from employment by Technologies or a Technologies Entity before becoming Parent Transferred Employees or employment by Parent or a Parent Entity (including, without limitation, Liabilities under Parent Plans).



1.19 Executive Benefit Plans, when immediately preceded by "Parent," means the executive benefit and nonqualified plans, programs and arrangements established, maintained, agreed upon or assumed by Parent or a Parent Entity for the benefit of executive employees and former executive employees of Parent or a Parent Entity before the Close of the Distribution Date, as set forth on Schedule A. When immediately preceded by "Technologies," Executive Benefit Plans

means the plans to be established by Technologies pursuant to Section 2.3 that correspond to the respective Parent Executive Benefit Plans. Executive Benefit Plans do not include Foreign Plans.

1.20 Flexible Benefits Plan, when immediately preceded by "Parent," means the FMC Flexible Benefits Plan. When immediately preceded by "Technologies," Flexible Benefits Plan means the portion of the plan to be established by Technologies pursuant to Section 2.3 that corresponds to the Parent Flexible Benefits Plan.

1.21 FMLA means the Family and Medical Leave Act of 1993, as amended.

1.22 Foreign Plans, when immediately preceded by "Parent," means the plans, programs and arrangements established, maintained, agreed upon or assumed by Parent or a Parent Entity primarily for the benefit of individuals substantially all of whom are nonresident aliens of the United States before the Close of Distribution Date, as set forth on Schedule B. When immediately preceded by "Technologies," Foreign Plans means the plans to be established by Technologies pursuant to Section 2.3 that correspond to the respective Parent Foreign Plans.

1.23 Group Insurance Policies is defined in Section 5.5(b)(i).

1.24 Group Life Program, when immediately preceded by "Parent," means the portion of the FMC Corporation Welfare Benefits Plan that provides group basic life insurance coverage, and the portion of the Parent VEBA, if any, that provides group supplemental life insurance coverage for the benefit of employees and retirees of Parent and certain Parent entities established, maintained, agreed upon or assumed by Parent or a Parent Entity before the Close of the Distribution Date. When immediately preceded by "Technologies," Group Life Program means the plans to be established by Technologies pursuant to Section 2.3 that correspond to the respective Parent Group Life Program.

1.25 HCFA means the Health Care Financing Administration.

1.26 Health and Welfare Plans, when immediately preceded by "Parent," means the health and welfare plans, programs and arrangements established and maintained, agreed upon or assumed by Parent or a Parent Entity for the benefit of employees and retirees of Parent and certain Parent Entities, before the Close of the Distribution Date, as set forth on Schedule C. When immediately preceded by "Technologies," Health and Welfare Plans means the plans to be established by Technologies pursuant to Section 2.3 that correspond to the respective Parent Health and Welfare Plans. Health and Welfare Plans do not include Foreign Plans.

1.27 HMO means a health maintenance organization that provides insured benefits under the Parent Medical Plans or the Technologies Medical Plans.

1.28 HMO Agreements is defined in Section 5.5(c)(i).



1.29 Immediately after the Distribution Date means 12:00 A.M. City of Chicago time on the day after the Distribution Date.

1.30 Incentive Plan, when immediately preceded by "Parent," means any of the cash and stock-based incentive plans, programs and arrangements established, maintained, agreed upon or assumed by Parent for the benefit of employees of Parent or a Parent Entity before the Close of the Distribution Date, as set forth on Schedule D. When immediately preceded by "Technologies," Incentive Plan means the Incentive Plan to be established by Technologies pursuant to Section 2.3 that corresponds to the Parent Incentive Plan and the

Parent Non-Employee Director Plan. Incentive Plans do not include Foreign Plans.

1.31 Individual Agreement means an individual contract or agreement (whether written or unwritten) entered into between Parent, a Parent Entity, Technologies or a Technologies Entity and a Parent Executive that establishes the right of such individual to special executive compensation or benefits, including, without limitation, supplemental pension benefit, hiring bonus, loan, guaranteed payment, special allowance, tax equalization or disability benefit.

1.32 Initial Pension Transfer means an amount estimated by the Enrolled Actuary to be equal to eighty-five percent (85%) of the amount described in Section 3.2(a) as of the close of business on April 30, 2001.
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1.33 IPO Ratio means the amount obtained by dividing the Parent IPO Stock Value by the Technologies IPO Stock Value.

1.34 IRS means the Internal Revenue Service.

1.35 Leave of Absence means any authorized leave of absence, including, without limitation, leaves of absence for short-term disability, long-term disability and workers' compensation.

1.36 Legally Permissible is defined in Section 5.10(a)(iv).
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1.37 Material Feature means any feature of a Plan that could reasonably be expected to be of material importance to the sponsoring employer or the participants and beneficiaries of the Plan, which could include, depending on the type and purpose of the particular Plan, the class or classes of employees eligible to participate in such Plan, the nature, type, form, source and level of benefits provided by the employer under such Plan and the amount or level of contributions, if any, required to be made by participants (or their dependents or beneficiaries) to such Plan.

1.38 Medical Plan, when immediately preceded by "Parent," means the portion of the FMC Corporation Welfare Benefits Plan that provides medical benefits to employees and retirees of Parent and certain Parent Entities established, maintained, agreed upon or assumed by Parent or a Parent Entity. When immediately preceded by "Technologies," Medical Plan means the portion of the plan to be established by Technologies pursuant to Section 2.3 that
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corresponds to the Parent Medical Plan.

1.39 Non-Employee Director, when immediately preceded by "Parent," means a member of Parent's Board of Directors who is not an employee of Parent, a Parent Entity,



Technologies or a Technologies Entity, and who is not a Technologies Non-Employee Director. When immediately preceded by "Technologies," Non-Employee Director means a member of Technologies' Board of Directors who is not an employee of Parent, a Parent Entity, Technologies or a Technologies Entity, and who is not a Parent Non-Employee Director. When immediately preceded by "Parent and Technologies," Non-Employee Director means a member of Parent's Board of Directors and Technologies' Board of Directors who is not an employee of Parent, a Parent Entity, Technologies or a Technologies Entity.

1.40 Non-Employee Director Plan, when immediately preceded by "Parent," means the FMC Corporation Compensation Plan for Non-Employee Directors, and when immediately preceded by "Technologies," Non-Employee Director Plan means the portion of the Technologies Incentive Plan to be established by Technologies pursuant to Section 2.3 that corresponds to the
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Parent Non-Employee Director Plan.

1.41 Non-parties is defined in Section 8.6(a)(ii).
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1.42 Option, when immediately preceded by "Parent," means an option to purchase Parent Common Stock. When immediately preceded by "Technologies," Option means an option to purchase Technologies Common Stock, in each case pursuant to an Incentive Plan.

1.43 Outsource is defined in Section 5.10(a)(iii).

1.44 Parent is defined in the first paragraph of Recitals to this Agreement.

1.45 Parent Distribution Date Stock Value means the closing price of the Parent Common Stock as listed on the NYSE on the Distribution Date.

1.46 Parent Entity means any Person that is, at the relevant time, an Affiliate of Parent, except that, for periods beginning on and after the IPO Date, the term "Parent Entity" shall not include Technologies or a Technologies Entity.

1.47 Parent Executive means an employee or former employee of Parent, a Parent Entity, Technologies or a Technologies Entity, who immediately before the Close of the Distribution Date is eligible to participate in or receive a benefit under any Parent Executive Benefit Plan.

1.48 Parent IPO Stock Value means the closing price of the Parent Common Stock as listed on the NYSE on the trading day immediately preceding the IPO.

1.49 Parent Leave of Absence Programs means the Short-Term Disability Leave, Union Business Leave, Military Leave, FMLA Leave and any other leave programs offered from time to time under the personnel policies and practices of Parent.

1.50 Parent LTD Plan means the FMC Long-Term Disability Plan.

1.51 Parent Transfer Date Stock Value means, with respect to any Technologies Administrative Employee, the closing price of the Parent Common Stock as listed on the NYSE on the trading day immediately preceding the Transfer Date.



1.52 Parent Transferred Employee means an individual who (a) on May 1, 2001, is either actively employed by or on Leave of Absence from Technologies or a Technologies Entity, if such individual is part of a work group or organization that, at any time before the Close of the Distribution Date, moves to the employ of Parent or a Parent Entity; (b) on May 1, 2001, is either actively employed by or on Leave of Absence from a Parent Entity that becomes a Technologies Entity before the Close of the Distribution Date, if such individual, at any time before the Close of the Distribution Date, moves to the employ of Parent or a Parent Entity that does not become a Technologies Entity before the Close of the Distribution Date; or (c) on May 1, 2001, is either actively employed by or on Leave of Absence from Technologies or a Technologies Entity in a common support function, is at any time before the Close of the Distribution Date designated by Parent for transfer to Parent or a Parent Entity and, at any time after May 1, 2001 and before the Close of the Distribution Date, moves to the employ of Parent or a Parent Entity. In addition, Parent and Technologies may designate, by mutual agreement, any other individual or group of individuals as Parent Transferred Employees.

1.53 Parent WCP means the Parent Workers' Compensation Program, comprised of the various arrangements established by Parent or a Parent Entity to comply with the workers' compensation requirements of the states in which Parent and its Affiliates conduct business.

1.54 Participating Company means (a) Parent, and (b) any Person, other than an individual, that is, by the terms of such a Plan, participating in such Plan or has any employees who are, by the terms of such Plan, participating in such Plan.

1.55 PBGC means the Pension Benefit Guaranty Corporation.

1.56 Pension Interest means the amount of the net earnings or losses, as the case may be, on the average of the daily balances of (a) the amount described by Section 3.2(a), less (b) the amount described by Section 3.2(b), less (c) the Initial Pension Transfer, based upon the actual rate of return earned by the Parent Pension Plan for each full month from May 1, 2001 and prior

to the date of asset transfer, and based upon an interest rate of six and one-half percent (6.5%) per annum for the period beginning on the first day of the month containing the asset transfer date and ending on the date immediately preceding the date of asset transfer.

1.57 Pension Plan, when immediately preceded by "Parent," means the FMC Corporation Employees' Retirement Program. When immediately preceded by "Technologies," Pension Plan means the pension plan to be established by Technologies pursuant to Section 2.3 that corresponds to the Parent Pension Plan.

1.58 Plan, when immediately preceded by "Parent" or "Technologies," means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, annuity contract, insurance policy or other agreement or funding vehicle providing benefits to employees, former employees, dependents of employees or former employees, or Non-Employee Directors of Parent or Technologies or Parent and Technologies, as applicable, other than Foreign Plans.

1.59 Prudential Annuity means the participating group annuity contract issued by The Prudential Insurance Company of America funding a portion of the Parent Pension Plan.



1.60 Puerto Rico Medical and Dental Plan, when immediately preceded by "Parent," means the FMC Puerto Rico Medical and Dental Plan. When immediately preceded by "Technologies," Puerto Rico Medical and Dental Plan means the Parent Puerto Rico Medical and Dental Plan to be assumed by Technologies pursuant to Section 2.3.

1.61 Puerto Rico Pension Plan, when immediately preceded by "Parent," means the FMC Puerto Rico Retirement Plan. When immediately preceded by "Technologies," Puerto Rico Pension Plan means the Parent Puerto Rico Pension Plan to be assumed by Technologies pursuant to Section 2.3.

1.62 Puerto Rico Savings Plan, when immediately preceded by "Parent," means the FMC Puerto Rico Savings and Investment Plan. When immediately preceded by "Technologies," Puerto Rico Savings Plan means the Parent Puerto Rico Savings Plan to be assumed by Technologies pursuant to Section 2.3.

1.63 QDRO means a domestic relations order which qualifies under Section 414(p) of the Code and Section 206(d) of ERISA and which creates or recognizes an alternate payee's right to, or assigns to an alternate payee, all or a portion of the benefits payable to a participant under the Parent Pension Plan and/or one of the Parent Savings Plans.

1.64 QMCSO means a medical child support order which qualifies under Section 609(a) of ERISA and which creates or recognizes an alternate recipient's right to, or assigns to an alternate recipient the right to, receive benefits for which a participant or beneficiary is eligible under a Parent Medical Plan.

1.65 Rabbi Trusts, when immediately preceded by "Parent," means the FMC Executive Severance Trust, the FMC Supplemental Pension Trust, the FMC Non-Qualified Retirement and Thrift Trust and the Moorco International, Inc. Executive Retirement Trust. When immediately preceded by "Technologies," Rabbi Trust means the grantor trusts to be established by Technologies pursuant to Section 6.6(a) that correspond to the respective Parent Rabbi Trusts.

1.66 Savings Plan(s), when immediately preceded by "Parent," means the Parent Defined Contribution Plan and the Parent Defined Contribution Plan for Bargaining Unit Employees. When immediately preceded by "Technologies," Savings Plan means the Technologies Defined Contribution Plan.

1.67 Separation and Distribution Agreement is defined in the third paragraph of the Recitals to this Agreement.

1.68 Supplemental Pension Plan, when immediately preceded by "Parent," means the Parent Salaried Employees' Equivalent Retirement Plan. When

immediately preceded by "Technologies," Supplemental Pension Plan means the supplemental pension plan to be established by Technologies that corresponds to the Parent Supplemental Pension Plan pursuant to Section 2.3.

1.69 Technologies is defined in the first paragraph of Recitals to this Agreement.

1.70 Technologies Administrative Employees is defined in Section 8.1(b).



1.71 Technologies Distribution Date Stock Value means the closing price of the Technologies Common Stock as listed on the NYSE on the Distribution Date.

1.72 Technologies Entity means any Person that is, at the relevant time, a Subsidiary or an Affiliate of Technologies.

1.73 Technologies Individual means any individual other than any Parent Transferred Employee who (a) on May 1, 2001, is either actively employed by or on Leave of Absence from Technologies or a Technologies Entity; (b) is either actively employed by or on Leave of Absence from Parent or a Parent Entity and moves from the employ of Parent or a Parent Entity to the employ of Technologies or a Technologies Entity before the Close of the Distribution Date; (c) is either actively employed by or on Leave of Absence from a Parent Entity that becomes a Technologies Entity before the Close of the Distribution Date; or (d) is a Technologies Administrative Employee. In addition, Parent and Technologies may designate, by mutual agreement, any other individual or group of individuals as Technologies Individuals.

1.74 Technologies IPO Stock Value means the initial public offering price of the Technologies Common Stock offered to investors in the IPO.

1.75 Technologies Transfer Date Stock Value means, with respect to a Technologies Individual, the closing price of the Technologies Common Stock as listed on the NYSE on the trading day immediately preceding the Transfer Date.

1.76 Technologies WCP Claims is defined in Section 5.10(a)(i).

1.77 Transfer Date means, with respect to a Technologies Administrative Employee, the later of the Distribution Date and the date he or she becomes a Technologies Individual.

1.78 Transfer Date Ratio means, with respect to a Technologies Administrative Employee, the amount obtained by dividing the Parent Transfer Date Stock Value with respect to such Technologies Administrative Employee by the Technologies Transfer Date Stock Value with respect to such Technologies Administrative Employee.

1.79 Transferred Individual means any individual who, as of the Close of the Distribution Date (or with respect to the Technologies Pension Plan and the Technologies Supplemental Pension Plan any individual who, as of May 1, 2001) is: (a) either actively employed by or on Leave of Absence from Technologies or a Technologies Entity; or (b) neither actively employed by, nor on a Leave of Absence from, Technologies or a Technologies Entity, but who (i) was a Technologies Individual, or (ii) whose most recent active employment with Parent or a past or present Affiliate of Parent was with one of the corporate divisions constituting part of the Technologies Business, as set forth on Schedule E. Transferred Individuals shall also include the Technologies Administrative Employees from and after the Transfer Date. An alternate payee under a QDRO, an alternate recipient under a QMCSO, a beneficiary or a covered dependent, in each case, of an employee or former employee described in either of the preceding two sentences shall also be a Transferred Individual with respect to that employee's or former employee's benefit under the applicable Plans. Such an alternate payee, alternate recipient, beneficiary or covered dependent shall not otherwise be considered a Transferred

Individual with respect to his or her own benefits under any applicable Plans unless he or she is a Transferred Individual by virtue of either of the first two sentences of this definition. In addition, Parent and Technologies may designate, by mutual agreement, any other individuals, or group of individuals, as Transferred Individuals. An individual may be a Transferred Individual pursuant to this definition regardless of whether such individual is or was a Technologies Individual and regardless of whether such individual is, as of the Distribution Date (or, with respect to the Technologies Pension Plan and the Technologies Supplemental Pension Plan, May 1, 2001), alive, actively employed, on a temporary Leave of Absence from active employment, on layoff, terminated from employment, retired or on any other type of employment or post-employment status relative to a Parent Plan, and regardless of whether, as of the Close of the Distribution Date (or, with respect to the Technologies Pension Plan and the Technologies Supplemental Pension Plan, May 1, 2001), such individual is then receiving any benefits from a Parent Plan.

1.80 VEBA, when immediately preceded by "Parent," means the FMC Master Welfare Benefits Trust. When immediately preceded by "Technologies," VEBA means the trust, if any, to be established by Technologies pursuant to Section 2.3 that corresponds to the Parent VEBA.

1.81 VEBA Plans is defined in Section 5.3.

## ARTICLE II
## GENERAL PRINCIPLES

2.1 Assumption of Liabilities. Technologies hereby assumes and agrees to pay, perform, fulfill and discharge, in accordance with their respective terms, all of the following, regardless of when or where such Liabilities arose or arise or were or are incurred, except as expressly provided otherwise in this Agreement: (a) all Liabilities to or relating to Technologies Individuals and Transferred Individuals, and their respective dependents and beneficiaries, in each case relating to, arising out of or resulting from employment by Parent or a Parent Entity before becoming Technologies Individuals or Transferred Individuals, respectively, including, without limitation, Liabilities under Parent Plans and Technologies Plans; (b) all other Liabilities to or relating to Technologies Individuals, Transferred Individuals and other employees or former employees of Technologies or a Technologies Entity, and their respective dependents and beneficiaries, in each case relating to, arising out of or resulting from future, present or former employment with Technologies or a Technologies Entity, including, without limitation, Liabilities under Parent Plans and Technologies Plans; (c) all Liabilities relating to, arising out of or resulting from any other actual or alleged employment relationship with Technologies or a Technologies Entity, including, without limitation, all Liabilities relating to, arising out of or resulting from any collective bargaining agreement covering any Technologies Individuals or Transferred Individuals; and (d) all other Liabilities relating to, arising out of or resulting from obligations and responsibilities expressly assumed or retained by Technologies, a Technologies Entity, or a Technologies Plan pursuant to this Agreement. Notwithstanding the foregoing, Technologies shall not, by virtue of any provision of this Agreement or the Separation and Distribution Agreement, be deemed to have assumed any Excluded Liabilities.



2.2 Technologies Participation in Parent Plans.

(a) Participation in Parent Plans. Effective as of May 1, 2001 and subject to the terms and conditions of this Agreement, Technologies and each Technologies Entity that is not, as of the date hereof, a Participating Company in any Parent Plan shall become a Participating Company in each Parent Plan, other than the Parent Pension Plan and the Parent Supplemental Pension Plan, to the extent in effect as of May 1, 2001. Effective as of May 1, 2001 each Technologies Entity that is, as of the date of this Agreement, a Participating Company in a Parent Plan shall continue as such; provided, however, that each Technologies Entity that is, as of the date of this Agreement, a Participating Company in the Parent Pension Plan and the Parent Supplemental Pension Plan shall cease being a Participating Company in the Parent Pension Plan and the Parent Supplemental Pension Plan effective as of May 1, 2001. Notwithstanding the foregoing, the Foreign Plans shall be governed by Article IX hereof.

(b) Parent's General Obligations as Plan Sponsor. Effective May 1, 2001, Parent shall transfer responsibility to Technologies to administer, or cause to be administered, in accordance with their terms and applicable law, the Parent Plans, and from and after May 1, 2001 through December 31, 2002, Technologies shall have the sole discretion and authority to interpret the Parent Plans as set forth therein consistent with Section 2.5(e).

(c) Technologies' General Obligations as Participating Company. Technologies shall perform with respect to its participation in the Parent Plans, and shall cause each Technologies Entity with respect to its participation in the Parent Plans to perform, the duties of a Participating Company as set forth in such Plans or any procedures adopted pursuant thereto, including, without limitation: (i) assisting in the administration of claims to the extent requested by the claims administrator of the applicable Parent Plan; (ii) cooperating fully with Parent Plan auditors, benefit personnel and benefit vendors; (iii) preserving the confidentiality of all financial arrangements Parent has or may have with any vendors, claims administrators, trustees or any other entity or individual with whom Parent has entered into an agreement relating to the Parent Plans; and (iv) preserving the confidentiality of all participant health information. From and after May 1, 2001 through December 31, 2002, Parent shall perform and shall cause each Parent Entity to perform the duties described above as if it were a Participating Company.

(d) Termination of Participating Company Status. Effective as of May 1, 2001, each of Technologies and each Technologies Entity shall cease to be a Participating Company in the Parent Pension Plan and the Parent Supplemental Pension Plan. Effective as of the Close of the Distribution Date, each of Technologies and each Technologies Entity shall cease to be a Participating Company in the Parent Plans, other than the Parent Pension Plan and the Parent Supplemental Pension Plan.

2.3 Establishment of Technologies Plans. Effective as of the Distribution Date, Technologies shall adopt, cause to be adopted, or shall assume, as applicable, the Technologies Savings Plan, Technologies Puerto Rico Savings Plan, Technologies Puerto Rico Pension Plan, Technologies Puerto Rico Medical and Dental Plan, Technologies Foreign Plans, Technologies Health and Welfare Plans and Technologies Executive Benefit Plans (other than the Parent Supplemental Pension Plan) for the benefit of the Transferred Individuals and other current,



future and former employees of Technologies and the Technologies Entities. The foregoing Technologies Plans as in effect as of the Distribution Date shall be substantially identical in all Material Features to the corresponding Parent Plans as in effect as of the Close of the Distribution Date. Effective as of May 1, 2001, Technologies shall adopt, or cause to be adopted, the Technologies Pension Plan and the Technologies Supplemental Pension Plan for the benefit of the Transferred Individuals and other current, future and former employees of Technologies and the Technologies Entities. The Technologies Pension Plan and the Technologies Supplemental Pension Plan as in effect as of May 1, 2001 shall each be substantially identical in all Material Features to the Parent Pension Plan and the Parent Supplemental Pension Plan as in effect as of May 1, 2001. Notwithstanding the foregoing, the Foreign Plans shall be governed by Article IX hereof. Notwithstanding the foregoing, the Technologies Incentive Plan, including the Technologies Non-Employee Director Plan, shall be adopted by Technologies and approved by Parent as sole shareholder of Technologies, before the IPO Date, to become effective as of May 1, 2001. The Technologies Incentive Plan shall be substantially identical in all Material Features to the corresponding Parent Incentive Plan and the Parent Non-Employee Director Plan, except that such Technologies Incentive Plan shall provide for all stock-based awards to be based upon Technologies Common Stock rather than Parent Common Stock.

2.4 Terms of Participation by Transferred Individuals in Technologies Plans and Technologies Non-Employee Directors in the Technologies Non-Employee Director Plan.

(a) Technologies Plans. The Technologies Plans shall be, with respect to Transferred Individuals, in all respects the successors in interest to, and shall not provide benefits that duplicate benefits provided by, the corresponding Parent Plans. Parent and Technologies shall agree on methods and

procedures, including, without limitation, amending the respective Plan documents, to prevent Transferred Individuals from receiving duplicative benefits from the Parent Plans and the Technologies Plans. With respect to Transferred Individuals, each Technologies Plan shall provide that all service, all compensation and all other benefit-affecting determinations that, as of the Close of the Distribution Date, were recognized under the corresponding Parent Plan shall, as of Immediately after the Distribution Date, receive full recognition, credit and validity and be taken into account under such Technologies Plan to the same extent as if such items occurred under such Technologies Plan, except to the extent that duplication of benefits would result. The provisions of this Agreement that provide for the transfer of assets from the Parent Plans to the corresponding Technologies Plans are based upon the understanding of the parties that each such Technologies Plan will assume all Liabilities of the corresponding Parent Plan to or relating to Transferred Individuals, as provided for herein. If any such Liabilities are not effectively assumed by the appropriate Technologies Plan, then the amount of assets transferred to the Technologies Plan from the corresponding Parent Plan shall be recomputed, ab initio, as set forth below but taking into account the retention of such Liabilities by such Parent Plan, and assets shall be transferred by the Technologies Plan to the Parent Plan so as to place each such Plan in the position it would have been in, had the initial asset transfer been made in accordance with such recomputed amount of assets.

(b) Technologies Non-Employee Director Plan. With respect to the Technologies Non-Employee Directors who participated in the corresponding Parent Non-Employee Director Plan prior to the Distribution Date, the Technologies Non-Employee Director



Plan shall be, in all respects the successor in interest to, and shall not provide benefits that duplicate benefits provided by, the Parent Non-Employee Director Plan. With respect to the Parent and Technologies Non-Employee Directors who, prior to the Distribution Date participated in, and who continue to participate in the corresponding Parent Non-Employee Director Plan after the Distribution Date, the Technologies Non-Employee Director Plan shall be the successor in interest to a portion of, and shall not provide benefits that duplicate benefits provided by the Parent Non-Employee Director Plan.

2.5 Procedures for Amendments to Plans, Plan Designs, Administrative Practices and Vendor Contracts.

(a) Amendments to Plan Documents. From May 1, 2001 through December 31, 2002, no amendment to any Parent Plan or Technologies Plan shall be effective unless the party intending to amend a Plan has the consent of the other party, or the amendment is required by applicable law, or the party intending to amend its Plan has: (i) given the other party written notice of the intention to amend, accompanied by a copy of the proposed amendment, at least ninety (90) days in advance of the earlier of (A) the proposed amendment effective date, or (B) the proposed amendment adoption date; and (ii) agreed to bear all of the costs of implementing the amendment incurred by the Benefits and Employee Services Organization, third-party administrators, insurance companies and other vendors and passed through to one or both of the parties.

(b) Changes in Vendor Contracts, Group Insurance Policies, Plan Design and Administration Practices and Procedures.

(i) From May 1, 2001 through December 31, 2002, neither Parent nor Technologies shall materially modify, or take other action which would have a material effect on, any of the following (each such modification, a "Change") without complying with Section 2.5(b)(ii) unless the party intending to make such Change has the consent of the other party or such Change is required by law or is made to comply with the terms of Section 5.5: (A) the termination date, administration or operation of (1) an ASO contract between Parent or Technologies and a third-party administrator, (2) a Group Insurance Policy issued to Parent or Technologies or (3) an HMO Agreement with Parent or Technologies; (B) the design of either a Parent Plan or a Technologies Plan; or (C) the financing, operation, administration or delivery of benefits under either a Parent Plan or a Technologies Plan.

(ii) Neither Parent nor Technologies shall make any Change unless the party intending to make the Change has: (A) given the other party

written notice of the intention to make the Change, accompanied by a written description of the Change, at least ninety (90) days in advance of the proposed effective date of the Change; and (B) agreed to bear all of the costs of implementing the Change which are incurred by the Benefits and Employee Services Organization, all third-party administrators, insurance companies, HMOs and other vendors and passed through to one or both of the parties.

(c) Other Amendments or Changes. If Parent or Technologies desires to amend a Plan and/or make a Change that requires compliance with, but cannot satisfy all of the conditions of Section 2.5(a) or Section 2.5(b)(ii), the party desiring to make the amendment or



Change may submit a written request for approval of the amendment or Change, accompanied by a written description of the amendment or Change, to the Vice President, Human Resources of the party from which approval is requested. The desired amendment or Change may be implemented only if approved in writing by the Vice President of Human Resources of both parties. Notwithstanding the foregoing, the Foreign Plans shall be governed by Article IX hereof.

(d) Employee Contributions. Notwithstanding the provisions of Section 2.5(a) and Section 2.5(b), as of the first January 1 after the Distribution Date, Parent and Technologies shall each have the independent right, in its sole discretion and without compliance with Section 2.5(a) and Section 2.5(b), to increase or decrease the amount of employee contributions under its respective Plans.

(e) Joint Administration. From the date of this Agreement through December 31, 2002, the management and administration of the Parent Plans, Technologies Plans, and all ASO Contracts, Group Insurance Policies, HMO Agreements and other vendor contracts entered into or issued for the administration of the Parent Plans and/or the Technologies Plans, including, without limitation, the claims appeals, shall be conducted under the supervision of the Vice President, Human Resources of Parent and Technologies, on the one hand, and the Chief Human Resources Officer of Parent, on the other hand, who shall provide strategic oversight and direction of the cohesive administration of the Parent Plans and the Technologies Plans. Issues that cannot be resolved by the Vice President, Human Resources of Parent and Technologies, on the one hand, and the Chief Human Resources Officer, on the other hand, shall be decided in accordance with Section 12.1 of the Separation and Distribution Agreement.

2.6 Best Efforts. Parent and Technologies shall use their reasonable best efforts to (a) enter into any necessary agreements to accomplish the assumptions and transfers contemplated by this Agreement; and (b) provide for the maintenance of the necessary participant records, the appointment of the trustees and the engagement of recordkeepers, investment managers, providers, insurers, etc.

2.7 Regulatory Compliance. Parent and Technologies shall, in connection with the actions taken pursuant to this Agreement, cooperate in making any and all appropriate filings required under the Code, ERISA and any applicable securities laws, implementing all appropriate communications with participants, transferring appropriate records and taking all such other actions as may be necessary and appropriate to implement the provisions of this Agreement in a timely manner.

## ARTICLE III
## DEFINED BENEFIT PLANS

3.1 Assumption of Certain Assets and Certain Liabilities by Technologies Pension Plan. Parent shall cause the Parent Pension Plan to transfer to the Technologies Pension Plan assets equal to the amounts described in Section 3.2 at such times as described in Section 3.2. The Technologies Pension Plan shall assume all Liabilities for benefits payable to Transferred Individuals under the Parent Pension Plan as of the later of May 1, 2001 and the Transfer Date of such Transferred Individual, and, neither Parent nor the Parent Pension Plan shall retain Liabilities for such benefits from and after the date

such Liabilities are assumed by the



Technologies Pension Plan. Parent shall cause the Parent Pension Plan to file Form 5310-A with the IRS on or before April 1, 2001. Parent shall take such action as is necessary to cause the Technologies Pension Plan to become the holder of the portion of the Aetna Annuity that provides benefits to the Transferred Individuals. Parent and Technologies shall use their reasonable best efforts to effectuate a transfer of the portion of the Prudential Annuity that provides benefits to the Transferred Individuals. With respect to all other assets, Parent and Technologies agree to use their best efforts to make transfers in kind to the extent practicable so as to preserve the investment decisions as in effect on the date of transfer.

3.2 Pension Asset Transfers. The total amount transferred from the trust funding the Parent Pension Plan to the trust funding the Technologies Pension Plan pursuant to this Section 3.2 shall be an amount equal to (a) less (b), as adjusted by (c), where:

(a) equals the portion of the total assets of the Parent Pension Plan which the Enrolled Actuary shall determine is allocable to the spun-off Technologies Pension Plan for the benefit of the Transferred Individuals;

(b) equals the aggregate benefit payments made from the Parent Pension Plan in respect of Transferred Individuals on the first day of each month from May 1, 2001 through the date immediately preceding the date of the asset transfer; and

(c) equals the amount of the Pension Interest from May 1, 2001 through the date immediately preceding the date of the asset transfer.

On May 1, 2001, or, as soon as practicable thereafter, Parent shall cause the trustee of the trust funding the Parent Pension Plan to transfer to the trustee of the trust funding the Technologies Pension Plan the Initial Pension Transfer. Parent shall cause the trustee of the trust funding the Parent Pension Plan to make a subsequent asset transfer or transfers to the trustee of the trust funding the Technologies Pension Plan in an aggregate amount equal to the difference between the amount described in (a) and the Initial Pension Transfer, less the amount described in (b), as adjusted by (c) as soon as practicable following the final calculation of the amount described in (a), but in no event shall such transfer or transfers be later than May 1, 2002. All of the calculations to be made under this Section 3.2 shall be made by the Enrolled Actuary using the actuarial assumptions set forth on Schedule F, and such calculations shall comply with the requirements of Section 414(l) of the Code as a result of the Enrolled Actuary performing an allocation of total plan assets amongst the various priority categories described in Section 4044 of ERISA.

3.3 Assumption of Parent Puerto Rico Pension Plan. Prior to the Distribution Date, Technologies shall take, or cause to be taken, all such action as is necessary to become the successor sponsor of, and assume all Liabilities for, the Parent Puerto Rico Pension Plan and the Puerto Rican trust funding the Parent Puerto Rico Pension Plan, effective Immediately after the Distribution Date.



## ARTICLE IV
## DEFINED CONTRIBUTION PLANS

4.1 Defined Contribution Plans and Defined Contribution Plan for Bargaining Unit Employees. Effective Immediately after the Distribution Date, Parent shall cause the trustee of the master trust funding each of the Parent Savings Plans to transfer to the trustee of the trust funding the corresponding Technologies Savings Plan the amounts described in Section 4.2. As of the time of such transfer, the Technologies Defined Contribution Plan shall assume and be solely responsible for all Liabilities to or relating to Transferred Individuals under the Parent Defined Contribution Plan and the Parent Defined Contribution Plan for Bargaining Unit Employees, respectively.

4.2 Defined Contribution Plan Asset Transfer. For each asset transfer from the Parent Savings Plans to the Technologies Savings Plan pursuant to Section 4.1, the amount transferred pursuant to this Section 4.2 shall equal the value of the balances of all accounts of the participants in the Parent Defined Contribution Plan and the Parent Defined Contribution Plan for Bargaining Unit Employees who are, as of the date of transfer, Transferred Individuals. Effective Immediately after the Distribution Date, the Parent Savings Plan shall transfer one-half (1/2) of the balance of the forfeitures account to the Technologies Savings Plan. Transfers of Parent Common Stock and Technologies Common Stock and participant loans shall be made in kind. With respect to all other assets, Parent and Technologies agree to use their best efforts to make transfers in kind to the extent practicable so as to preserve the investments of the Transferred Individuals as in effect on the date of such transfer.

4.3 Assumption of Parent Puerto Rico Savings Plan. Prior to Distribution Date, Technologies shall take, or cause to be taken, all such action as is necessary to become the successor sponsor of, and assume all Liabilities for, the Parent Puerto Rico Savings Plan and the Puerto Rican trust funding the Parent Puerto Rico Savings Plan, effective Immediately after the Distribution Date.

## ARTICLE V
## HEALTH AND WELFARE PLANS

5.1 Assumption of Health and Welfare Plans' Liabilities.

(a) Effective Immediately after the Distribution Date, all Liabilities to or relating to Transferred Individuals under the Parent Health and Welfare Plans shall cease to be Liabilities of the Parent Health and Welfare Plans and shall be assumed by the corresponding Technologies Health and Welfare Plans, irrespective of when the claim underlying any such Liabilities was incurred.

(b) Notwithstanding Section 5.1(a), all treatments which have been pre-certified for or are being provided to a Transferred Individual as of the Close of the Distribution Date shall be provided without interruption under the appropriate Parent Health and Welfare Plan until such treatment is concluded or discontinued pursuant to applicable plan rules and limitations, but Technologies shall continue to be responsible for all Liabilities relating to,



arising out of, or resulting from such on-going treatments as of the Close of the Distribution Date.

(c) Prior to the Distribution Date, Technologies shall take, or cause to be taken all such action as is necessary to become the successor sponsor of, and assume all Liabilities for, the Parent Puerto Rico Medical and Dental Plan, including, without limitation, any insurance contract or other funding vehicle, effective Immediately after the Distribution Date.

5.2 Establishment of Mirror VEBA. To the extent that assets and liabilities remain in the Parent VEBA as of the Distribution Date, effective Immediately after the Distribution Date, Technologies shall establish, or cause to be established, the Technologies VEBA, for the purpose of funding outstanding long-term disability, supplemental life insurance and other applicable benefits under the Technologies Health and Welfare Plans. Such trust shall meet the requirements of Code (SS) 419, 419A, 501(a) and 501(c)(9).

5.3 VEBA Asset Transfers. To the extent that assets and liabilities remain in the Parent VEBA as of the Distribution Date, this Section 5.3 shall govern the transfer of assets from the Parent VEBA to the Technologies VEBA. As soon as practicable after the Close of the Distribution Date, the Enrolled Actuary shall determine the aggregate present value, as of the Close of the Distribution Date, of the future benefit obligations of each Parent Plan funded by the Parent VEBA ("VEBA Plans"), with respect to Transferred Individuals who are eligible to receive benefits under the applicable VEBA Plan as of the Close of the Distribution Date. As soon as practicable after such determination is made, there shall be transferred from the Parent VEBA to the Technologies VEBA an amount of assets having a fair market value on the date of transfer equal to

the product of (a) the aggregate present value of the projected future benefit obligations to Transferred Individuals, divided by (b) the aggregate of all such present values of the projected future benefits to all participants under the VEBA Plans, multiplied by (c) the fair market value of the assets of the Parent VEBA on the date of transfer, adjusted to take into account the extent to which Parent and/or Technologies has opted to forego reimbursement from the VEBA of any benefit obligation that was paid by Parent or Technologies, as applicable, on or after the IPO Date and before the Close of the Distribution Date.

5.4 Investments of and Distributions from VEBAs. Before the Close of the Distribution Date, Parent shall have sole authority to direct the trustee of the Parent VEBA as to the investment of any trust assets, including, but not limited to, the use of plan assets to purchase insurance contracts and the distributions and/or transfers of trust assets to Parent, Technologies, any Participating Company in the VEBA, any paying agent, any successor trustee or any other Person.

5.5 Vendor Contracts.

(a) Third-Party ASO Contracts.

(i) Parent and Technologies shall use their reasonable best efforts to amend each administrative services only contract with a third-party administrator that relates to any of the Parent Health and Welfare Plans (an "ASO Contract") in existence as of the date of



this Agreement that is applicable to Transferred Individuals to permit Technologies to participate in the terms and conditions of such ASO Contract from Immediately after the Distribution Date until December 31, 2002. Parent and Technologies shall use their reasonable best efforts to cause all ASO Contracts entered into after the date of this Agreement but before the Close of the Distribution Date to allow Technologies to participate in the terms and conditions thereof effective Immediately after the Distribution Date on the same basis as Parent.

(ii) The permissible ways in which Technologies' participation may be effectuated include automatically making Technologies a party to the ASO Contracts or obligating the third party to enter into a separate ASO Contract with Technologies providing for the same terms and conditions as are contained in the ASO Contracts to which Parent is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

(iii) If by September 1, 2001, Parent and Technologies determine that they will not be successful in negotiating contract language that will permit compliance with Section 5.5(a)(i) and Section 5.5(a)(ii), Technologies shall, effective Immediately after the Distribution Date, adopt a contingency plan.

(b) Group Insurance Policies.

(i) This Section 5.5(b) applies to group insurance policies not subject to allocation or transfer pursuant to the foregoing provisions of this Article V ("Group Insurance Policies").

(ii) Parent and Technologies shall use their reasonable best efforts to amend each Group Insurance Policy in existence as of the date of this Agreement that is applicable to Transferred Individuals for the provision or administration of benefits under the Parent Health and Welfare Plans to permit Technologies to participate in the terms and conditions of such policy from Immediately after the Distribution Date until December 31, 2002. Parent and Technologies shall use their reasonable best efforts to cause all Group Insurance Policies that are applicable to Transferred Individuals entered into or renewed after the date of this Agreement but before the Close of the Distribution Date to allow Technologies to participate in the terms and conditions thereof effective Immediately after the Distribution Date on the same basis as Parent.

(iii) Technologies' participation in the terms and

conditions of each such Group Insurance Policy shall be effectuated by obligating the insurance company that issued such insurance policy to Parent to issue one or more separate policies to Technologies. Such terms and conditions shall include, without limitation, the financial and termination provisions, performance standards and target claims.

(iv) If by September 1, 2001, Parent and Technologies determine that they will not be successful in negotiating policy provisions that will permit compliance with Section 5.5(b)(ii) and Section 5.5(b)(iii), Parent and Technologies shall use their reasonable best efforts to either continue to cover Technologies under Parent's Group Insurance Policies or procure a separate policy for Technologies until Technologies has procured such separate insurance policy



or made other arrangements for replacement coverage and Technologies shall bear all costs incurred to continue such coverage.

(c) HMO Agreements.

(i) Parent and Technologies shall use their reasonable best efforts to amend all agreements with HMOs that provide medical services under the Parent Medical Plan ("HMO Agreements") in existence as of the date of this Agreement that are applicable to Transferred Individuals to permit Technologies to participate in the terms and conditions of such HMO Agreements, in each case, from Immediately after the Distribution Date until December 31, 2002. Parent and Technologies shall use their reasonable best efforts to cause all HMO Agreements entered into after the date of this Agreement but before the Close of the Distribution Date to allow Technologies to participate in the terms and conditions of such HMO Agreements from Immediately after the Distribution Date until December 31, 2002 on the same basis as Parent.

(ii) The permissible ways in which Technologies' participation may be effectuated include, without limitation, automatically making Technologies a party to the HMO Agreements or obligating the HMOs to enter into agreements with Technologies that are identical to the HMO Agreements. Such terms and conditions shall include, without limitation, the financial and termination provisions of the HMO Agreements.

(iii) If by September 1, 2001, Parent and Technologies determine that they will not be successful in negotiating arrangements that will permit compliance with Section 5.5(c)(i) and Section 5.5(c)(ii), Parent and Technologies shall use their reasonable best efforts to arrange for the continued provision under its HMO Agreements of medical services to Technologies Medical Plan participants from Immediately after the Distribution Date through December 31, 2002, and Technologies shall bear all costs incurred to continue such services.

(d) Effect of Change in Rates. Parent and Technologies shall use their reasonable best efforts to cause each of the insurance companies, HMOs and third-party administrators providing services and benefits under the Parent Health and Welfare Plans and the Technologies Health and Welfare Plans to maintain the premium and/or administrative rates based on the aggregate number of participants in both the Parent Health and Welfare Plans and the Technologies Health and Welfare Plans through December 31, 2002. To the extent they are not successful in such efforts, Parent and Technologies shall each bear the revised premium or administrative rates attributable to the individuals covered by their respective Health and Welfare Plans.

5.6 Parent Long-Term Disability. Effective May 1, 2001, Technologies shall assume responsibility for administering claims incurred under the Parent LTD Plan pursuant to the terms of the Parent LTD Plan through such ASOs or Group Insurance Policies as may be in effect from time to time through December 31, 2002 and under the Technologies LTD Plan from and after the Distribution Date. Technologies shall administer such claims in the same manner, and using the same methods and procedures, as Parent used in administering such claims. Technologies shall have sole discretionary authority to make any necessary determinations with respect to such claims, including, without limitation, entering into settlements with respect to such claims. Any

determination made or settlements entered into by Technologies or its agents with respect to such claims shall be final and binding.

5.7 Post-Retirement Health and Life Insurance Benefits. Effective as of May 1, 2001, Technologies shall assume responsibility for the administration of post-retirement health and life insurance benefits under the applicable Parent Health and Welfare Plans through December 31, 2002 and under the applicable Technologies Health and Welfare Plans from and after the Distribution Date. As soon as practicable after December 31, 2002, Technologies shall provide Parent with a list of all individuals who are, as of December 31, 2002, receiving retiree medical or dental coverage under the Parent Health and Welfare Plans and/or post-retirement life insurance coverage under the Parent Group Life Program, including, without limitation, all information necessary to calculate the individuals' cost for such coverage; and a list of all individuals who are, as of December 31, 2002, to the best knowledge of Technologies, eligible to receive retiree medical or dental coverage under the Parent Health and Welfare Plans and/or post-retirement life insurance coverage under the Parent Group Life Program; and, for both lists, the type of retiree medical or dental coverage and the level of life insurance coverage which they are receiving or for which they are eligible, as applicable. Parent shall retain all liability for premiums due to and any administration of the United Mine Workers Association Combined Benefit Fund under the Coal Industry Retiree Health Benefit Act of 1992.

5.8 COBRA. Effective as of May 1, 2001, Technologies shall assume responsibility for administering compliance with the health care continuation coverage requirements of COBRA and the Parent Health and Welfare Plans through December 31, 2002 and the Technologies Health and Welfare Plans from and after the Distribution Date, including, without limitation, filing all necessary employee change notices with respect to their respective employees in accordance with applicable COBRA policies and procedures.

5.9 Leave of Absence Programs.

(a) Effective May 1, 2001, Technologies shall assume responsibility for administering compliance with the Parent Leave of Absence Programs through December 31, 2002 and the Technologies Leave of Absence Programs from and after the Distribution Date; provided, that, Parent and the Parent Entities and Technologies and the Technologies Entities shall be responsible for determining whether their respective employees are eligible for leave under their respective Leave of Absence Programs in accordance with such programs.

(b) Effective Immediately after the Distribution Date: (i) Technologies shall adopt, and shall cause each Technologies Entity to adopt, leave of absence programs which are substantially identical in all Material Features to the Parent Leave of Absence Programs as in effect on the Distribution Date; (ii) Technologies shall honor, and shall cause each Technologies Entity to honor, all terms and conditions of leaves of absence which have been granted to any Transferred Individual under a Parent Leave of Absence Programs before the Close of the Distribution Date by Parent, Technologies, or a Technologies Entity, including, without limitation, such leaves that are to commence after the Distribution Date; (iii) each party shall be solely responsible for administering leaves of absence and compliance with FMLA with respect to their employees; and (iv) Technologies and each Technologies Entity shall recognize all periods of service of Transferred Individuals with Parent or a Parent Entity, as applicable, to the



extent such service is recognized by Parent for the purpose of eligibility for leave entitlement under the Parent Leave of Absence Programs; provided, that no duplication of benefits shall be required by the foregoing.

(c) As soon as administratively practicable after December 31, 2002, Technologies shall provide to Parent copies of all records pertaining to all individuals then covered under the Parent Leave of Absence Programs to the extent such records have not been provided previously to Parent or a Parent Entity.

5.10 Parent Workers' Compensation Program.

(a) Administration of Claims.

(i) Through the Close of the Distribution Date or such earlier date as may be agreed by Parent and Technologies, (A) Parent shall continue to be responsible for the administration of all claims that (1) are, or have been, incurred under the Parent WCP before the Close of the Distribution Date by Transferred Individuals, Technologies Individuals and other employees and former employees of Technologies and the Technologies Entities through the Close of the Distribution Date ("Technologies WCP Claims") and (2) have been historically administered by Parent or its insurance company, and (B) Technologies shall continue to be responsible for the administration of all Technologies WCP Claims that have been historically administered by Technologies, if any.

(ii) Effective Immediately after the Distribution Date or such earlier date as may be agreed by Parent and Technologies, (A) Technologies shall, to the extent Legally Permissible (as defined below), be responsible for the administration of all Technologies WCP Claims, whether those claims were previously administered by Parent or Technologies, and (B) Parent shall be responsible for the administration of all Technologies WCP Claims not administered by Technologies pursuant to clause (A), whether previously administered by Parent or Technologies and whether under the self-insured or insured portion of the Parent WCP. Any determination made, or settlement entered into, by either party or its insurance company with respect to Technologies WCP Claims for which it is administratively responsible shall be final and binding upon the other party.

(iii) Each party shall fully cooperate with the other with respect to the administration and reporting of Technologies WCP Claims, the payment of Technologies WCP Claims determined to be payable, and the transfer of the administration of any Technologies WCP Claims to the other party as determined under Section 5.10(a)(ii). Either party shall have the right to "outsource" (i.e., transfer the administration of claims to a third party administrator or cause claims to be paid through insurance) any and all Technologies WCP Claims for which it is administratively responsible.

(iv) For purposes of this Section 5.10(a), "Legally Permissible" shall be determined on a state-by-state basis, and shall mean that administration of Technologies WCP Claims by Technologies both (A) is permissible under the applicable state's workers' compensation laws taking into account all relevant facts, including, without limitation, that Technologies may have a self-insurance certificate in that state and (B) would not have a



material adverse effect on Parent's self-insurance certificate within that state. If it is determined that, in a particular state, it is Legally Permissible for Technologies to administer Technologies WCP Claims, then Technologies shall be responsible for the administration of all Technologies WCP Claims incurred in that state, whether previously administered by Parent, Technologies, or an insurance company. If it is determined that, in a particular state, it is not Legally Permissible for Technologies to administer Technologies WCP Claims, then Parent shall be responsible for the administration of all Technologies WCP Claims incurred in that state, whether previously administered by Parent, Technologies, or an insurance company.

(b) Self-Insurance Status.

(i) Parent shall amend its certificates of self-insurance with respect to workers' compensation and any applicable group workers' compensation insurance policies to include Technologies until the Close of the Distribution Date, and Technologies shall fully cooperate with Parent in obtaining such amendments. All costs incurred by Parent in amending such certificates or group insurance policies, including, without limitation, filing fees, adjustments of security and excess loss policies and amendment of safety programs, shall be shared equally by Parent and Technologies. Parent shall use its reasonable best efforts to obtain self-insurance status for workers' compensation for Technologies effective Immediately after the Distribution Date in each jurisdiction in which Technologies conducts business and in which Parent is self-insured, if Parent and Technologies determine that such status is beneficial to Technologies. Technologies hereby authorizes Parent to take all

actions necessary and appropriate on its behalf in order to obtain such self-insurance status.

(ii) Parent shall also arrange a contingent insured or other arrangement for payment of workers' compensation claims, into which Technologies shall enter if and to the extent that Parent fails to obtain self-insured status for Technologies as provided in Section 5.10(b)(i), unless Technologies obtains another such arrangement that is effective Immediately after the Distribution Date, in which event Technologies shall reimburse Parent for any expenses incurred by Parent in procuring such contingent arrangement.

(c) Insurance Policy.

(i) In the event the workers' compensation insurance policy that Parent maintains under the Parent WCP expires before the Distribution Date, Parent shall use its reasonable best efforts to renew such policy and to cause the issuing insurance company to issue a separate policy to Technologies. If Parent is not able to cause such insurance company to issue such separate insurance policy, Technologies shall use its reasonable best efforts to procure a separate policy from another insurance company or to obtain self-insurance status, and Parent shall use its reasonable best efforts to continue to cover Technologies under its renewed policy until the earlier of (A) the date on which Technologies' application for such self-insurance status is approved or (B) the date on which a separate insurance policy is procured. Technologies shall compensate Parent for all costs incurred by Parent to continue such coverage. Any claims incurred by Transferred Individuals after the Close of the Distribution Date that will be covered under and during any such continuation of coverage shall be treated as being incurred before the Close of the Distribution Date for purposes of determining the party responsible for the administration of benefits.



(ii) Parent shall use its best effort to maintain the premium rates for all workers' compensation insurance policies for both Parent and Technologies in effect for periods through the Close of the Distribution Date to be based on the aggregate number of employees covered under the workers' compensation insurance policies of both Parent and Technologies. Any premiums due under the separate workers' compensation insurance issued to Technologies shall be payable by Technologies.

5.11 Post-Distribution Transitional Arrangements.

(a) Continuance of Elections, Co-Payments and Maximum Benefits.

(i) Technologies shall cause the Technologies Health and Welfare Plans to recognize and maintain all coverage and contribution elections made by Transferred Individuals under the Parent Health and Welfare Plans and apply such elections under the Technologies Health and Welfare Plans for the remainder of the period or periods for which such elections are by their terms applicable. The transfer or other movement of employment from Parent to Technologies at any time before the Close of the Distribution Date shall neither constitute nor be treated as a "status change" under the Parent Health and Welfare Plans or the Technologies Health and Welfare Plans.

(ii) Technologies shall cause the Technologies Health and Welfare Plans to recognize and give credit for (A) all amounts applied to deductibles, out-of-pocket maximums, and other applicable benefit coverage limits with respect to which such expenses have been incurred by Transferred Individuals under the Parent Health and Welfare Plans for the remainder of the year in which the Distribution occurs, and (B) all benefits paid to Transferred Individuals under the Parent Health and Welfare Plans for purposes of determining when such persons have reached their lifetime maximum benefits under the Technologies Health and Welfare Plans.

(iii) Technologies shall (A) provide coverage to Transferred Individuals under the Technologies Group Life Program without the need to undergo a physical examination or otherwise provide evidence of insurability, and (B) recognize and maintain all irrevocable assignments and accelerated benefit option elections made by Transferred Individuals under the Parent Group Life Program. Notwithstanding anything herein to the contrary, Transferred Individuals who elect a change in life insurance coverage may be subject to

rules of the insurer, including without limitation, physical examination or other evidence of insurability.

(b) HCFA Data Match. Effective as of May 1, 2001, Technologies shall assume administrative responsibility for HCFA data match reports and all Liabilities relating to, arising out of or resulting from claims verified by Parent or Technologies under the HCFA data match reports for Transferred Individuals. Technologies shall not change any employee identification numbers assigned by Parent without notifying Parent of the change and the new employee identification number. As soon as administratively practicable after December 31, 2002, Technologies shall transfer all information to Parent to allow Parent to verify HCFA data match reports for its employees and former employees.



(c) Other Post-Distribution Transitional Rules.

(i) Parent Flexible Benefits Plan. To the extent any Transferred Individual contributed to an account under the Parent Flexible Benefits Plan during the calendar year that includes the Distribution Date, effective as of the Close of the Distribution Date, Parent shall transfer to the Technologies Flexible Benefits Plan the account balances of Transferred Individuals for such calendar year under the Parent Flexible Benefits Plan, regardless of whether the account balance is positive or negative.

(ii) Health and Welfare Plans Subrogation Recovery. After the Close of the Distribution Date, Technologies shall pay to Parent or the Parent Health and Welfare Plan or the Technologies Health and Welfare Plan, as appropriate, any amounts Technologies recovers from time to time through subrogation or otherwise for claims incurred by or reimbursed to any participant of Parent's Health and Welfare Plans or Technologies' Health and Welfare Plans. After the Close of the Distribution Date, Parent shall pay to Technologies or the Technologies Health and Welfare Plan or the Parent Health and Welfare Plan, as appropriate, any amounts Parent recovers from time to time through subrogation or otherwise for claims incurred by or reimbursed to any participant of Parent's Health and Welfare Plans or Technologies' Health and Welfare Plans.

(iii) Exchange of Historical Data. After the Close of the Distribution Date both Parent and Technologies shall have access to claims data configured on the Aetna database or archives, if applicable, and to eligibility, disability, medical and demographic data configured on the Benefits and Employee Services Organization database ("Benefits Database"), or archives, if applicable, for all historical periods up to and including, without limitation, eligibility, incurred claims and Benefits Database data for purposes of administering the Parent Medical Plans and the Technologies Medical Plans until such time as Technologies transfers the portion of the Benefits Database applicable to the Parent Medical Plans after December 31, 2002. Parent and Technologies shall cooperate in the collection of claims, eligibility and data during the period from May 1, 2001 through December 31, 2002, and share all such data which shall be accessible through the Benefits and Employee Services Organization.

## ARTICLE VI
## EXECUTIVE BENEFITS AND NON-EMPLOYEE DIRECTOR BENEFITS

6.1 Assumption of Obligations. Except as provided in this Agreement, effective Immediately after the Distribution Date, Technologies shall assume and be solely responsible for all Liabilities to or relating to Technologies Individuals under all Parent Executive Benefit Plans. None of the transactions contemplated by the Separation and Distribution Agreement or any of the Ancillary Agreements, including, without limitation, this Agreement constitute a change in control for purposes of any Plan.

6.2 Consents, Notifications and Assignments. Parent and Technologies shall use their reasonable best efforts to obtain, or cause to be obtained, to the extent necessary, the written consent of each Technologies Individual who is a party to an Individual Agreement to the treatment of such Individual Agreement in accordance with this Article VI, including, without limitation, the assumption by Technologies of sole responsibility for, and the release of Parent

from, all Liabilities thereunder; provided, that no failure to seek or to obtain any such consent shall have any effect upon the obligations of Technologies with respect to such Liabilities. Parent shall use its reasonable best efforts to assign any annuity contracts owned by Parent for the purpose of making payment of benefits to any Technologies Individual.

6.3 Parent Incentive Plans. Parent and Technologies shall use their reasonable best efforts to take all actions necessary or appropriate so that each outstanding Award granted under any Parent Incentive Plan held by any Technologies Individual (or Transferred Individual, as applicable) shall be replaced as set forth in this Section 6.3 with an Award under the Technologies
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Incentive Plan in a manner that is consistent with the adjustment provisions of the Parent Incentive Plan, as interpreted by the Compensation and Organization Committee of the Board of Directors of Parent. Each such replacement Award shall otherwise have the same terms and conditions as were applicable to the corresponding Parent Award as of the date immediately preceding the date of the replacement Award under the Technologies Incentive Plan, as set forth in this Section 6.3. Dividend equivalent rights on replacement Awards issued under the
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Technologies Incentive Plan, if any, shall be payable with reference to dividends on Technologies Common Stock. Technologies shall not issue Awards with respect to fractional shares.

(a) Stock Options. Technologies shall cause each Award consisting of a Parent Option that is outstanding as of the Close of the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the Transfer Date) and is held by a Technologies Individual to be replaced under the Technologies Incentive Plan, effective Immediately after the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the Transfer Date), with a Technologies Option. Such Technologies Option shall provide for the purchase of a number of shares of Technologies Common Stock equal to the number of shares of Parent Common Stock subject to such Parent Option as of the Close of the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the Transfer Date) multiplied by the Distribution Date Ratio (or, in the case of a Technologies Administrative Employee, the Transfer Date Ratio), and then rounded down to the nearest whole share. Technologies shall pay to the holder of each such replacement Technologies Option, upon exercise of all or any portion of such replacement Technologies Option, cash in lieu of any fractional share eliminated by such rounding down of shares equal to the product of (i) the fraction represented by such fractional share; and (ii) (A) the excess of the closing price of the Technologies Common Stock as listed on the NYSE on the date of exercise over (B) the per-share exercise price of such Parent Option as of the Close of the Distribution Date, divided by the Distribution Date Ratio. The per-share exercise price of such Technologies Option shall be equal to the per-share exercise price of the Parent Option as of the Close of the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the Transfer Date); divided by the Distribution Date Ratio (or, in the case of a Technologies Administrative Employee, the Transfer Date Ratio).

(b) Restricted Stock. Technologies shall cause each Award that consists of restricted shares of Parent Common Stock that is outstanding as of the close of business on the day immediately preceding the IPO Date and is held by a Technologies Individual or the Technologies Chairman of the Board of Directors to be replaced under the Technologies Incentive Plan, effective immediately after the IPO Date, with a new Award consisting of a number of restricted shares of Technologies Common Stock equal to the number of restricted shares of Parent Common Stock constituting such Award as of the close of business on the day immediately preceding the IPO Date, multiplied by the IPO Ratio, and then rounded down to the nearest whole share.



Technologies shall cause each Award that consists of restricted shares of Parent Common Stock that is outstanding as of the Close of the Distribution Date and is held by a Technologies Individual (or, in the case of a Technologies Administrative Employee, as of the close of business on the day immediately preceding the Transfer Date) to be replaced under the Technologies Incentive Plan, effective immediately after the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the Transfer Date), with a new Award consisting of a number of restricted shares of Technologies Common Stock equal to the number of restricted shares of Parent Common Stock constituting

such Award as of the Close of the Distribution Date (or, in the case of a Technologies Administrative Employee, as of the close of business on the day immediately preceding the Transfer Date), multiplied by the Distribution Date Ratio (or, in the case of a Technologies Administrative Employee, the Transfer Date Ratio), and then rounded down to the nearest whole share. Technologies shall pay to the holder of each such replacement Award, at the time such replacement Award vests, cash in lieu of any fractional share eliminated by such rounding down of shares equal to the product of (i) the fraction represented by such fractional share; and (ii) the closing price of the Technologies Common Stock as listed on the NYSE on the date such replacement Award vests.

6.4 Parent Award Deferrals. Immediately after the Distribution Date, (or, in the case of a Technologies Administrative Employee, the Transfer Date), the balance of any Technologies Individual in the Parent stock fund under the FMC Corporation Non-Qualified Savings and Investment Plan as of the Close of the Distribution Date shall be transferred to a Technologies stock fund under the Technologies Non-Qualified Savings and Investment Plan, with a number of Technologies shares equal to the number of Parent shares under the FMC Corporation Non-Qualified Savings and Investment Plan as of the Close of the Distribution Date (or, in the case of a Technologies Administrative Employee, the Transfer Date), multiplied by the Distribution Date Ratio (or, in the case of a Technologies Administrative Employee, the Transfer Date Ratio), then rounded down to the nearest whole share.

6.5 Non-Employee Director Benefits.

(a) Technologies Non-Employee Directors. As of the Distribution Date, Technologies shall assume and be solely responsible for all Liabilities under the Parent Non-Employee Director Plan to or relating to Parent Non-Employee Directors who become Technologies Non-Employee Directors and cease to be Parent Non-Employee Directors. As of the Distribution Date, Technologies shall assume and be solely responsible for a portion of the Liabilities under the Parent Non-Employee Director Plan to or relating to Parent and Technologies Non-Employee Directors, as determined in accordance with this Section 6.5.
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Parent and Technologies shall use their reasonable best efforts to take all actions necessary or appropriate so that each applicable outstanding Award granted under the Parent Non-Employee Director Plan (or, with respect to Robert N. Burt, the Parent Incentive Plan) held by a Technologies Non-Employee Director or a Parent and Technologies Non-Employee Director shall be replaced in a manner that is consistent with the adjustment provisions of the Parent Non-Employee Director Plan (or, the Parent Incentive Plan), each as interpreted by the Compensation and Organization Committee of the Board of Directors of Parent. Each such Technologies Award shall otherwise have the same terms and conditions as were applicable to the corresponding Parent Award as of the Close of the Distribution Date, except that dividend equivalent rights, if any, shall be payable after the Distribution Date with reference to dividends on Technologies Common Stock. Technologies shall not issue Awards with respect to fractional shares.



(b) Deferred Stock Awards of Non-Employee Directors. Effective Immediately after the Distribution Date, the balance (or, with respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of the balance, as elected by the Parent and Technologies Non-Employee Director) of a Technologies Non-Employee Director (or a Parent and Technologies Non-Employee Director) in the Parent share unit account under the Parent Non-Employee Director Plan shall be transferred to a Technologies share unit account, under the Technologies Incentive Plan, with a number of Technologies share units equal to the total (or, with respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of the total, as elected by the Parent and Technologies Non-Employee Director) number of Parent share units under the Parent Non-Employee Director Plan as of the Distribution Date multiplied by the Distribution Date Ratio and then rounded down to the nearest whole unit. Technologies shall pay to the holder of each such replacement share unit account, at the time such share unit account is distributed to the holder, cash in lieu of any fractional share eliminated by such rounding down of shares equal to the product of (i) the fraction represented by such fractional share; and (ii) the closing price of the Technologies Common Stock as listed on the NYSE on the date such share unit account is distributed to the holder.

(c) Stock Option Awards of Non-Employee Directors. Effective Immediately after the Distribution Date, Technologies shall cause all (or, with

respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of all, as elected by the Parent and Technologies Non-Employee Director) Parent Options under the Parent Non-Employee Director Plan (or, with respect to Robert N. Burt, Parent Options under the Parent Incentive Plan) that are outstanding as of the Close of the Distribution Date and are held by a Technologies Non-Employee Director (or a Parent and Technologies Non-Employee Director) to be replaced, with a Technologies Option. Such Technologies Option shall provide for the purchase of a number of shares of Technologies Common Stock equal to the total (or, with respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of the total, as elected by the Parent and Technologies Non-Employee Director) number of shares of Parent Common Stock subject to such Parent Option as of the Close of the Distribution Date, multiplied by the Distribution Date Ratio, and then rounded down to the nearest whole share. Technologies shall pay to the holder of each such replacement Technologies Option, upon exercise of all or any portion of such replacement Technologies Option, cash in lieu of any fractional share eliminated by such rounding down of shares equal to the product of (i) the fraction represented by such fractional share; and (ii) (A) the excess of the closing price of the Technologies Common Stock as listed on the NYSE on the date of exercise over (B) the per-share exercise price of such Parent Option as of the Close of the Distribution Date, divided by the Distribution Date Ratio. The per-share exercise price of such Technologies Option shall be equal to the per-share exercise price of the Parent Option as of the Close of the Distribution Date, divided by the Distribution Date Ratio.

(d) Restricted Stock. Effective Immediately after the Distribution Date, Technologies shall cause all (or, with respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of all, as elected by the Parent and Technologies Non-Employee Director) restricted shares of Parent Common Stock that are outstanding as of the Close of the Distribution Date and are held by a Technologies Non-Employee Director (or a Parent and Technologies Non-Employee Director, other than Robert N. Burt) to be replaced under the Technologies Non-Employee Director Plan, effective Immediately after the Distribution Date, with a new Award consisting of a number of restricted shares of Technologies Common Stock equal to the total (or, with respect to a Parent and Technologies Non-Employee Director, up to one half (1/2) of the total, as elected by the Parent and Technologies Non-Employee Director) number of restricted shares of Parent Common Stock as of the Close of the Distribution Date multiplied by the Distribution Date Ratio, and then rounded down to the nearest whole share. Technologies shall pay to the holder of each such replacement Award, at the time such replacement Award vests, cash in lieu of any



fractional share eliminated by such rounding down of shares equal to the product of (i) the fraction represented by such fractional share; and (ii) the closing price of the Technologies Common Stock as listed on the NYSE on the date such replacement Award vests.

6.6 Rabbi Trusts.

(a) Establishment of Mirror Rabbi Trusts. Effective as of May 1, 2001, Technologies shall establish or cause to be established the Technologies Rabbi Trusts as grantor trusts subject to Sections 671 et seq. of the Code, which shall be substantially identical in all material features to the Parent Rabbi Trusts funding the Parent Salaried Employees' Equivalent Retirement Plan and the Parent Executive Severance Plan. Effective as of May 1, 2001, Technologies shall assume the Moorco International, Inc. Executive Retirement Trust. Effective no later than Immediately after the Distribution Date, Technologies shall establish, or cause to be established, a Technologies Rabbi Trust as a grantor trust subject to Sections 671 et seq. of the Code, which shall be substantially identical in all Material Features to the Parent Rabbi Trust funding the Parent Non-Qualified Savings and Investment Plan.

(b) Funding of Technologies Rabbi Trust. Effective as of May 1, 2001, Technologies shall make a de minimus contribution to the Technologies Rabbi Trusts established to fund the Technologies Salaried Employees' Equivalent Retirement Plan and the Technologies Executive Severance Plan to the extent necessary to maintain such Technologies Rabbi Trusts as springing rabbi trusts. As of the earlier of the Close of the Distribution Date and the date when assets are first transferred or contributed to the Technologies Rabbi Trust funding the Technologies Non-Qualified Savings and Investment Plan (the "Rabbi Trust Determination Date"), Technologies shall determine the amount of the Liabilities

under the Parent Non-Qualified Savings and Investment Plan that are payable from the Parent Rabbi Trust funding the Parent Non-Qualified Savings and Investment Plan. Subject to the completion of the asset transfer described in the next sentence, and effective as of the Distribution Date: (i) the Parent Rabbi Trust funding the Parent Non-Qualified Savings and Investment Plan shall transfer to the corresponding Technologies Rabbi Trust, and such Technologies Rabbi Trust shall assume and be responsible for all Liabilities of the corresponding Parent Rabbi Trust with respect to benefits accrued by Transferred Individuals through the Distribution Date and (ii) Parent shall have no responsibility for such Liabilities. As soon as practicable after the Distribution Date, there shall be transferred from the Parent Rabbi Trust funding the Parent Non-Qualified Savings and Investment Plan to the corresponding Technologies Rabbi Trust a portion of the assets thereof, representing an amount equal to the value of the balances of all notational accounts of the participants in the Parent Non-Qualified Savings and Investment Plan who are, as of the date of transfer, Transferred Individuals. Balances in the Parent stock fund shall be transferred to the Technologies stock fund in accordance with the terms of Section 6.4. Parent and Technologies agree to use their best efforts to make transfers in kind to the extent practicable so as to preserve the investment decisions as in effect on the date of transfer.



ARTICLE VII
OTHER BENEFITS

Notwithstanding anything herein to the contrary, Parent shall retain all Liabilities for specified benefits as detailed below.

(a) Severance. Parent shall retain all Liabilities for any severance benefit payable to (i) any employee of Parent or Technologies with repect to a termination of service prior to May 1, 2001; and (ii) any employee who is not a Technologies Individual.

(b) Executive Bonuses. Parent shall retain all Liabilities for any bonus awarded prior to the IPO and payable to any executive of Parent or Technologies for performance related to the IPO and/or Distribution.

(c) Retention Bonuses. Parent shall retain all Liabilities of any stay bonus awarded prior to the IPO and payable to any current or former employee of Parent and all Liabilities for the cost of any stay bonuses payable to any current or former employee of Technologies. Parent shall pay Technologies an amount equal to (i) any retention bonus paid by Technologies in cash; plus, (ii) the aggregate number of restricted shares of Technologies Common Stock issued in replacement of restricted stock retention bonuses pursuant to Section 6.3(b) Restricted Stock, multiplied by the closing price of the Technologies Common Stock on January 2, 2002. Parent shall make such payment to Technologies within ten (10) business days after Technologies' request for payment.

ARTICLE VIII
GENERAL AND ADMINISTRATIVE

8.1 Payment of Administrative Costs and Expenses.

(a) Shared Costs. Parent and Technologies shall each be responsible for their allocable share of such budgeted costs and any increases in such budgeted costs through December 31, 2002 incurred in the administration of the Parent Plans or the Technologies Plans; including, without limitation, (i) all internal administrative costs of the Benefits and Employee Services Organization; (ii) all external administrative costs for management of assets, recordkeeping, communications, benefit delivery, insurance fees and commissions, consultant, accounting, actuarial and legal expenses, printing, photocopying, mailing and other expenses; and (iii) all COBRA administrative expenses. To the extent such administrative expenses are not chargeable to the trusts established to fund the Plans pursuant to the guidelines in effect at the time, effective for periods on or after May 1, 2001, Parent shall pay to Technologies its allocable share of such costs which shall be equal to the total cost less Technologies' allocable share of such costs determined through the cycle billing process based on the corporate divisions constituting part of the Technologies

Business, as set forth on Schedule E, consistent with past practice. With respect to any corporate staff costs or additional unanticipated expenses that are not billed through the cycle billing process, Parent shall pay to Technologies its allocable share of such costs which shall be equal to the total amount of such costs, less Technologies' allocable share of such costs, based on a head count of the individuals within the corporate divisions constituting part of the Technologies Business, as set forth on Schedule E, or, in the event such costs are fixed costs that cannot be allocated on such basis, Parent's allocable share shall be equal to one half (1/2) of such costs. Additional detail on shared costs is provided in the Transition Services Agreement.



(b) Administrative Personnel. A schedule of the individuals employed in certain Parent corporate business functions who have been designated to become employees of Technologies or a Technologies Entity (the "Technologies Administrative Employees") has been agreed to by Parent and Technologies. The Technologies Administrative Employees shall remain on Parent's payroll at least until the Distribution Date, and such individuals shall become Technologies Individuals on the later of the Distribution Date or the Transfer Date.

8.2 Payment of Liabilities, Plan Expenses and Related Matters.

(a) Actuarial and Accounting Methodologies and Assumptions. For purposes of this Agreement, unless specifically indicated otherwise: (i) all actuarial methodologies and assumptions used for a particular Plan shall (except to the extent otherwise determined by Parent and Technologies to be reasonable or necessary) be substantially the same as those used in the actuarial valuation of that Plan used to determine minimum funding requirements under ERISA (S) 302 and Code (S) 412 for 2001, or, if such Plan is not subject to such minimum funding requirements, used to determine Parent's deductible contributions under Code (S) 419A or, if such Plan is not subject to Code (S) 419A, the assumptions used to prepare Parent's audited financial statements for 2000, as the case may be; and (ii) the value of plan assets shall be the value established for purposes of audited financial statements of the relevant plan or trust for the period ending on the date as of which the valuation is to be made. Technologies Liabilities relating to, arising out of or resulting from the status of Technologies and the Technologies Entities as Participating Companies in Parent Plans, as provided for in Section 2.2 and all accruals relating thereto shall be determined by Technologies using actuarial assumptions and methodologies, including, without limitation, assumptions with respect to demographics, medical trends and other relevant factors, determined by Technologies in a manner consistent with Parent's practice as in effect on the IPO Date and in conformance with the generally accepted actuarial principles promulgated by the American Academy of Actuaries, the Code, ERISA, and/or generally accepted accounting principles, as applicable, in each case as interpreted by Technologies consistent with Parent's past practice. Except as otherwise contemplated by this Agreement or as required by law, all determinations as to the amount or valuation of any assets of or relating to any Parent Plan, whether or not such assets are being transferred to a Technologies Plan, shall be made pursuant to procedures to be established by the parties before the IPO Date.

(b) Determination of Employee Status. In determining the number of individuals in any particular group of employees described in this Agreement, such as Transferred Individuals and Technologies Individuals, no individual shall be counted twice, even if, for example, he or she is both a Technologies Individual and a Transferred Individual. Determinations of what entity employs or employed a particular individual shall be made by reference to the applicable legal entity and/or other appropriate division code, to the extent possible, and if not shall be made by reference to the last location of employment of the individual, whether with Parent, a Parent Entity, Technologies or a Technologies Entity.



(c) Contributions to Trusts. Technologies shall pay its share of

any contributions made to any trust maintained in connection with a Parent Plan with respect to any period while Technologies or a Technologies Entity is a Participating Company in that Parent Plan.

8.3 Sharing of Participant Information. Parent and Technologies shall share, Parent shall cause each applicable Parent Entity to share, and Technologies shall cause each applicable Technologies Entity to share, with each other and their respective agents and vendors, without obtaining releases, all participant information necessary for the efficient and accurate administration of each of the Parent Plans and the Technologies Plans in accordance with the terms of this Agreement. For periods beginning May 1, 2001, Parent and Technologies shall coordinate access to information through the Benefits and Employee Services Organization within Technologies. Parent and Technologies and their respective authorized agents shall, subject to applicable laws on confidentiality, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other party, to the extent necessary for such administration. Until December 31, 2002, all participant information shall be provided in the manner and medium as in effect of the Close of the Distribution Date, unless otherwise agreed to by Parent and Technologies.

8.4 Reporting and Disclosure and Communications to Participants. While Technologies is a Participating Company in the Parent Plans, Technologies shall take, and shall cause each other applicable Technologies Entity to take, all actions necessary or appropriate to facilitate the distribution of all Parent Plan-related communications and materials to employees, participants and beneficiaries, including, without limitation, summary plan descriptions, summaries of material modification, summary annual reports, investment information, prospectuses, notices and enrollment material for the Technologies Plans. For periods beginning on or after May 1, 2001, Parent shall pay Technologies the cost relating to the copies of all such documents provided to Technologies, except to the extent such costs are charged pursuant to Section 8.1. Parent and Technologies shall assist each other in complying with all reporting and disclosure requirements of ERISA, including, without limitation, the preparation of Form 5500 annual reports for the Parent Plans and the Technologies Plans, where applicable.

8.5 Non-Termination of Employment; No Third-Party Beneficiaries. No provision of this Agreement or the Separation and Distribution Agreement shall be construed to create any right, or accelerate entitlement, to employment or to any compensation or benefit whatsoever on the part of any Technologies Individual, Transferred Individual or other future, present or former employee of Parent, a Parent Entity, Technologies, or a Technologies Entity under any Parent Plan or Technologies Plan or otherwise. Without limiting the generality of the foregoing: (a) neither the Distribution nor the termination of the Participating Company status of Technologies or a Technologies Entity shall cause any employee to be deemed to have incurred a termination of employment which entitles such individual to the commencement of benefits under any of the Parent Plans, any of the Technologies Plans, or any of the Individual Agreements; and (b) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Technologies, at any time after the Close of the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Technologies Plan, any benefit under any Plan or any trust, insurance policy or funding vehicle related to any Technologies Plan.



8.6 Plan Audits.

(a) Audit Rights With Respect To Information Provided.

(i) Each of Parent and Technologies, and their duly authorized representatives, shall have the right to conduct audits with respect to all information provided to it by the other party. The party conducting the audit (the "Auditing Party") shall have the sole discretion to determine the procedures and guidelines for conducting audits and the selection of audit representatives under this Section 8.6(a). The Auditing Party shall have the right to make copies of any records at its expense, subject to the confidentiality provisions set forth in the Separation and Distribution

Agreement, which are incorporated by reference herein. The party being audited shall provide the Auditing Party's representatives with reasonable access during normal business hours to its operations, computer systems and paper and electronic files, and provide workspace to its representatives. After any audit is completed, the party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within five business days after receiving such draft.

(ii) The Auditing Party's audit rights under this Section 8.6(a) shall include the right to audit, or participate in an audit facilitated by the party being audited, of any Subsidiaries and Affiliates of the party being audited and of any benefit providers and third parties with whom the party being audited has a relationship, or agents of such party, to the extent any such persons are affected by or addressed in this Agreement (collectively, the "Non-parties"). The party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

(b) Audits Regarding Vendor Contracts. From Immediately after the Distribution Date through December 31, 2002, Parent and Technologies and their duly authorized representatives shall have the right to conduct joint audits with respect to any vendor contracts that relate to both the Parent Health and Welfare Plans and the Technologies Health and Welfare Plans. The scope of such audits shall encompass the review of all correspondence, account records, claim forms, canceled drafts (unless retained by the bank), provider bills, medical records submitted with claims, billing corrections, vendor's internal corrections of previous errors and any other documents or instruments relating to the services performed by the vendor under the applicable vendor contracts. Parent and Technologies shall agree on the performance standards, audit methodology, auditing policy and quality measures and reporting requirements relating to the audits described in this Section 8.6 and the manner in which costs incurred in connection with such audits will be shared.

8.7 Beneficiary Designations. All beneficiary designations made by Transferred Individuals for Parent Plans shall be transferred to and be in full force and effect under the corresponding Technologies Plans until such beneficiary designations are replaced or revoked by the Transferred Individual who made the beneficiary designation.



8.8 Requests for IRS Rulings and DOL Opinions.

(a) Cooperation. Technologies shall cooperate fully with Parent on any issue relating to the transactions contemplated by this Agreement for which Parent elects to seek a determination letter or private letter ruling from the IRS or an advisory opinion from the DOL. Parent shall cooperate fully with Technologies with respect to any request for a determination letter or private letter ruling from the IRS or advisory opinion from the DOL with respect to any of the Technologies Plans relating to the transactions contemplated by this Agreement.

(b) Applications. Parent and Technologies shall make such applications to regulatory agencies, including the IRS and DOL, as may be necessary to ensure that any transfers of assets from the Parent VEBA to the Technologies VEBA will neither (i) result in any adverse tax, legal or fiduciary consequences to Parent and Technologies, the Parent VEBA, the Technologies VEBA, any participant therein or beneficiaries thereof, or any of Parent VEBA, any successor welfare benefit funds established by or on behalf of Technologies, or the trustees of such trusts, nor (ii) contravene any statute, regulation or technical pronouncement issued by any regulatory agency. Technologies and Parent agree to cooperate with each other to fulfill any filing and/or regulatory reporting obligations with respect to such transfers.

(c) Life Insurance. To the extent the transfer or allocation of

all or a portion of any life insurance policies results in any adverse tax or legal consequences, including, without limitation, (i) any finding that such transfer results in the creation of a modified endowment contract within the meaning of Section 7702A of the Code, a transfer for valuable consideration within the meaning of Section 101(a) of the Code, or a lack of insurable interest for either Parent or Technologies (or their respective trusts, if any), or (ii) multiple claims for insurance proceeds, Parent and Technologies shall take such steps as may be necessary to contest any such finding and, to the extent of any final determination that such adverse tax or legal consequences will result, Parent and Technologies shall make such further adjustments so as to place both parties in the proportionate financial position that they each would have been in relative to the other but for such adverse tax or legal consequences.

8.9 Fiduciary Matters.

(a) Fiduciary Status. Parent and Technologies each acknowledges that certain actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard.

(b) Independent Fiduciary. Technologies shall retain the right to retain a fiduciary independent of Parent to review and approve the types and value of the assets to be transferred to the Technologies Plans from the Parent Plans as described in Article III and Article IV of this Agreement to the extent
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that such Plans are subject to Part 4 of Title I of ERISA. The foregoing shall not prevent Technologies from engaging any fiduciaries for any other purposes.

8.10 Payroll Taxes and Reporting of Compensation. Pursuant to the alternative procedure prescribed by Section 5 of Revenue Procedure 84-17, (a) Parent and Technologies



shall report on a "predecessor-successor" basis with respect to each Technologies Individual; (b) Technologies shall assume Parent's entire obligation to prepare, file and furnish Forms W-2 for the year ending December 31, 2001 and process garnishments and wage assignments with respect to each Technologies Individual; (c) Parent shall be relieved of any obligation to provide Forms W-2 and process garnishments and wage assignments to each Technologies Individual for the year ending December 31, 2001; and (d) Parent and Technologies will work in good faith to adopt similar procedures under applicable state or local laws and will cooperate with each other in preparing filings and forms relating to such procedures.

8.11 Collective Bargaining. To the extent any provision of this Agreement is contrary to the provisions of any collective bargaining agreement to which Parent or any Affiliate of Parent is a party, the terms of such collective bargaining agreement shall prevail. Should any provisions of this Agreement be deemed to relate to a topic determined by an appropriate authority to be a mandatory subject of collective bargaining, Parent or Technologies may be obligated to bargain with the union representing affected employees concerning those subjects.

8.12 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or a union) and such consent is withheld, Parent and Technologies shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, Parent and Technologies shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "reasonable best efforts" as used herein shall not be construed to require the incurrence of any non-routine or unreasonable expense or liability or the waiver of any right.

## ARTICLE IX
## FOREIGN PLANS

(a) This Article 1X(a) sets forth certain general principles
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relating to Foreign Plans; however, exceptions may be made to those general principles as set forth in Article 1X(b). Parent and Technologies shall take all actions necessary or appropriate so that, effective no later than the Distribution Date, all Foreign Plans have been divided, assumed and/or new Foreign Plans established, to the extent necessary, so that all benefits of individuals other than Transferred Individuals under Foreign Plans, whether accrued or payable before, on or after the Distribution Date, are provided by Parent Foreign Plans, and all benefits of Transferred Individuals under Foreign Plans, whether accrued or payable before, on or after the Distribution Date are provided by Technologies Foreign Plans. If any Foreign Plan that is separated into a Parent Foreign Plan and a Technologies Foreign Plan in connection with or in anticipation of the Distribution is funded through a trust, insurance contract or other funding vehicle, then such funding vehicle shall be divided between such Parent Foreign Plan and Technologies Foreign Plan in proportion to the relative projected benefit obligations of such two Plans, determined immediately after such separation takes place in accordance with local law and custom. From and after the Distribution Date: (i) Parent shall assume or retain, as applicable, and shall be solely responsible for, all Liabilities arising out of or relating to the Parent Foreign Plans; and (ii)



Technologies shall assume or retain, as applicable, and shall be solely responsible for, all Liabilities arising out of or relating to the Technologies Foreign Plans.

(b) Parent and Technologies recognize that it is possible that, in certain cases, applicable law may prohibit the implementation of the general principles set forth in Article 1X(a), or that there may be special circumstances making such implementation inadvisable or impractical. In all such cases, such general principles shall not be implemented and Parent and Technologies shall use their best efforts to develop and implement an alternative approach, and shall enter into such additional agreements as may be necessary or appropriate in connection therewith. Schedule G hereto also sets forth certain exceptions to the general principles set forth in Article IX(a) as of the date of this Agreement.

## ARTICLE X
## MISCELLANEOUS

10.1 Effect If Distribution Does Not Occur. If the Distribution does not occur, then all actions and events that are, under this Agreement, to be taken or occur effective as of the Close of the Distribution Date, Immediately after the Distribution Date, or otherwise in connection with the Distribution, shall not be taken or occur except to the extent specifically agreed by Technologies and Parent.

10.2 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the parties, it being understood and agreed that no provision contained herein, and no act of the parties, shall be deemed to create any relationship between the parties other than the relationship set forth herein.

10.3 Affiliates. Each of Parent and Technologies shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by a Parent Entity or a Technologies Entity, respectively.

10.4 Incorporation of Separation and Distribution Agreement Provisions. The following provisions of the Separation and Distribution Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 10.4 to an "Article" or "Section" shall mean Articles or Sections of the Separation and Distribution Agreement, and, except as expressly set forth below, references in the material incorporated herein by reference shall be references to the Separation and Distribution Agreement): Article V Survival and Indemnification; Article VII Access to Information; Article XII Negotiation; Article VI Additional Covenants; Article X Termination; and Article XI

Miscellaneous, other than Section 11.3 Governing Law.
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10.5 Governing Law. To the extent not preempted by applicable Federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (other than the laws regarding choice of laws and conflicts of laws that would apply the substantive laws of any other jurisdiction) as to all matters, including, without limitation, matters of validity, construction, effect, performance and remedies.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

FMC CORPORATION

By:_____
Name:
Title:

FMC TECHNOLOGIES, INC.

By:_____
Name:
Title:

EXHIBIT 10.5

FORM IA

FORM OF

FMC Technologies, Inc.
Executive Severance Agreement
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THIS AGREEMENT is made and entered into as of the ____ day of _____, 2001, by and between FMC Technologies, Inc. (hereinafter referred to as the "Company") and _____(hereinafter referred to as the "Executive").

WHEREAS, the Board has approved the Company's entering into severance agreements with certain key executives of the Company;

WHEREAS, the Executive is a key executive of the Company;

WHEREAS, should the possibility of a Change in Control of the Company arise, the Board believes it is imperative that the Company and the Board should be able to rely upon the Executive to continue in the Executive's position, and that the Company should be able to receive and rely upon the Executive's advice, if requested, as to the best interests of the Company and its shareholders without concern that the Executive might be distracted by the personal uncertainties and risks created by the possibility of a Change in Control;

WHEREAS, should the possibility of a Change in Control arise, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of such possible Change in Control, advise management and the Board as to whether such Change in Control would be in the best interests of the Company and its shareholders, and to take such other actions as the Board might determine to be appropriate;

WHEREAS, the Executive has an existing executive severance agreement with FMC, the terms of which are substantially similar to the terms of this Agreement;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a change in control of FMC under the Executive's existing executive severance agreement with FMC;

WHEREAS, the Executive agrees that the terms of this Agreement completely replace and supersede the provisions of the prior executive severance agreement with FMC;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a Change in Control; and

WHEREAS, the Executive and the Company desire that the terms of this Agreement will completely replace and supersede the provisions set forth in the FMC Technologies Executive Severance Plan, setting forth the terms and provisions with

respect to the Executive's entitlement to payments and benefits following a Change in Control of the Company.

NOW THEREFORE, to assure the Company that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat, or occurrence of a Change in Control of the Company, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

Article 1. Establishment, Term, and Purpose

This Agreement completely replaces and supersedes the provisions of the prior executive agreement the Executive had with FMC. The Executive agrees that no benefits will be paid to the Executive by FMC or the Company under the terms of such prior executive severance agreement.

This Agreement will commence on the Effective Date and will continue in effect for a three (3) year term, until the third anniversary of the Effective Date. Upon each anniversary of the Effective Date, the term of this Agreement will be extended automatically for one (1) additional year, unless the Committee delivers written notice six (6) months prior to such anniversary to the Executive that this Agreement will not be extended. In such case, this Agreement will terminate at the end of the term, or extended term, then in progress.

However, in the event a Change in Control occurs during the original or any extended term, this Agreement will remain in effect for the longer of: (i) twenty-four (24) months beyond the month in which such Change in Control occurred; and (ii) until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to the Executive.

Article 2. Definitions

Whenever used in this Agreement, the following terms will have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

2.1. Base Salary means the salary of record paid to an Executive as annual salary, excluding amounts received under incentive or other bonus plans, whether or not deferred.

2.2. Beneficiary means the persons or entities designated or deemed designated by the Executive pursuant to Section 11.2 herein.

2.3. Board means the Board of Directors of the Company.

2.4. Cause means:



(a) the Executive's Willful and continued failure to substantially perform the Executive's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity (that could be reasonably expected to result in Disability) or occurring after issuance by the Executive of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive that specifically identifies the manner in which the Company believes the Executive has failed to perform the Executive's duties, and after the Executive has failed to resume substantial performance of the Executive's duties on a continuous basis within thirty (30) calendar days of receiving such demand;

(b) the Executive's Willfully engaging in conduct (other than conduct covered under (a) above) which is demonstrably and materially injurious to the Company or an Affiliate; or

(c) the Executive's having been convicted of, or pleading guilty or nolo contendere to, a felony under federal or state law.

2.5. Change in Control means the happening of any of the following events:

(a) An acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) 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: (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 entity controlled by the Company, or (D) any acquisition pursuant to a

transaction which complies with Subsections (i), (ii) and (iii) of Subsection (C) of this Section 2.5;

(b) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 2.5, 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 stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will 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 will not be so considered as a member of the Incumbent Board;

(c) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity ("Corporate Transaction"); excluding, however, such a Corporate Transaction 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 Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) 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 Corporate Transaction (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 Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction 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 prior to the Corporate Transaction, and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

In addition, a Change in Control will be deemed to occur upon a change in control of FMC, as determined under the change in control provisions of FMC's executive severance plan, if at the time of its change in control, FMC owns more than fifty percent (50%) of the Outstanding Company Common Stock. Notwithstanding the foregoing, neither the IPO, nor the Distribution will be treated as a Change in Control of the Company.

2.6. Code means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

2.7. Committee means the Compensation and Organization Committee of the Board or any other committee of the Board appointed to perform the functions of the Compensation and Organization Committee.

2.8. Company means FMC Technologies, Inc., a Delaware corporation, or any successor thereto as provided in Article 10 herein.

2.9. Disability means complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Executive was employed when such disability commenced.

2.10. Distribution means FMC's distribution of its interest in the Company.

2.11. Effective Date means the date of this Agreement set forth above.

2.12. Effective Date of Termination means the date on which a Qualifying Termination occurs which triggers the payment of Severance Benefits hereunder.

2.13. Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

2.14 FMC means FMC Corporation, a Delaware corporation.

2.15. Good Reason means, without the Executive's express written consent, the occurrence of any one or more of the following:

(a) The assignment of the Executive to duties materially inconsistent with the Executive's authorities, duties, responsibilities, and status (including, without limitation, offices, titles and reporting requirements) as an employee of the Company (including, without limitation, any material change in duties or status as a result of the stock of the Company ceasing to be publicly traded or of the Company becoming a subsidiary of another entity), or a reduction or alteration in the nature or status of the Executive's authorities, duties, or responsibilities from the greatest of (i) those in effect on the Effective Date; (ii) those in effect during the fiscal year immediately preceding the year of the Change in Control (whether with the Company or with FMC); and (iii) those in effect immediately preceding the Change in Control;

(b) The Company's requiring the Executive to be based at a location which is at least fifty (50) miles further from the Executive's then current primary residence than is such residence from the office where the Executive is located at the time of the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business obligations as of the Effective Date or as the same may be changed from time to time prior to a Change in Control;

(c) A reduction by the Company in the Executive's Base Salary as in effect on the Effective Date or as the same may be increased from time to time;



(d) A material reduction in the Executive's level of participation in any of the Company's short- and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates from the greatest of the levels in place: (i) on the Effective Date; (ii) during the fiscal year immediately preceding the fiscal year of the Change in Control (whether with the Company or with FMC); and (iii) on the date immediately preceding the date of the Change in Control; provided, however, that reductions in the levels of participation in any such plans shall not be deemed to be "Good Reason" if the Executive's reduced level of participation in each such program remains substantially consistent with the average level of participation of other executives who have positions commensurate with the Executive's position;

(e) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Article 10 herein; or

(f) Any termination of Executive's employment by the Company that is not effected pursuant to a Notice of Termination.

The existence of Good Reason will not be affected by the Executive's temporary incapacity due to physical or mental illness not constituting a Disability. The Executive's continued employment will not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason.

2.16. IPO means the initial registered public offering by the Company of shares of common stock of the Company.

2.17. Notice of Termination means a written notice which indicates the specific termination provision in this Agreement relied upon, and 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.

2.18. Person has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as provided in Section 13(d).

2.19. Qualifying Termination means any of the events described in Section 3.2 herein, the occurrence of which triggers the payment of Severance Benefits hereunder.

2.20. Retirement means the Executive's voluntary termination of employment in a manner that qualifies the Executive to receive immediately payable retirement benefits from the FMC Technologies, Inc. Salaried Employees' Retirement Program.

2.21. Severance Benefits means the payment of severance compensation as provided in Section 3.3 herein.



2.22. Trust means the Company grantor trust to be created pursuant to Article 6 of this Agreement.

2.23. Willful means any act or omission by the Executive that was in good faith and without a reasonable belief that the action or omission was in the best interests of the Company or its Affiliates. Any act or omission based upon authority given pursuant to a duly adopted Board resolution, or, upon the instructions of any senior officer of the Company, or based upon the advice of counsel for the Company will be conclusively presumed to be taken or omitted by the Executive in good faith and in the best interests of the Company and/or its Affiliates.

Article 3. Severance Benefits

3.1. Right to Severance Benefits. The Executive will be entitled to receive from the Company Severance Benefits, as described in Section 3.3 herein, if there has been a Change in Control of the Company and if, within twenty-four (24) calendar months following the Change in Control, a Qualifying Termination of the Executive has occurred.

The Executive will not be entitled to receive Severance Benefits if the Executive's employment is terminated (i) for Cause, (ii) due to a voluntary termination without Good Reason other than during the thirteenth (13th) calendar month following the month in which a Change in Control occurred, or (iii) due to death or Disability after the thirteenth (13th) calendar month following the month in which a Change in Control occurs.

3.2. Qualifying Termination. The occurrence of any one or more of the

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following events will trigger the payment of Severance Benefits to the Executive under this Agreement:

(a) An involuntary termination of the Executive's employment by the Company for reasons other than Cause, Disability or death within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs;

(b) A voluntary termination by the Executive for Good Reason within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs pursuant to a Notice of Termination delivered to the Company by the Executive;

(c) A voluntary termination by the Executive within the thirteenth (13th) calendar month following the month in which a Change in Control occurs pursuant to a Notice of Termination delivered to the Company by the Executive;

(d) The Executive's termination of employment due to Retirement, Disability or death at any time following a Change in Control and prior to the



thirteenth (13th) calendar month following the month in which the Change in Control occurs; or

(e) The Company or any successor company breaches any of the provisions of this Agreement.

3.3. Description of Severance Benefits. In the event the Executive becomes entitled to receive Severance Benefits, as provided in Sections 3.1 and 3.2 herein, the Company will pay to the Executive (or in the event of the Executive's death, the Executive's Beneficiary) and provide him with the following:

(a) An amount equal to three (3) times the highest rate of the Executive's annualized Base Salary in effect at any time up to and including the Effective Date of Termination (whether with the Company or FMC).

(b) An amount equal to three (3) times the greater of (i) the Executive's highest annualized target total Management Incentive Award granted under the Company's or FMC's Incentive Compensation and Stock Plan for any plan year up to and including the plan year in which the Executive's Effective Date of Termination occurs (whether with the Company or FMC), and (ii) the average of the actual total Management Incentive Awards paid (or payable) to the Executive for the two plan years immediately preceding the Effective Date of Termination (whether with the Company or FMC), or for such lesser number of such plan years for which the Executive was eligible to earn a Management Incentive Award (from the Company or FMC), annualized for any year that the Executive was not employed by the Company or FMC, as applicable, for the entire plan year. For purposes of determining actual total Management Incentive Awards under the preceding sentence, any amounts the Executive deferred will be treated as if they had been paid to the Executive, rather than deferred.

(c) An amount equal to the Executive's unpaid Base Salary, and unused and accrued vacation pay, earned or accrued through the Effective Date of Termination.

(d) An amount equal to the target total Management Incentive Award established for the plan year in which the Executive's Effective Date of Termination occurred, prorated through the Effective Date of Termination.

(e) A continuation of the Company's welfare benefits of health care, life and accidental death and dismemberment, and disability insurance coverage for three (3) full years after the Effective Date of Termination. These benefits will be provided to the Executive (and to the Executive's covered spouse and dependents) at the same premium cost, and at the same coverage level, as in effect as of the date of the Change in Control. The continuation of these welfare benefits will be discontinued prior to the

end of the three (3) year period if the Executive has available substantially similar benefits at a comparable cost from a



subsequent employer, as determined by the Committee. The date that welfare benefits cease to be provided under this paragraph will be the date of the Executive's qualifying event for continuation coverage purposes under Code Section 4980B(f)(3)(B).

Awards granted under the FMC Technologies, Inc. Incentive Compensation and Stock Plan, and other incentive arrangements adopted by the Company will be treated pursuant to the terms of the applicable plan.

The aggregate benefits accrued by the Executive as of the Effective Date of Termination under the FMC Technologies, Inc. Salaried Employees' Retirement Program, the FMC Technologies, Inc. Savings and Investment Plan, the FMC Technologies, Inc. Salaried Employees' Equivalent Retirement Plan, the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan and other savings and retirement plans sponsored by the Company will be distributed pursuant to the terms of the applicable plan.

For all purposes under the Company's nonqualified retirement plans (including, but not limited to, benefit calculation and benefit commencement), it will be assumed that the Executive's employment continued following the Effective Date of Termination for three (3) full years (i.e., three (3) additional years of age and service credits will be added); provided, however, that for purposes of determining "final average pay" under such programs, the Executive's actual pay history (whether with the Company or FMC) as of the Effective Date of Termination will be used.

3.4. Termination for Disability. If the Executive's employment is terminated due to Disability, the Executive will receive the Executive's Base Salary through the Effective Date of Termination; the Executive's benefits will be determined in accordance with the Company's disability, retirement, survivor's benefits, insurance and other applicable plans and programs then in effect; and, if such termination occurs after a Change in Control and prior to the thirteenth (13th) calendar month following the month in which the Change in Control occurs, the Executive will receive the Severance Benefits described in Section 3.3. If the Executive's employment is terminated due to Disability after the thirteenth (13th) calendar month following the month in which a Change in Control occurs, he will not be entitled to the Severance Benefits described in Section 3.3.

3.5. Termination upon Death. If the Executive's employment is terminated due to death, the Executive's benefits will be determined in accordance with the Company's retirement, survivor's benefits, insurance and other applicable programs of the Company then in effect; and, if such termination occurs after a Change in Control and prior to the thirteenth (13th) calendar month following the month in which the Change in Control occurs, Executive will receive the Severance Benefits described in Section 3.3. If the Executive's employment is terminated due to death after the thirteenth (13th) calendar month following the month in which a Change in Control occurs, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits described in Section 3.3.



3.6. Termination for Cause, or Other Than for Good Reason or Retirement. Following a Change in Control of the Company, if the Executive's employment is terminated either: (a) by the Company for Cause; or (b) by the Executive (other than for Retirement, Good Reason, or under circumstances giving rise to a Qualifying Termination described in Section 3.2(c) herein), the Company will pay the Executive an amount equal to the Executive's Base Salary and accrued vacation through the Effective Date of Termination, at the rate then in effect, plus all other amounts to which the Executive is entitled under any plans of the Company, at the time such payments are due and the Company will have no further obligations to the Executive under this Agreement.

3.7. Notice of Termination. Any termination of employment by the Company or by

the Executive for Good Reason or during the thirteenth (13th) calendar month following the month in which a Change in Control occurs will be communicated by a Notice of Termination.

Article 4. Form and Timing of Severance Benefits

4.1. Form and Timing of Severance Benefits. The Severance Benefits described in Sections 3.3 (a), (b), (c) and (d) herein will be paid in cash to the Executive (or the Executive's Beneficiary, if applicable) in a single lump sum as soon as practicable following the Effective Date of Termination, but in no event beyond thirty (30) days from such date.

4.2. Withholding of Taxes. The Company will be entitled to withhold from any amounts payable under this Agreement all taxes as may be legally required (including, without limitation, any United States federal taxes and any other state, city, or local taxes).

Article 5. Excise Tax Equalization Payment

5.1. Excise Tax Equalization Payment. In the event that the Executive (or the Executive's Beneficiary, if applicable) becomes entitled to Severance Benefits or any other payment or benefit under this Agreement, or under any other agreement with or plan of the Company (in the aggregate, the "Total Payments"), whether or not the Executive has terminated employment with the Company, if all or any part of the Total Payments will be subject to the tax imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed), (the "Excise Tax") the Company will pay to the Executive in cash an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive after deduction of any Excise Tax upon the Total Payments and any federal, state, and local income taxes, penalties, interest, and Excise Tax upon the Gross-Up Payment provided for by this Section 5.1 (including FICA and FUTA), will be equal to the Total Payments.

5.2. Tax Computation. All determinations of whether any of the Total Payments will be subject to the Excise Tax, the amounts of such Excise Tax, whether and when a



Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be used in arriving at such determinations, shall be made by a nationally recognized certified public accounting firm that does not serve as an accountant or auditor for any individual, entity or group effecting the Change in Control as designated by the Company (the "Accounting Firm"). The Accounting Firm will provide detailed supporting calculations to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive or the Company requesting a calculation hereunder. The Gross-Up Payment will be made by the Company to the Executive as soon as practical following the Accounting Firm's determination of the Gross-Up Payment, but in no event beyond thirty (30) days from the Effective Date of Termination. All fees and expenses of the Accounting Firm will be paid by the Company.

For purposes of determining the amount of the Gross-Up Payment, the Executive will be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Effective Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

5.3. Subsequent Recalculation. In the event the Internal Revenue Service adjusts the computations to be made pursuant to Section 5.2 herein, and as a result of such adjustment the Gross-Up Payment made to the Executive is less than the greatest Gross-Up Payment that the Executive is entitled to receive under Section 5.2, the Company will pay to the Executive an amount equal to the difference between the greatest Gross-Up Payment the Executive is entitled to receive, and the Gross-Up Payment initially made to the Executive, plus a market rate of interest, as determined by the Committee, for the period commencing on

the date the first Gross-Up Payment is made, and ending on the day immediately preceding the date the subsequent Gross-Up Payment is made.

Article 6. Establishment of Trust

As soon as practicable following the Effective Date hereof, the Company will create a Trust (which will be a grantor trust within the meaning of Sections 671-678 of the Code) for the benefit of the Executive and Beneficiaries, as appropriate. The Trust will have a Trustee as selected by the Company, and will have certain restrictions as to the Company's ability to amend the Trust or cancel benefits provided thereunder. Any assets contained in the Trust will, at all times, be specifically subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency; such terms to be specifically defined within the provisions of the Trust, along with the required procedure for notifying the Trustee of any bankruptcy or insolvency.

At any time following the Effective Date hereof, the Company may, but is not obligated to, deposit assets in the Trust in an amount equal to or less than the aggregate Severance



Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d) and 5.1 of this Agreement.

As soon as practicable after the Company has knowledge that a Change in Control is imminent, but no later than the day immediately preceding the date of the Change in Control, the Company will deposit assets in such Trust in an amount equal to the estimated aggregate Severance Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d), 5.1 and 8.1 of this Agreement. Such deposited amounts will be reviewed and increased, if necessary, every six (6) months following a Change in Control to reflect the Executive's estimated aggregate Severance Benefits at such time.

Article 7. The Company's Payment Obligation

The Company's obligation to make the payments and the arrangements provided for herein will be absolute and unconditional, and will not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else. All amounts payable by the Company hereunder will be paid without notice or demand. Each and every payment made hereunder by the Company will be final, and the Company will not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

The Executive will not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment will in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement, except to the extent provided in Section 3.3(e) herein.

Notwithstanding anything in this Agreement to the contrary, if Severance Benefits are paid under this Agreement, no severance benefits under any program of the Company, other than benefits described in this Agreement, will be paid to the Executive.

Article 8. Fees and Expenses

To the extent permitted by law, the Company will pay as incurred (within ten (10) days following receipt of an invoice from the Executive) all legal fees, costs of litigation, prejudgment interest, and other expenses incurred in good faith by the Executive as a result of the Company's refusal to provide the Severance Benefits to which the Executive becomes entitled under this Agreement, or as a result of the Company's contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict (including, without limitation, conflicts related to the calculations under Section 5 hereof) between the parties pertaining to this Agreement.



Article 9. Outplacement Assistance

Following a Qualifying Termination, other than a voluntary termination by the Executive during the thirteenth (13th) calendar month following the month in which a Change in Control occurs (as described in Section 3.2 herein), the Executive will be reimbursed by the Company for the costs of all outplacement services obtained by the Executive within the two (2) year period after the Effective Date of Termination; provided, however, that the total reimbursement for such outplacement services will be limited to an amount equal to fifteen percent (15%) of the Executive's Base Salary as of the Effective Date of Termination.

Article 10. Successors and Assignment

10.1. Successors to the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

10.2. Assignment by the Executive. This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable to him hereunder had he continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts will be paid to the Executive's devisee, legatee, or other designee, or if there is no such designee, to the Executive's estate, and such designee, or the Executive's estate will be treated as the Beneficiary hereunder.

Article 11. Miscellaneous

11.1. Employment Status. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is "at will," and may be terminated by either the Executive or the Company at any time, subject to applicable law.

11.2. Beneficiaries. The Executive may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any Severance Benefits, including, without limitation, payments under Section 5 hereof, owing to the Executive under this Agreement. Such designation must be in the form of a signed writing acceptable to the Committee. The Executive may make or change such designations at any time.

11.3. Severability. In the event any provision of this Agreement will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Agreement, and the Agreement will be construed and enforced as if the illegal or



invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and will have no force and effect.

11.4. Modification. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by the Executive and by an authorized member of the Committee, or by the respective parties' legal representatives and successors.

11.5. Applicable Law. To the extent not preempted by the laws of the United States, the laws of the state of Illinois will be the controlling law in all matters relating to this Agreement.

11.6 Indemnification. To the full extent permitted by law, the Company will,

both during and after the period of the Executive's employment, indemnify the Executive (including by advancing him expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including any attorneys' fees, incurred by the Executive in connection with the defense of any lawsuit or other claim to which he is made a party by reason of being (or having been) an officer, director or employee of the Company or any of its subsidiaries. The Executive will be covered by director and officer liability insurance to the maximum extent that that insurance covers any officer or director (or former officer or director) of the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 2001.

FMC Technologies, Inc. Executive:

By: _____ _____

_____

Its: _____

Attest: _____



FORM IB

FORM OF

FMC Technologies, Inc.
Executive Severance Agreement

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2001, by and between FMC Technologies, Inc. (hereinafter referred to as the "Company") and _____ (hereinafter referred to as the "Executive").

WHEREAS, the Board has approved the Company's entering into severance agreements with certain key executives of the Company;

WHEREAS, the Executive is a key executive of the Company;

WHEREAS, should the possibility of a Change in Control of the Company arise, the Board believes it is imperative that the Company and the Board should be able to rely upon the Executive to continue in the Executive's position, and that the Company should be able to receive and rely upon the Executive's advice, if requested, as to the best interests of the Company and its shareholders without concern that the Executive might be distracted by the personal uncertainties and risks created by the possibility of a Change in Control;

WHEREAS, should the possibility of a Change in Control arise, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of such possible Change in Control, advise management and the Board as to whether such Change in Control would be in the best interests of the Company and its shareholders, and to take such other actions as the Board might determine to be appropriate;

WHEREAS, the Executive has an existing executive severance agreement with FMC, the terms of which are substantially similar to the terms of this Agreement;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a change in control of FMC under the Executive's existing executive severance agreement with FMC;

WHEREAS, the Executive agrees that the terms of this Agreement completely replace and supersede the provisions of the prior executive severance agreement with FMC;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a Change in Control; and

WHEREAS, the Executive and the Company desire that the terms of this Agreement will completely replace and supersede the provisions set forth in the FMC Technologies Executive Severance Plan, setting forth the terms and provisions with respect to the Executive's entitlement to payments and benefits following a Change in Control of the Company.

NOW THEREFORE, to assure the Company that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat, or occurrence of a Change in Control of the Company, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

Article 1. Establishment, Term, and Purpose

This Agreement completely replaces and supersedes the provisions of the prior executive agreement the Executive had with FMC. The Executive agrees that no benefits will be paid to the Executive by FMC or the Company under the terms of such prior executive severance agreement.

This Agreement will commence on the Effective Date and will continue in effect for a three (3) year term, until the third anniversary of the Effective Date. Upon each anniversary of the Effective Date, the term of this Agreement will be extended automatically for one (1) additional year, unless the Committee delivers written notice six (6) months prior to such anniversary to the Executive that this Agreement will not be extended. In such case, this Agreement will terminate at the end of the term, or extended term, then in progress.

However, in the event a Change in Control occurs during the original or any extended term, this Agreement will remain in effect for the longer of: (i) twenty-four (24) months beyond the month in which such Change in Control occurred; and (ii) until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to the Executive.

Article 2. Definitions

Whenever used in this Agreement, the following terms will have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

2.1. Base Salary means the salary of record paid to an Executive as annual salary, excluding amounts received under incentive or other bonus plans, whether or not deferred.

2.2. Beneficiary means the persons or entities designated or deemed designated by the Executive pursuant to Section 11.2 herein.

2.3. Board means the Board of Directors of the Company.



2.4. Cause means:

(a) the Executive's Willful and continued failure to substantially perform the Executive's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity (that could be reasonably expected to result in Disability) or occurring after issuance by the Executive of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive that specifically identifies the manner in which the Company believes the Executive has failed to perform the Executive's duties, and after the Executive has failed to resume substantial performance of the Executive's duties on a continuous basis within thirty (30) calendar days of receiving such demand;

(b) the Executive's Willfully engaging in conduct (other than conduct

covered under (a) above) which is demonstrably and materially injurious to the Company or an Affiliate; or

(c) the Executive's having been convicted of, or pleading guilty or nolo contendere to, a felony under federal or state law.

2.5. Change in Control means the happening of any of the following events:

(a) An acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) 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: (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 entity controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with Subsections (i), (ii) and (iii) of Subsection (C) of this Section 2.5;

(b) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 2.5, 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 stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will 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 will not be so considered as a member of the Incumbent Board;

(c) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity ("Corporate Transaction"); excluding, however, such a Corporate Transaction 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 Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) 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 Corporate Transaction (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 Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction 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 prior to the Corporate Transaction, and (iii) individuals who were members

of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

In addition, a Change in Control will be deemed to occur upon a change in control of FMC, as determined under the change in control provisions of FMC's executive severance plan, if at the time of its change in control, FMC owns more than fifty percent (50%) of the Outstanding Company Common Stock. Notwithstanding the foregoing, neither the IPO, nor the Distribution will be treated as a Change in Control of the Company.

2.6. Code means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.



2.7. Committee means the Compensation and Organization Committee of the Board or any other committee of the Board appointed to perform the functions of the Compensation and Organization Committee.

2.8. Company means FMC Technologies, Inc., a Delaware corporation, or any successor thereto as provided in Article 10 herein.

2.9. Disability means complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Executive was employed when such disability commenced.

2.10. Distribution means FMC's distribution of its interest in the Company.

2.11. Effective Date means the date of this Agreement set forth above.

2.12. Effective Date of Termination means the date on which a Qualifying Termination occurs which triggers the payment of Severance Benefits hereunder.

2.13. Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

2.14. FMC means FMC Corporation, a Delaware corporation.

2.15. Good Reason means, without the Executive's express written consent, the occurrence of any one or more of the following:

(a) The assignment of the Executive to duties materially inconsistent with the Executive's authorities, duties, responsibilities, and status (including, without limitation, offices, titles and reporting requirements) as an employee of the Company (including, without limitation, any material change in duties or status as a result of the stock of the Company ceasing to be publicly traded or of the Company becoming a subsidiary of another entity), or a reduction or alteration in the nature or status of the Executive's authorities, duties, or responsibilities from the greatest of (i) those in effect on the Effective Date; (ii) those in effect during the fiscal year immediately preceding the year of the Change in Control (whether with the Company or with FMC); and (iii) those in effect immediately preceding the Change in Control;

(b) The Company's requiring the Executive to be based at a location which is at least fifty (50) miles further from the Executive's then current primary residence than is such residence from the office where the Executive is located at the time of the Change in Control, except for required travel on the Company's business to an extent

substantially consistent with the Executive's business obligations as of the Effective Date or as the same may be changed from time to time prior to a Change in Control;



(c) A reduction by the Company in the Executive's Base Salary as in effect on the Effective Date or as the same may be increased from time to time;

(d) A material reduction in the Executive's level of participation in any of the Company's short- and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates from the greatest of the levels in place: (i) on the Effective Date; (ii) during the fiscal year immediately preceding the fiscal year of the Change in Control (whether with the Company or with FMC); and (iii) on the date immediately preceding the date of the Change in Control; provided, however, that reductions in the levels of participation in any such plans shall not be deemed to be "Good Reason" if the Executive's reduced level of participation in each such program remains substantially consistent with the average level of participation of other executives who have positions commensurate with the Executive's position;

(e) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Article 10 herein; or

(f) Any termination of Executive's employment by the Company that is not effected pursuant to a Notice of Termination.

The existence of Good Reason will not be affected by the Executive's temporary incapacity due to physical or mental illness not constituting a Disability. The Executive's continued employment will not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason.

2.16. IPO means the initial registered public offering by the Company of shares of common stock of the Company.

2.17. Notice of Termination means a written notice which indicates the specific termination provision in this Agreement relied upon, and 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.

2.18. Person has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as provided in Section 13(d).

2.19. Qualifying Termination means any of the events described in Section 3.2 herein, the occurrence of which triggers the payment of Severance Benefits hereunder.

2.20. Retirement means the Executive's voluntary termination of employment in a manner that qualifies the Executive to receive immediately payable retirement benefits from the FMC Technologies, Inc. Salaried Employees' Retirement Program.



2.21. Severance Benefits means the payment of severance compensation as provided in Section 3.3 herein.

2.22. Trust means the Company grantor trust to be created pursuant to Article 6 of this Agreement.

2.23. Willful means any act or omission by the Executive that was in good faith

and without a reasonable belief that the action or omission was in the best interests of the Company or its Affiliates. Any act or omission based upon authority given pursuant to a duly adopted Board resolution, or, upon the instructions of any senior officer of the Company, or based upon the advice of counsel for the Company will be conclusively presumed to be taken or omitted by the Executive in good faith and in the best interests of the Company and/or its Affiliates.

Article 3. Severance Benefits

3.1. Right to Severance Benefits. The Executive will be entitled to receive from the Company Severance Benefits, as described in Section 3.3 herein, if there has been a Change in Control of the Company and if, within twenty-four (24) calendar months following the Change in Control, a Qualifying Termination of the Executive has occurred.

The Executive will not be entitled to receive Severance Benefits if the Executive's employment is terminated (i) for Cause, (ii) due to a voluntary termination without Good Reason, or (iii) due to death or Disability.

3.2. Qualifying Termination. The occurrence of any one or more of the following events will trigger the payment of Severance Benefits to the Executive under this Agreement:

(a) An involuntary termination of the Executive's employment by the Company for reasons other than Cause, Disability or death within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs;

(b) A voluntary termination by the Executive for Good Reason within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs pursuant to a Notice of Termination delivered to the Company by the Executive; or

(c) The Company or any successor company breaches any of the provisions of this Agreement.

3.3. Description of Severance Benefits. In the event the Executive becomes entitled to receive Severance Benefits, as provided in Sections 3.1 and 3.2 herein, the Company



will pay to the Executive (or in the event of the Executive's death, the Executive's Beneficiary) and provide him with the following:

(a) An amount equal to three (3) times the highest rate of the Executive's annualized Base Salary in effect at any time up to and including the Effective Date of Termination (whether with the Company or FMC).

(b) An amount equal to three (3) times the greater of (i) the Executive's highest annualized target total Management Incentive Award granted under the Company's or FMC's Incentive Compensation and Stock Plan for any plan year up to and including the plan year in which the Executive's Effective Date of Termination occurs (whether with the Company or FMC), and (ii) the average of the actual total Management Incentive Awards paid (or payable) to the Executive for the two plan years immediately preceding the Effective Date of Termination (whether with the Company or FMC), or for such lesser number of such plan years for which the Executive was eligible to earn a Management Incentive Award (from the Company or FMC), annualized for any year that the Executive was not employed by the Company or FMC, as applicable, for the entire plan year. For purposes of determining actual total Management Incentive Awards under the preceding sentence, any amounts the Executive deferred will be treated as if they had been paid to the Executive, rather than deferred.

(c) An amount equal to the Executive's unpaid Base Salary, and unused and accrued vacation pay, earned or accrued through the Effective Date of Termination.

(d) An amount equal to the target total Management Incentive Award established for the plan year in which the Executive's Effective Date of Termination occurred, prorated through the Effective Date of Termination.

(e) A continuation of the Company's welfare benefits of health care, life and accidental death and dismemberment, and disability insurance coverage for three (3) full years after the Effective Date of Termination. These benefits will be provided to the Executive (and to the Executive's covered spouse and dependents) at the same premium cost, and at the same coverage level, as in effect as of the date of the Change in Control. The continuation of these welfare benefits will be discontinued prior to the end of the three (3) year period if the Executive has available substantially similar benefits at a comparable cost from a subsequent employer, as determined by the Committee. The date that welfare benefits cease to be provided under this paragraph will be the date of the Executive's qualifying event for continuation coverage purposes under Code Section 4980B(f)(3)(B).

Awards granted under the FMC Technologies, Inc. Incentive Compensation and Stock Plan, and other incentive arrangements adopted by the Company will be treated pursuant to the terms of the applicable plan.



The aggregate benefits accrued by the Executive as of the Effective Date of Termination under the FMC Technologies, Inc. Salaried Employees' Retirement Program, the FMC Technologies, Inc. Savings and Investment Plan, the FMC Technologies, Inc. Salaried Employees' Equivalent Retirement Plan, the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan and other savings and retirement plans sponsored by the Company will be distributed pursuant to the terms of the applicable plan.

For all purposes under the Company's nonqualified retirement plans (including, but not limited to, benefit calculation and benefit commencement), it will be assumed that the Executive's employment continued following the Effective Date of Termination for three (3) full years (i.e., three (3) additional years of age and service credits will be added); provided, however, that for purposes of determining "final average pay" under such programs, the Executive's actual pay history (whether with the Company or FMC) as of the Effective Date of Termination will be used.

3.4. Termination for Disability. If the Executive's employment is terminated due to Disability, the Executive will receive the Executive's Base Salary through the Effective Date of Termination, and the Executive's benefits will be determined in accordance with the Company's disability, retirement, survivor's benefits, insurance and other applicable plans and programs then in effect. If the Executive's employment is terminated due to Disability, he will not be entitled to the Severance Benefits described in Section 3.3.

3.5. Termination upon Death. If the Executive's employment is terminated due to death, the Executive's benefits will be determined in accordance with the Company's retirement, survivor's benefits, insurance and other applicable programs of the Company then in effect. If the Executive's employment is terminated due to death, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits described in Section 3.3.

3.6. Termination for Cause, or Other Than for Good Reason or Retirement. Following a Change in Control of the Company, if the Executive's employment is terminated either: (a) by the Company for Cause; or (b) by the Executive (other than for Retirement, Good Reason, or under circumstances giving rise to a Qualifying Termination described in Section 3.2(c) herein), the Company will pay the Executive an amount equal to the Executive's Base Salary and accrued vacation through the Effective Date of Termination, at the rate then in effect, plus all other amounts to which the Executive is entitled under any plans of the Company, at the time such payments are due and the Company will have no further obligations to the Executive under this Agreement.

3.7. Notice of Termination. Any termination of employment by the Company or by the Executive for Good Reason will be communicated by a Notice of Termination.

Article 4. Form and Timing of Severance Benefits



4.1. Form and Timing of Severance Benefits. The Severance Benefits described in Sections 3.3 (a), (b), (c) and (d) herein will be paid in cash to the Executive (or the Executive's Beneficiary, if applicable) in a single lump sum as soon as practicable following the Effective Date of Termination, but in no event beyond thirty (30) days from such date.

4.2. Withholding of Taxes. The Company will be entitled to withhold from any amounts payable under this Agreement all taxes as may be legally required (including, without limitation, any United States federal taxes and any other state, city, or local taxes).

Article 5. Excise Tax Equalization Payment

5.1. Excise Tax Equalization Payment. In the event that the Executive (or the Executive's Beneficiary, if applicable) becomes entitled to Severance Benefits or any other payment or benefit under this Agreement, or under any other agreement with or plan of the Company (in the aggregate, the "Total Payments"), whether or not the Executive has terminated employment with the Company, if all or any part of the Total Payments will be subject to the tax imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed), (the "Excise Tax") the Company will pay to the Executive in cash an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive after deduction of any Excise Tax upon the Total Payments and any federal, state, and local income taxes, penalties, interest, and Excise Tax upon the Gross-Up Payment provided for by this Section 5.1 (including FICA and FUTA), will be equal to the Total Payments.

5.2. Tax Computation. All determinations of whether any of the Total Payments will be subject to the Excise Tax, the amounts of such Excise Tax, whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be used in arriving at such determinations, shall be made by a nationally recognized certified public accounting firm that does not serve as an accountant or auditor for any individual, entity or group effecting the Change in Control as designated by the Company (the "Accounting Firm"). The Accounting Firm will provide detailed supporting calculations to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive or the Company requesting a calculation hereunder. The Gross-Up Payment will be made by the Company to the Executive as soon as practical following the Accounting Firm's determination of the Gross-Up Payment, but in no event beyond thirty (30) days from the Effective Date of Termination. All fees and expenses of the Accounting Firm will be paid by the Company.

For purposes of determining the amount of the Gross-Up Payment, the Executive will be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Effective Date of Termination, net of the maximum



reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

5.3. Subsequent Recalculation. In the event the Internal Revenue Service adjusts the computations to be made pursuant to Section 5.2 herein, and as a result of such adjustment the Gross-Up Payment made to the Executive is less than the greatest Gross-Up Payment that the Executive is entitled to receive under Section 5.2, the Company will pay to the Executive an amount equal to the difference between the greatest Gross-Up Payment the Executive is entitled to receive, and the Gross-Up Payment initially made to the Executive, plus a market rate of interest, as determined by the Committee, for the period commencing on the date the first Gross-Up Payment is made, and ending on the day immediately preceding the date the subsequent Gross-Up Payment is made.

Article 6. Establishment of Trust

As soon as practicable following the Effective Date hereof, the Company will create a Trust (which will be a grantor trust within the meaning of Sections 671-678 of the Code) for the benefit of the Executive and Beneficiaries, as appropriate. The Trust will have a Trustee as selected by the Company, and will have certain restrictions as to the Company's ability to amend the Trust or cancel benefits provided thereunder. Any assets contained in the Trust will, at all times, be specifically subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency; such terms to be specifically defined within the provisions of the Trust, along with the required procedure for notifying the Trustee of any bankruptcy or insolvency.

At any time following the Effective Date hereof, the Company may, but is not obligated to, deposit assets in the Trust in an amount equal to or less than the aggregate Severance Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d) and 5.1 of this Agreement.

As soon as practicable after the Company has knowledge that a Change in Control is imminent, but no later than the day immediately preceding the date of the Change in Control, the Company will deposit assets in such Trust in an amount equal to the estimated aggregate Severance Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d), 5.1 and 8.1 of this Agreement. Such deposited amounts will be reviewed and increased, if necessary, every six (6) months following a Change in Control to reflect the Executive's estimated aggregate Severance Benefits at such time.

Article 7. The Company's Payment Obligation

The Company's obligation to make the payments and the arrangements provided for herein will be absolute and unconditional, and will not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else. All amounts payable by the Company hereunder will be paid without notice or demand. Each and every payment made hereunder by the Company will be final, and the Company will not



seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

The Executive will not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment will in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement, except to the extent provided in Section 3.3(e) herein.

Notwithstanding anything in this Agreement to the contrary, if Severance Benefits are paid under this Agreement, no severance benefits under any program of the Company, other than benefits described in this Agreement, will be paid to the Executive.

Article 8. Fees and Expenses

To the extent permitted by law, the Company will pay as incurred (within ten (10) days following receipt of an invoice from the Executive) all legal fees, costs of litigation, prejudgment interest, and other expenses incurred in good faith by the Executive as a result of the Company's refusal to provide the Severance Benefits to which the Executive becomes entitled under this Agreement, or as a result of the Company's contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict (including, without limitation, conflicts related to the calculations under Section 5 hereof) between the parties pertaining to this Agreement.

Article 9. Outplacement Assistance

Following a Qualifying Termination (as described in Section 3.2 herein), the Executive will be reimbursed by the Company for the costs of all outplacement services obtained by the Executive within the two (2) year period after the Effective Date of Termination; provided, however, that the total reimbursement for such outplacement services will be limited to an amount equal to fifteen

percent (15%) of the Executive's Base Salary as of the Effective Date of Termination.

Article 10. Successors and Assignment

10.1. Successors to the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

10.2. Assignment by the Executive. This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable to him hereunder had he continued to live,



all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts will be paid to the Executive's devisee, legatee, or other designee, or if there is no such designee, to the Executive's estate, and such designee, or the Executive's estate will be treated as the Beneficiary hereunder.

Article 11. Miscellaneous

11.1. Employment Status. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is "at will," and may be terminated by either the Executive or the Company at any time, subject to applicable law.

11.2. Beneficiaries. The Executive may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any Severance Benefits, including, without limitation, payments under Section 5 hereof, owing to the Executive under this Agreement. Such designation must be in the form of a signed writing acceptable to the Committee. The Executive may make or change such designations at any time.

11.3. Severability. In the event any provision of this Agreement will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and will have no force and effect.

11.4. Modification. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by the Executive and by an authorized member of the Committee, or by the respective parties' legal representatives and successors.

11.5. Applicable Law. To the extent not preempted by the laws of the United States, the laws of the state of Illinois will be the controlling law in all matters relating to this Agreement.

11.6 Indemnification. To the full extent permitted by law, the Company will, both during and after the period of the Executive's employment, indemnify the Executive (including by advancing him expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including any attorneys' fees, incurred by the Executive in connection with the defense of any lawsuit or other claim to which he is made a party by reason of being (or having been) an officer, director or employee of the Company or any of its subsidiaries. The Executive will be covered by director and officer liability insurance to the

maximum extent that insurance covers any officer or director (or former officer or director) of the Company.



IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 2001.

FMC Technologies, Inc. Executive:

By: _____ _____

_____

Its: _____

Attest:_____



FORM II

FORM OF

FMC Technologies, Inc.
Executive Severance Agreement

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2001, by and between FMC Technologies, Inc. (hereinafter referred to as the "Company") and _____ (hereinafter referred to as the "Executive").

WHEREAS, the Board has approved the Company's entering into severance agreements with certain key executives of the Company;

WHEREAS, the Executive is a key executive of the Company;

WHEREAS, should the possibility of a Change in Control of the Company arise, the Board believes it is imperative that the Company and the Board should be able to rely upon the Executive to continue in the Executive's position, and that the Company should be able to receive and rely upon the Executive's advice, if requested, as to the best interests of the Company and its shareholders without concern that the Executive might be distracted by the personal uncertainties and risks created by the possibility of a Change in Control;

WHEREAS, should the possibility of a Change in Control arise, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of such possible Change in Control, advise management and the Board as to whether such Change in Control would be in the best interests of the Company and its shareholders, and to take such other actions as the Board might determine to be appropriate;

WHEREAS, the Executive has an existing executive severance agreement with FMC, the terms of which are substantially similar to the terms of this Agreement;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a change in control of FMC under the Executive's existing executive severance agreement with FMC;

WHEREAS, the Executive agrees that the terms of this Agreement completely replace and supersede the provisions of the prior executive severance agreement with FMC;

WHEREAS, the Executive acknowledges that neither the IPO nor the Distribution will result in a Change in Control; and

WHEREAS, the Executive and the Company desire that the terms of this Agreement will completely replace and supersede the provisions set forth in the FMC Technologies Executive Severance Plan, setting forth the terms and provisions with respect to the Executive's entitlement to payments and benefits following a Change in Control of the Company.

NOW THEREFORE, to assure the Company that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat, or occurrence of a Change in Control of the Company, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

Article 1. Establishment, Term, and Purpose

This Agreement completely replaces and supersedes the provisions of the prior executive agreement the Executive had with FMC. The Executive agrees that no benefits will be paid to the Executive by FMC or the Company under the terms of such prior executive severance agreement.

This Agreement will commence on the Effective Date and will continue in effect for a three (3) year term, until the third anniversary of the Effective Date. Upon each anniversary of the Effective Date, the term of this Agreement will be extended automatically for one (1) additional year, unless the Committee delivers written notice six (6) months prior to such anniversary to the Executive that this Agreement will not be extended. In such case, this Agreement will terminate at the end of the term, or extended term, then in progress.

However, in the event a Change in Control occurs during the original or any extended term, this Agreement will remain in effect for the longer of: (i) twenty-four (24) months beyond the month in which such Change in Control occurred; and (ii) until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to the Executive.

Article 2. Definitions

Whenever used in this Agreement, the following terms will have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

2.1. Base Salary means the salary of record paid to an Executive as annual salary, excluding amounts received under incentive or other bonus plans, whether or not deferred.

2.2. Beneficiary means the persons or entities designated or deemed designated by the Executive pursuant to Section 11.2 herein.

2.3. Board means the Board of Directors of the Company.



2.4. Cause means:

(a) the Executive's Willful and continued failure to substantially perform the Executive's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity (that could be reasonably expected to result in Disability) or occurring after issuance by the Executive of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive that specifically identifies the manner in which the Company believes the Executive has failed to perform the Executive's duties, and after the Executive has failed to resume substantial performance of the Executive's duties on a continuous basis within thirty (30) calendar days of receiving such demand;

(b) the Executive's Willfully engaging in conduct (other than conduct

covered under (a) above) which is demonstrably and materially injurious to the Company or an Affiliate; or

(c) the Executive's having been convicted of, or pleading guilty or nolo contendere to, a felony under federal or state law.

2.5. Change in Control means the happening of any of the following events:

(a) An acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) 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: (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 entity controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with Subsections (i), (ii) and (iii) of Subsection (C) of this Section 2.5;

(b) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 2.5, 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 stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will 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 will not be so considered as a member of the Incumbent Board;

(c) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity ("Corporate Transaction"); excluding, however, such a Corporate Transaction 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 Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) 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 Corporate Transaction (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 Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction 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 prior to the Corporate Transaction, and (iii) individuals who were members

of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

In addition, a Change in Control will be deemed to occur upon a change in control of FMC, as determined under the change in control provisions of FMC's executive severance plan, if at the time of its change in control, FMC owns more than fifty percent (50%) of the Outstanding Company Common Stock. Notwithstanding the foregoing, neither the IPO, nor the Distribution will be treated as a Change in Control of the Company.

2.6. Code means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.



2.7. Committee means the Compensation and Organization Committee of the Board or any other committee of the Board appointed to perform the functions of the Compensation and Organization Committee.

2.8. Company means FMC Technologies, Inc., a Delaware corporation, or any successor thereto as provided in Article 10 herein.

2.9. Disability means complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Executive was employed when such disability commenced.

2.10. Distribution means FMC's distribution of its interest in the Company.

2.11. Effective Date means the date of this Agreement set forth above.

2.12. Effective Date of Termination means the date on which a Qualifying Termination occurs which triggers the payment of Severance Benefits hereunder.

2.13. Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

2.14. FMC means FMC Corporation, a Delaware corporation.

2.15. Good Reason means, without the Executive's express written consent, the occurrence of any one or more of the following:

(a) The assignment of the Executive to duties materially inconsistent with the Executive's authorities, duties, responsibilities, and status (including, without limitation, offices, titles and reporting requirements) as an employee of the Company (including, without limitation, any material change in duties or status as a result of the stock of the Company ceasing to be publicly traded or of the Company becoming a subsidiary of another entity), or a reduction or alteration in the nature or status of the Executive's authorities, duties, or responsibilities from the greatest of (i) those in effect on the Effective Date; (ii) those in effect during the fiscal year immediately preceding the year of the Change in Control (whether with the Company or with FMC); and (iii) those in effect immediately preceding the Change in Control;

(b) The Company's requiring the Executive to be based at a location which is at least fifty (50) miles further from the Executive's then current primary residence than is such residence from the office where the Executive is located at the time of the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business obligations as of the Effective

Date or as the same may be changed from time to time prior to a Change in Control;



(c) A reduction by the Company in the Executive's Base Salary as in effect on the Effective Date or as the same may be increased from time to time;

(d) A material reduction in the Executive's level of participation in any of the Company's short- and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates from the greatest of the levels in place: (i) on the Effective Date; (ii) during the fiscal year immediately preceding the fiscal year of the Change in Control (whether with the Company or with FMC); and (iii) on the date immediately preceding the date of the Change in Control; provided, however, that reductions in the levels of participation in any such plans shall not be deemed to be "Good Reason" if the Executive's reduced level of participation in each such program remains substantially consistent with the average level of participation of other executives who have positions commensurate with the Executive's position;

(e) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Article 10 herein; or

(f) Any termination of Executive's employment by the Company that is not effected pursuant to a Notice of Termination.

The existence of Good Reason will not be affected by the Executive's temporary incapacity due to physical or mental illness not constituting a Disability. The Executive's continued employment will not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason.

2.16. IPO means the initial registered public offering by the Company of shares of common stock of the Company.

2.17. Notice of Termination means a written notice which indicates the specific termination provision in this Agreement relied upon, and 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.

2.18. Person has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as provided in Section 13(d).

2.19. Qualifying Termination means any of the events described in Section 3.2 herein, the occurrence of which triggers the payment of Severance Benefits hereunder.

2.20. Retirement means the Executive's voluntary termination of employment in a manner that qualifies the Executive to receive immediately payable retirement benefits from the FMC Technologies, Inc. Salaried Employees' Retirement Program.



2.21. Severance Benefits means the payment of severance compensation as provided in Section 3.3 herein.

2.22. Trust means the Company grantor trust to be created pursuant to Article 6 of this Agreement.

2.23. Willful means any act or omission by the Executive that was in good faith and without a reasonable belief that the action or omission was in the best

interests of the Company or its Affiliates. Any act or omission based upon authority given pursuant to a duly adopted Board resolution, or, upon the instructions of any senior officer of the Company, or based upon the advice of counsel for the Company will be conclusively presumed to be taken or omitted by the Executive in good faith and in the best interests of the Company and/or its Affiliates.

Article 3. Severance Benefits

3.1. Right to Severance Benefits. The Executive will be entitled to receive from the Company Severance Benefits, as described in Section 3.3 herein, if there has been a Change in Control of the Company and if, within twenty-four (24) calendar months following the Change in Control, a Qualifying Termination of the Executive has occurred.

The Executive will not be entitled to receive Severance Benefits if the Executive's employment is terminated (i) for Cause, (ii) due to a voluntary termination without Good Reason, or (iii) due to death or Disability.

3.2. Qualifying Termination. The occurrence of any one or more of the following events will trigger the payment of Severance Benefits to the Executive under this Agreement:

(a) An involuntary termination of the Executive's employment by the Company for reasons other than Cause, Disability or Death within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs;

(b) A voluntary termination by the Executive for Good Reason within twenty-four (24) calendar months following the month in which a Change in Control of the Company occurs pursuant to a Notice of Termination delivered to the Company by the Executive; or

(c) The Company or any successor company breaches any of the provisions of this Agreement.

3.3. Description of Severance Benefits. In the event the Executive becomes entitled to receive Severance Benefits, as provided in Sections 3.1 and 3.2 herein, the Company



will pay to the Executive (or in the event of the Executive's death, the Executive's Beneficiary) and provide him with the following:

(a) An amount equal to two (2) times the highest rate of the Executive's annualized Base Salary in effect at any time up to and including the Effective Date of Termination (whether with the Company or FMC).

(b) An amount equal to two (2) times the greater of (i) the Executive's highest annualized target total Management Incentive Award granted under the Company's or FMC's Incentive Compensation and Stock Plan for any plan year up to and including the plan year in which the Executive's Effective Date of Termination occurs (whether with the Company or FMC), and (ii) the average of the actual total Management Incentive Awards paid (or payable) to the Executive for the two plan years immediately preceding the Effective Date of Termination (whether with the Company or FMC), or for such lesser number of such plan years for which the Executive was eligible to earn a Management Incentive Award (from the Company or FMC), annualized for any year that the Executive was not employed by the Company or FMC, as applicable, for the entire plan year. For purposes of determining actual total Management Incentive Awards under the preceding sentence, any amounts the Executive deferred will be treated as if they had been paid to the Executive, rather than deferred.

(c) An amount equal to the Executive's unpaid Base Salary, and unused and accrued vacation pay, earned or accrued through the Effective Date of Termination.

(d) An amount equal to the target total Management Incentive

Award established for the plan year in which the Executive's Effective Date of Termination occurred, prorated through the Effective Date of Termination.

(e) A continuation of the Company's welfare benefits of health care, life and accidental death and dismemberment, and disability insurance coverage for two (2) full years after the Effective Date of Termination. These benefits will be provided to the Executive (and to the Executive's covered spouse and dependents) at the same premium cost, and at the same coverage level, as in effect as of the date of the Change in Control. The continuation of these welfare benefits will be discontinued prior to the end of the two (2) year period if the Executive has available substantially similar benefits at a comparable cost from a subsequent employer, as determined by the Committee. The date that welfare benefits cease to be provided under this paragraph will be the date of the Executive's qualifying event for continuation coverage purposes under Code Section 4980B(f)(3)(B).

Awards granted under the FMC Technologies, Inc. Incentive Compensation and Stock Plan, and other incentive arrangements adopted by the Company will be treated pursuant to the terms of the applicable plan.



The aggregate benefits accrued by the Executive as of the Effective Date of Termination under the FMC Technologies, Inc. Salaried Employees' Retirement Program, the FMC Technologies, Inc. Savings and Investment Plan, the FMC Technologies, Inc. Salaried Employees' Equivalent Retirement Plan, the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan and other savings and retirement plans sponsored by the Company will be distributed pursuant to the terms of the applicable plan.

For all purposes under the Company's nonqualified retirement plans (including, but not limited to, benefit calculation and benefit commencement), it will be assumed that the Executive's employment continued following the Effective Date of Termination for two (2) full years (i.e., two (2) additional years of age and service credits will be added); provided, however, that for purposes of determining "final average pay" under such programs, the Executive's actual pay history (whether with the Company or FMC) as of the Effective Date of Termination will be used.

3.4. Termination for Disability. If the Executive's employment is terminated due to Disability, the Executive will receive the Executive's Base Salary through the Effective Date of Termination, and the Executive's benefits will be determined in accordance with the Company's disability, retirement, survivor's benefits, insurance and other applicable plans and programs then in effect. If the Executive's employment is terminated due to Disability, he will not be entitled to the Severance Benefits described in Section 3.3.

3.5. Termination upon Death. If the Executive's employment is terminated due to death, the Executive's benefits will be determined in accordance with the Company's retirement, survivor's benefits, insurance and other applicable programs of the Company then in effect. If the Executive's employment is terminated due to death, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits described in Section 3.3.

3.6. Termination for Cause, or Other Than for Good Reason or Retirement. Following a Change in Control of the Company, if the Executive's employment is terminated either: (a) by the Company for Cause; or (b) by the Executive (other than for Retirement, Good Reason, or under circumstances giving rise to a Qualifying Termination described in Section 3.2(c) herein), the Company will pay the Executive an amount equal to the Executive's Base Salary and accrued vacation through the Effective Date of Termination, at the rate then in effect, plus all other amounts to which the Executive is entitled under any plans of the Company, at the time such payments are due and the Company will have no further obligations to the Executive under this Agreement.

3.7. Notice of Termination. Any termination of employment by the Company or by the Executive for Good Reason will be communicated by a Notice of Termination.

Article 4. Form and Timing of Severance Benefits

4.1. Form and Timing of Severance Benefits. The Severance Benefits described in Sections 3.3 (a), (b), (c) and (d) herein will be paid in cash to the Executive (or the Executive's Beneficiary, if applicable) in a single lump sum as soon as practicable following the Effective Date of Termination, but in no event beyond thirty (30) days from such date.

4.2. Withholding of Taxes. The Company will be entitled to withhold from any amounts payable under this Agreement all taxes as may be legally required (including, without limitation, any United States federal taxes and any other state, city, or local taxes).

Article 5. Excise Tax Equalization Payment

5.1. Excise Tax Equalization Payment. In the event that the Executive (or the Executive's Beneficiary, if applicable) becomes entitled to Severance Benefits or any other payment or benefit under this Agreement, or under any other agreement with or plan of the Company (in the aggregate, the "Total Payments"), whether or not the Executive has terminated employment with the Company, if all or any part of the Total Payments will be subject to the tax imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed), (the "Excise Tax") the Company will pay to the Executive in cash an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive after deduction of any Excise Tax upon the Total Payments and any federal, state, and local income taxes, penalties, interest, and Excise Tax upon the Gross-Up Payment provided for by this Section 5.1 (including FICA and FUTA), will be equal to the Total Payments.

5.2. Tax Computation. All determinations of whether any of the Total Payments will be subject to the Excise Tax, the amounts of such Excise Tax, whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be used in arriving at such determinations, shall be made by a nationally recognized certified public accounting firm that does not serve as an accountant or auditor for any individual, entity or group effecting the Change in Control as designated by the Company (the "Accounting Firm"). The Accounting Firm will provide detailed supporting calculations to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive or the Company requesting a calculation hereunder. The Gross-Up Payment will be made by the Company to the Executive as soon as practical following the Accounting Firm's determination of the Gross-Up Payment, but in no event beyond thirty (30) days from the Effective Date of Termination. All fees and expenses of the Accounting Firm will be paid by the Company.

For purposes of determining the amount of the Gross-Up Payment, the Executive will be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made, and state and



local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Effective Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

5.3. Subsequent Recalculation. In the event the Internal Revenue Service adjusts the computations to be made pursuant to Section 5.2 herein, and as a result of such adjustment the Gross-Up Payment made to the Executive is less than the greatest Gross-Up Payment that the Executive is entitled to receive under Section 5.2, the Company will pay to the Executive an amount equal to the difference between the greatest Gross-Up Payment the Executive is entitled to receive, and the Gross-Up Payment initially made to the Executive, plus a market rate of interest, as determined by the Committee, for the period commencing on the date the first Gross-Up Payment is made, and ending on the day immediately preceding the date the subsequent Gross-Up Payment is made.

Article 6. Establishment of Trust

As soon as practicable following the Effective Date hereof, the Company will create a Trust (which will be a grantor trust within the meaning of Sections 671-678 of the Code) for the benefit of the Executive and Beneficiaries, as appropriate. The Trust will have a Trustee as selected by the Company, and will have certain restrictions as to the Company's ability to amend the Trust or cancel benefits provided thereunder. Any assets contained in the Trust will, at all times, be specifically subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency; such terms to be specifically defined within the provisions of the Trust, along with the required procedure for notifying the Trustee of any bankruptcy or insolvency.

At any time following the Effective Date hereof, the Company may, but is not obligated to, deposit assets in the Trust in an amount equal to or less than the aggregate Severance Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d) and 5.1 of this Agreement.

As soon as practicable after the Company has knowledge that a Change in Control is imminent, but no later than the day immediately preceding the date of the Change in Control, the Company will deposit assets in such Trust in an amount equal to the estimated aggregate Severance Benefits which may become due to the Executive under Sections 3.3 (a), (b), (c) and (d), 5.1 and 8.1 of this Agreement. Such deposited amounts will be reviewed and increased, if necessary, every six (6) months following a Change in Control to reflect the Executive's estimated aggregate Severance Benefits at such time.

Article 7. The Company's Payment Obligation

The Company's obligation to make the payments and the arrangements provided for herein will be absolute and unconditional, and will not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else. All amounts



payable by the Company hereunder will be paid without notice or demand. Each and every payment made hereunder by the Company will be final, and the Company will not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

The Executive will not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment will in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement, except to the extent provided in Section 3.3(e) herein.

Notwithstanding anything in this Agreement to the contrary, if Severance Benefits are paid under this Agreement, no severance benefits under any program of the Company, other than benefits described in this Agreement, will be paid to the Executive.

Article 8. Fees and Expenses

To the extent permitted by law, the Company will pay as incurred (within ten (10) days following receipt of an invoice from the Executive) all legal fees, costs of litigation, prejudgment interest, and other expenses incurred in good faith by the Executive as a result of the Company's refusal to provide the Severance Benefits to which the Executive becomes entitled under this Agreement, or as a result of the Company's contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict (including, without limitation, conflicts related to the calculations under Section 5 hereof) between the parties pertaining to this Agreement.

Article 9. Outplacement Assistance

Following a Qualifying Termination (as described in Section 3.2 herein), the Executive will be reimbursed by the Company for the costs of all outplacement services obtained by the Executive within the two (2) year period after the Effective Date of Termination; provided, however, that the total reimbursement for such outplacement services will be limited to an amount equal to fifteen

percent (15%) of the Executive's Base Salary as of the Effective Date of Termination.

Article 10. Successors and Assignment

10.1. Successors to the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

10.2. Assignment by the Executive. This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors,



administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable to him hereunder had he continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts will be paid to the Executive's devisee, legatee, or other designee, or if there is no such designee, to the Executive's estate, and such designee, or the Executive's estate will be treated as the Beneficiary hereunder.

Article 11. Miscellaneous

11.1. Employment Status. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is "at will," and may be terminated by either the Executive or the Company at any time, subject to applicable law.

11.2. Beneficiaries. The Executive may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any Severance Benefits, including, without limitation, payments under Section 5 hereof, owing to the Executive under this Agreement. Such designation must be in the form of a signed writing acceptable to the Committee. The Executive may make or change such designations at any time.

11.3. Severability. In the event any provision of this Agreement will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and will have no force and effect.

11.4. Modification. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by the Executive and by an authorized member of the Committee, or by the respective parties' legal representatives and successors.

11.5. Applicable Law. To the extent not preempted by the laws of the United States, the laws of the state of Illinois will be the controlling law in all matters relating to this Agreement.

11.6 Indemnification. To the full extent permitted by law, the Company will, both during and after the period of the Executive's employment, indemnify the Executive (including by advancing him expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including any attorneys' fees, incurred by the Executive in connection with the defense of any lawsuit or other claim to which he is made a party by reason of being (or having been) an officer, director or employee of the Company or any of its subsidiaries. The Executive will be covered by director and officer liability insurance to the

maximum extent that that insurance covers any officer or director (or former officer or director) of the Company.



IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of _____, 2001.

FMC Technologies, Inc.

By: _____

_____

Its: _____

Executive:

_____

Attest: _____

EXHIBIT 21.1

LIST OF SIGNIFICANT SUBSIDIARIES OF FMC TECHNOLOGIES, INC.

| COMPANY(1) | ORGANIZED UNDER LAWS OF |
|---|---|
| Direct Measurement Corporation | Colorado |
| EMD SA de CV | Mexico |
| FA Sening GmbH | Germany |
| FMC Airline Equipment Europe SA | Spain |
| FMC Argentina SA | Argentina |
| FMC Australia Ltd. | Australia |
| FMC Corporation UK Ltd. | United Kingdom |
| FMC Corporation UK Pension Plan | United Kingdom |
| FMC do Brasil Industria e Comercio SA | Brazil |
| FMC Europe NV | Belgium |
| FMC Europe SA | France |
| FMC Food Machinery SA | France |
| FMC Food Tech NZ Ltd | New Zealand |
| FMC Food Tech SL | Spain |
| FMC Funding Corporation | Delaware |
| FMC GmbH | Germany |
| FMC Hong Kong Ltd. | Hong Kong |
| FMC International AG | Switzerland |
| FMC Italia SpA | Italy |
| FMC KK | Japan |
| FMC Kongsberg International AG | Switzerland |
| FMC Kongsberg Service Ltd. | United Kingdom |
| FMC Offshore Canada Company | Canada |
| FMC Petroleum Equipment Malaysia Sdn. Bhd. | Malaysia |
| FMC Productos Y Servicios SP de CV | Mexico |
| FMC Sanmar Ltd. | India |
| FMC South Africa Pty. Ltd. | South Africa |
| FMC Southeast Asia Pte. Ltd. | Singapore |
| FMC Thailand Ltd | Thailand |
| FMC Wellhead de Venezuela SA | Venezuela |
| FMC Wellhead Equipment Sdn. Bhd. | Malaysia |
| Food Machinery Coordination Center SA | Belgium |
| Frigoscandia Equipment AB | Delaware |
| Frigoscandia Equipment Iberica SL | Spain |
| Frigoscandia Equipment Inc | Delaware |
| Frigoscandia Equipment Pte. Ltd. | Singapore |
| Frigoscandia Equipment Pty. Ltd. | Australia |
| Frigoscandia Equipment SA | France |
| Key Technology Corporation | Oregon |
| Kongsberg Offshore A/S | Norway |
| MODEC International LLC | Delaware |

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(1) The names of various active and inactive subsidiaries have been omitted. Such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

| COMPANY (1) | ORGANIZED UNDER LAWS OF |
|---|---|
| Potato Processing Machinery AB | Delaware |
| PT FMC Santana Petroleum Equipment | Indonesia |
| Smith Meter GmbH | Germany |
| Smith Meter Inc. | Delaware |
| SOFEC, Inc | Texas |

EXHIBIT 23.1

[KPMG LLP LETTERHEAD]

The Board of Directors and Stockholder
FMC Technologies, Inc.:

We consent to the use in the registration statement on Form S-1/A of FMC Technologies, Inc. of our report dated February 9, 2001, with respect to the combined balance sheets of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the related combined statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2000, and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Chicago, Illinois
May 4, 2001