

IN THE MATTER OF THE
SECURITIES LEGISLATION
OF BRITISH COLUMBIA, SASKATCHEWAN
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NEWFOUNDLAND, NOVA
SCOTIA, PRINCE EDWARD ISLAND, THE NORTHWEST TERRITORIES,
NUNAVUT AND THE YUKON TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SPX CORPORATION AND
UNITED DOMINION INDUSTRIES LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, The Northwest Territories, Nunavut and The Yukon Territory (collectively, the "Jurisdictions") has received an application from SPX Corporation ("SPX") and the SPX Entities (as defined below); and United Dominion Industries Limited ("UDI") (collectively, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the trades of securities involved in connection with the proposed acquisition by an indirect subsidiary of SPX of all of the common shares of UDI (the "UDI Common Shares") to be effected by way of an Arrangement (as defined below) shall be exempt from the registration and prospectus requirements of the Legislation subject to certain conditions, as described below;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Pursuant to a merger agreement (the "Merger Agreement") dated as of March 10, 2001 between SPX and UDI, an indirect subsidiary of SPX intends to acquire, through a series of contemporaneous transactions (collectively, the "Transaction"), all of the outstanding UDI Common Shares, The Transaction is to be effected pursuant to a plan of arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act (the "CBCA"). The effect of the Arrangement will be: (i) to provide shareholders of UDI ("UDI Shareholders") (other than dissenting shareholders (the "Dissenting Shareholders")) with shares in the common

stock of SPX (the "SPX Transaction Shares") in exchange for their UDI Common Shares, based on the Exchange Ratio of 0.2353 of an SPX Transaction Share for each UDI Common Share (the "Exchange Ratio") and, in respect of the Amalco Special Share (as defined below) (which Share will immediately be redeemed for one SPX Transaction Share), a fraction thereof based on the shareholder's pro rata interest therein; (ii) for UDI to amalgamate (the "Amalgamation") with SPX Mergeco Inc., an indirect subsidiary of SPX ("Mergeco"), such that, upon completion of the Transaction, SPX will indirectly beneficially own all of the common shares of the continuing corporation ("Amalco"), and (iii) that each outstanding UDI Option (as defined below) that is not exercised prior to the Effective Time (as defined below) will be exchanged for an option to purchase SPX Common Shares ("Replacement Options") on the basis described below. Subject to satisfying all closing conditions under the Merger Agreement, it is anticipated that the Transaction will be completed on the date shown on the certificate of arrangement (the "Certificate") to be issued by the Director under the CBCA (the "Effective Date"), which is expected to be on or about May 24, 2001.

2. SPX is a company incorporated under the laws of Delaware. The common shares of SPX ("SPX Common Shares") are listed on the New York Stock Exchange (the "NYSE") and the Pacific Stock Exchange (the "PSE") under the symbol "SPW".

3. SPX is currently subject to the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). SPX is not a "reporting issuer" or the equivalent in any province or territory of Canada. It is not SPX's intention to list the SPX Common Shares on any stock exchange or market in Canada following completion of the Transaction.

4. As of March 8, 2001 there were 30,447,446 SPX Common Shares issued and outstanding and 500,000 shares have been designated as Series A Preferred Stock, of which none are issued and outstanding. As of March 20, 2001 there were 68 registered shareholders in Canada holding 3,596 SPX Common Shares, representing approximately 0.0001 % of the total number of issued and outstanding SPX Common Shares. As of March 20, 2001, of all of the outstanding options to purchase SPX Common Shares ("SPX Options"), there were 14 holders of SPX Options in Canada holding options to purchase an aggregate 24,250 SPX Common Shares, representing approximately 0.003% of the SPX Options.

5. The SPX Entities consist of two directly owned Delaware subsidiaries ("SPX Subco No. 1" and "SPX Subco No. 2"), an indirectly owned Delaware subsidiary ("SPX Subco No. 3"), an indirectly owned Nova Scotia subsidiary, ("SPX Nova Scotia Subco"), Mergeco and Amalco.

6. SPX Nova Scotia Subco is an unlimited liability company formed under the laws of the Province of Nova Scotia. SPX Nova Scotia Subco will hold all of the SPX Transaction Shares to be exchanged for the UDI Common Shares under the Arrangement (other than those UDI Common Shares held by the Dissenting Shareholders and the Electing Qualified Investors (as defined below) in respect of their Directly Exchanged UDI Common Shares (as defined below)).

7. Mergeco is a company incorporated under the CBCA for the purpose of amalgamating with UDI pursuant to the Arrangement.

8. Amalco will be the corporation resulting from the Amalgamation of Mergeco and UDI. As soon as practicable after obtaining the Certificate, Amalco will be continued under the laws of the Province of Nova Scotia.

9. Upon the completion of the Transaction, SPX will become or will be deemed to become a reporting issuer or the equivalent in certain of the Jurisdictions.

10. UDI is a company incorporated under the CBCA. The UDI Common Shares are listed on The Toronto Stock Exchange (the "TSE") and the NYSE under the symbol "UDI".

11. UDI is a "reporting issuer" or the equivalent in all provinces of Canada. To the best of the knowledge of SPX and UDI, UDI is not in default of any of the requirements of the securities legislation of the Jurisdictions. UDI is also currently subject to the reporting requirements applicable to "foreign private issuers" under the Exchange Act.

12. As of March 1, 2001, 39,134,539 UDI Common Shares and no preferred shares of UDI were issued and outstanding. As of February 28, 2001, there were approximately 884 registered shareholders in Canada holding approximately 24,634,830 UDI Common Shares, representing approximately 63% of the total number of issued and outstanding UDI Common Shares. As of March 21, 2001, of all of the options outstanding under the UDI stock option plans ("UDI Options"), UDI Options to acquire approximately 126,000 UDI Common Shares were held by twelve residents in Canada, representing approximately 4.1 % of the total number of outstanding UDI Options.

13. In connection with the Transaction, UDI has applied to the Ontario Superior Court of Justice on or about April 6, 2001 for and has received an interim order (the "Interim Order") permitting (i) the calling of the annual and special meeting (the "Meeting") of UDI Shareholders to seek approval of the Arrangement; and (ii) the mailing of the management proxy circular (the "Circular"), in which UDI will ask the UDI Shareholders to approve, among other things, the Transaction and related materials.

14. Pursuant to the Interim Order, the Meeting of the UDI Shareholders will be held on or about May 17, 2001. At the Meeting, UDI will seek, in addition to customary annual meeting matters, the requisite shareholder approval (of 66 2/3% of the votes attached to the UDI Common Shares represented at the Meeting) for the special resolution approving the Arrangement, the effect of which will be to supersede the annual meeting matters.

15. In connection with the Meeting, UDI has mailed on or about April 17, 2001 to each UDI Shareholder and each holder of UDI Options (i) a notice of Meeting and a notice of application to the Ontario Superior Court of Justice seeking the final order (the "Final Order"), (ii) a form of proxy (in the case of UDI Shareholders only), and (iii) the Circular. The Circular contained prospectus level disclosure of the business and affairs of UDI and SPX and of the Transaction and the Arrangement.

16. Following approval by the UDI Shareholders of the special resolution approving the Arrangement and issuance by the Ontario Superior Court of Justice of a favourable Final Order,

UDI will effect the Arrangement by filing Articles of Arrangement. Pursuant to the Arrangement, the following shall be deemed to occur in the following order without any further act or formality commencing at 12:01 a.m. (Eastern Daylight Time) (the "Effective Time") on the Effective Date:

(a) the UDI Common Shares held by Dissenting Shareholders who have validly exercised their dissent rights will be cancelled and cease to be outstanding and, as of the Effective Time, such Dissenting Shareholders shall cease to have any rights as UDI Shareholders other than the right to be paid the fair value of their shares;

(b) SPX will issue SPX Transaction Shares to two wholly-owned subsidiaries and, through a series of intra-group transfers between certain of the SPX Entities, the SPX Transaction Shares will ultimately be delivered to SPX Nova Scotia Subco for distribution to the holders of UDI Common Shares other than Electing Qualified Investors;

(c) certain eligible UDI Shareholders (being a taxpayer described in any of paragraphs 205(a) to (f) of the Income Tax Act (Canada) (the "ITA")) who are being given the opportunity to elect, and who have elected (the "Electing Qualified Investors"), to exchange their UDI Common Shares directly with SPX, rather than with SPX Nova Scotia Subco (the "Directly Exchanged UDI Common Shares") for SPX Transaction Shares, will receive SPX Transaction Shares in exchange for their UDI Common Shares as determined by the Exchange Ratio, but will not receive a fraction of the Amalco Special Share, Electing Qualified Investors are being given the opportunity to make this election so that the SPX Transaction Shares received will not be treated as foreign property (as defined in the ITA) until 24 months after the Arrangement. A maximum of 30% of the outstanding UDI Common Shares will be eligible for elections such that, if the number of UDI Common Shares that would otherwise be subject to direct exchange elections exceeds 30% of the outstanding UDI Common Shares, the number of Directly Exchanged UDI Common Shares shall be reduced pro rata to such 30% threshold;

(d) through a series of intra-group transfers between certain of the SPX Entities, the Directly Exchanged UDI Common Shares will ultimately be delivered from SPX to Mergeco;

(e) UDI and Mergeco will carry out the Amalgamation as follows:

(i) Amalco will issue to each holder of UDI Common Shares then outstanding, other than Electing Qualified Investors and Mergeco, a fraction of one Amalco Special Share (the "Amalco Special Share"), the numerator of which is one and the denominator of which will be equal to the aggregate number of UDI Common Shares outstanding immediately prior to the Amalgamation, after

deducting the number of Directly Exchanged UDI Common Shares;

(ii) SPX Nova Scotia Subco will deliver to each holder of UDI Common Shares then outstanding, other than Electing Qualified Investors and Mergeco, the requisite number of SPX Transaction Shares as determined by the Exchange Ratio;

(iii) all Directly Exchanged UDI Common Shares (all of which will be held by Mergeco immediately before the Amalgamation) will be cancelled. Each outstanding Mergeco Common Share will be exchanged for one Amalco Common Share (and no further consideration);

(iv) in consideration of SPX Nova Scotia Subco delivering SPX Transaction Shares to holders of UDI Common Shares, Amalco will issue to SPX Nova Scotia Subco a number of Amalco Common Shares equal to the aggregate number of SPX Transaction Shares issued by SPX pursuant to paragraph (b) less one share;

(f) the Amalco Special Share will be redeemed and cancelled for all purposes upon the delivery by SPX Nova Scotia Subco, to the depositary on behalf of persons holding a fractional interest in the Amalco Special Share, of an equal fractional interest in one SPX Transaction Share in the aggregate. In consideration therefor, Amalco will issue one Amalco Common Share to SPX Nova Scotia Subco. On completion of the Arrangement, a holder of a net fractional interest in an SPX Transaction Share will receive a cash payment in lieu thereof, and

(g) each UDI Option that is unexercised and outstanding immediately prior to the Effective Time will be exchanged for a Replacement Option to purchase SPX Common Shares. Each Replacement Option will continue to have, and be subject to, the same terms and conditions set forth in the relevant UDI Stock Option Plan and the applicable stock option agreement as they exist immediately prior to the Effective Time, except that (1) such Replacement Option will be exercisable for that number of whole SPX Common Shares as is equal to the product obtained by multiplying the number of UDI Common Shares that were issuable upon the exercise of such UDI Option immediately prior to the Effective Time by the Exchange Ratio, rounded down to the nearest whole number of SPX Common Shares; (ii) the exercise price per share for the SPX Common Shares issuable upon exercise of such Replacement Options will be equal to the quotient determined by dividing the exercise price per UDI Common Share at which such UDI Option is exercisable immediately prior to the Effective Time (adjusted, where necessary, for the U.S. dollar/Canadian dollar exchange rate effective as of the close of business on the Effective Date) by the Exchange Ratio, rounded up to

the nearest whole cent; and (iii) such Replacement Option will vest fully immediately following the Effective Time.

17. The Transaction and the completion thereof and the exercise of the Replacement Options involve or may involve a number of trades of securities in the Jurisdictions (collectively, the "Trades").

18. The fundamental investment decision to be made by a holder of UDI Common Shares will be made at the time when such holder votes his or her UDI Common Shares in respect of the Arrangement. As a result of this decision, a UDI Shareholder will ultimately receive SPX Transaction Shares in exchange for the UDI Common Shares held by such shareholder or become a Dissenting Shareholder. UDI Shareholders who receive SPX Transaction Shares in exchange for their UDI Common Shares will, after the Effective Date, receive the same continuous disclosure information that current holders of SPX Common Shares receive pursuant to the applicable requirements of the Exchange Act and the NYSE and PSE.

19. Upon the completion of the Arrangement, assuming that there are no Dissenting Shareholders, it is expected that the holders of SPX Common Shares resident in Canada will hold less than 15% of the issued and outstanding shares of SPX and would represent less than 15% of all holders of the shares of SPX. Such percentages would remain less than 15% and 15% respectively, even if it is assumed that all of the UDI Options and SPX Options held by Canadian residents will be exercised prior to the Effective Time.

20. SPX has received conditional listing approval from each of the NYSE and the PSE with respect to the listing of the SPX Transaction Shares issued pursuant to the Arrangement, and the SPX Common Shares issuable on exercise of Replacement Options. SPX does not, at present, intend to list any of its shares on any stock exchange in Canada following completion of the Transaction.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirements contained in the Legislation to be registered to trade in a security and to file a preliminary prospectus and a prospectus and receive receipts therefor shall not apply to any of the Trades provided that the first trade in SPX Transaction Shares or SPX Common Shares received pursuant to this exemptive relief shall be deemed to be a distribution or a primary distribution to the public under the applicable Legislation unless otherwise exempt or unless:

(a) in a Jurisdiction in which SPX is not a reporting issuer or the equivalent at the time of such first trade, such first trade is executed through the facilities of a stock exchange or market outside of Canada and such first trade is made in accordance

with the rules of the stock exchange or market upon which the first trade is made and in accordance with all laws applicable to such stock exchange or market; and

I (b) in a Jurisdiction in which SPX is a reporting issuer or the equivalent at the time of such first trade:

(1) no unusual effort is made to prepare the market or to create a demand for such shares;

(2) if the seller of the shares is an insider or officer of SPX, the seller has no reasonable grounds to believe the SPX is in default of any requirement of the applicable Legislation in such Jurisdiction; and

(3) except in Quebec, the first trade is not a distribution from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of SPX so as to affect materially the control of SPX or more than 20% of the outstanding voting securities of SPX, except where there is evidence showing that the holding of these securities does not affect materially the control of SPX.

DATED this 23rd day of May, 2001.