

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event
reported): February 5, 2013

Emerson Electric Co.

(Exact Name of Registrant as Specified in Charter)

Missouri

(State or Other
Jurisdiction of
Incorporation)

1-278

(Commission
File Number)

43-0259330

(I.R.S. Employer
Identification Number)

8000 West Florissant Avenue
St. Louis, Missouri

(Address of Principal Executive Offices)

63136

(Zip Code)

Registrant's telephone number, including area code:

(314) 553-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) As previously reported, on February 5, 2013, Walter J. Galvin retired as a member of the Board of Directors and as Vice Chairman of Emerson Electric Co. (the “Company”). In addition, R. L. Ridgway retired from the Board of Directors effective as of the election of Directors at the Company’s Annual Meeting of Stockholders on February 5, 2013 (the “Annual Meeting”). Ms. Ridgway did not stand for re-election at the Company’s Annual Meeting in accordance with the requirement in the Company’s Bylaws that an individual may not stand for election or re-election as a Director after the age of 72. The information provided in Item 5.02(e) of this Current Report on Form 8-K is hereby incorporated into this Item 5.02(b) by reference.

(e) On February 5, 2013, the Company and Mr. Galvin entered into a letter agreement and related consulting agreement (summarized below and attached hereto as exhibits) in connection with his voluntary retirement.

Under the letter agreement, Mr. Galvin agreed to non-competition and non-solicitation provisions during the one year consulting term and for two years thereafter and reaffirmed his obligations under his existing non-competition agreements. He will also remain subject to the Company’s Clawback Policy, which in some cases permits the Company to require reimbursement of annual or long-term incentive compensation paid to an executive officer in the event of a material restatement of the Company’s consolidated financial statements. Mr. Galvin also agreed to certain confidentiality provisions and to release the Company from all claims related to his employment.

Subject to the terms of the applicable plans, Mr. Galvin will be eligible to receive his earned pension benefits under the Company’s retirement and supplemental retirement plans and be eligible for distributions under the Company’s 401(k) plan and related non-qualified plan. In addition, in accordance with the applicable stockholder-approved stock option plan’s retirement provisions, and as approved by the Company’s Compensation Committee, Mr. Galvin’s remaining unvested stock options vested on his retirement and any unexercised options may be exercised over five years (but not longer than the original term). The Company agreed to continue to pay for a leased automobile, financial planning, and existing club dues, but may terminate such payments at any time.

The consulting agreement provides for a term of one year, subject to the Company’s right to terminate in certain cases. Under the agreement, Mr. Galvin would provide services related to the Company’s governmental affairs and leadership programs, and would receive consulting fees of \$41,667 per month and reimbursement of related expenses. The consulting agreement also contains additional confidentiality, non-competition and non-solicitation provisions.

In recognition of Mr. Galvin’s retirement, the Company determined to make a charitable contribution in the amount of \$500,000, in the names of the Company and Mr. Galvin, payable in five annual installments beginning in 2013.

Item 5.07. Submission of Matters to a Vote of Security Holders.

The final results for each of the matters submitted to a vote of stockholders at the Company’s 2013 Annual Meeting of Stockholders held on February 5, 2013 are as follows:

Proposal 1: The five Directors named in the Proxy Statement were elected by the stockholders, by the votes set forth in the table below:

<u>Nominee</u>	<u>For</u>	<u>Withheld</u>	<u>Broker Non-Votes</u>
C. A. H. Boersig	506,656,787	18,899,342	103,146,275
J. B. Bolten	518,495,904	7,060,225	103,146,275
M. S. Levatic	515,283,413	10,272,716	103,146,275
R. L. Stephenson	461,417,495	64,138,634	103,146,275
A. A. Busch III	510,251,587	15,304,542	103,146,275

Proposal 2: The Company's executive compensation as described in the Proxy Statement was approved by the non-binding advisory votes of the stockholders set forth in the table below:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
494,541,641	26,237,419	4,777,069	103,146,275

Proposal 3: The appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2013 was ratified by the stockholders, by the votes set forth in the table below:

<u>For</u>	<u>Against</u>	<u>Abstain</u>
621,240,623	5,707,253	1,754,528

Proposal 4: The proposal to approve an amendment to the Company's Restated Articles of Incorporation to declassify the Company's Board of Directors as described in the Proxy Statement, which required the vote of 85% of outstanding shares for approval, was not approved by the stockholders, by the votes set forth in the table below:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>	<u>% of Outstanding Shares Voting For</u>
515,048,369	8,248,984	2,258,776	103,146,275	71.18%

Proposal 5: The stockholder proposal requesting the issuance of a sustainability report as described in the Proxy Statement was not approved by the stockholders, by the votes set forth in the table below:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
161,062,144	267,134,521	97,359,464	103,146,275

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number

Description of Exhibits

10.1

Letter Agreement effective as of February 5, 2013 by and between Emerson Electric Co. and Walter J. Galvin.

10.2

Consulting Agreement made and entered into as of February 5, 2013 by and between Emerson Electric Co. and Walter J. Galvin.

SIGNATURE

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

EMERSON ELECTRIC CO.
(Registrant)

Date: February 8, 2013

By: /s/ John G. Shively
John G. Shively
Assistant General Counsel and
Assistant Secretary

EXHIBIT INDEX

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Exhibit 10.1

February 5, 2013

Walter J. Galvin

Dear Walter:

I want to express to you on behalf of the entire Emerson organization our appreciation for your 40 years of service to the company and the significant contributions you have made to Emerson in your various assignments, most notably as Vice Chairman and Chief Financial Officer. This letter agreement ("Agreement") serves to memorialize your voluntary retirement from Emerson effective as of the end of the day, February 5, 2013, and sets forth our agreements in connection with your retirement. In this Agreement, references to "Emerson" mean Emerson Electric Co., and references to "Emerson Entities" mean Emerson and its business and operating units and its direct and indirect subsidiaries and affiliates, as the same may exist now or in the future, including those corporations or other legal entities in which Emerson has a direct or indirect ownership or investment interest of 20% or more.

In consideration of the good and valuable consideration provided to you pursuant to this Agreement, you agree as follows, effective upon the date of your retirement:

1. You will not, without first obtaining written approval from Emerson: (a) make any public statement in the nature of a press release or media interview with respect to any aspect of your employment with any of the Emerson Entities, or (b) make any statement, written or oral, with respect to the past or projected future financial or operational performance, plans or methods of any of the Emerson Entities or concerning any of the directors, officers, employees or business or financial activities of any of the Emerson Entities. You also agree that you will not use, directly or indirectly for yourself or use for or disclose to any other person or legal entity, other than Emerson or another Emerson Entity, any secret or confidential information or data regarding the business of any of the Emerson Entities. You will immediately deliver to Emerson without reproduction all such information or data in your possession. This includes, but is not limited to, business plans or strategies, product information, engineering information, customer lists, company policies and procedures, financial information and information concerning operational methods, employees, product development techniques or plans and business acquisition plans or
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programs.

2. You will not hire or solicit to hire, or assist anyone else in soliciting or hiring, any employee of Emerson or of any of the other Emerson Entities for the longer of (a) a period of two (2) years from the effective date of your retirement or (b) a period ending two (2) years after the termination by Emerson or expiration of the term during which you provide consulting services to Emerson and the Emerson Entities, as described in more detail in the accompanying Consulting Agreement.
 3. Without Emerson's prior written consent, you will not compete, directly or indirectly, with Emerson or any of the other Emerson Entities for the longer of (a) a period of two (2) years from the effective date of your retirement or (b) a period ending two (2) years after the termination by Emerson or expiration of the term during which you provide consulting services to Emerson and the Emerson Entities, as described in more detail in the accompanying Consulting Agreement. For purposes of this Agreement, the term "compete" includes, without limitation, (a) any investment in, or providing services to (in any capacity), any equity fund, hedge fund or other investment vehicle (however structured) that, either directly or indirectly (through portfolio company investments or otherwise), competes directly or indirectly with Emerson or any of the other Emerson Entities (provided, however, that such investments shall not be covered if the fund or investment vehicle is open to the public and/or your interest is five percent (5%) or less) and/or (b) entering the employ of, providing consulting services to, or otherwise assisting or having any interest (financial or otherwise) in, any person, firm, corporation or other entity engaged in business activities competitive with any business of Emerson or of any of the other Emerson Entities. The foregoing shall not restrict you, however, from owning five percent (5%) or less of the securities of any competitor of either Emerson or any of the other Emerson Entities, if that competitor is listed on any national securities exchange or traded over-the-counter, and as long as you have no other connection or relationship with the issuer of such securities. You agree that this non-compete restriction, including the time and scope, is reasonable in light of your in-depth knowledge of the total business of the Emerson Entities and as a result of your present and prior positions, duties and responsibilities with Emerson and the Emerson Entities and as a result of your access to confidential and trade secret information relating to all of the businesses and units of the Emerson Entities. Also, we agree that if we have any dispute, which we feel sure will not occur, then Missouri law will apply and courts in Missouri will have exclusive jurisdiction. You also hereby reaffirm your obligations under all existing non-compete agreements that you have with Emerson, including your obligations (and the rights and remedies of Emerson) under the Emerson non-qualified supplemental executive retirement plan, the Emerson Incentive Share plans and grant agreements, the Emerson Stock Option plans and grant agreements (including the clawback
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provisions therein) and the Consulting Agreement referred to in Paragraph B below, and you agree that your obligations under this Paragraph 3 are in addition to, and do not invalidate or otherwise supersede, your obligations under such other plans, agreements or contracts.

4. You will release and discharge Emerson and the other Emerson Entities and their respective directors, officers, employees and agents from any and all liability except as set forth herein and, to that end, you agree to sign the accompanying Waiver, Release and Covenant Not to Sue. The execution by you, and the effectiveness, of this Waiver, Release and Covenant Not to Sue are conditions precedent to the effectiveness of this Agreement and the accompanying Consulting Agreement. Further, if this document is not executed by you or is not effective, then this Agreement and the accompanying Consulting Agreement shall be null and void.
5. You will tender in writing your resignation as Vice Chairman and as a Director of Emerson, effective February 5, 2013.
6. You will remain subject to Emerson's Clawback Policy, a copy of which is attached to this Agreement.
7. You will continue to serve as a Director of Factory Mutual Insurance Company, at Emerson's request, from the date hereof through January 31, 2014, and will continue to be indemnified by Emerson with respect to such service during such period.
8. You agree to keep this Agreement and any accompanying agreements or undertakings and their contents in strictest confidence, and you will not divulge this Agreement or any accompanying agreements or undertakings or their contents to anyone other than members of your immediate family or financial advisors, whom you ensure will comply with this provision as long as this Agreement and any accompanying agreements or undertakings and their contents are not made public by Emerson. You understand and agree that Emerson may disclose this Agreement and/or the terms hereof in its filings with the Securities and Exchange Commission or otherwise.

Subject to, and conditioned upon, your compliance with your obligations under Paragraphs 1 through 8 above, you will receive the compensation and benefits outlined below in connection with your retirement from Emerson:

- A. You will continue to receive your current annual base salary through February 5, 2013.
 - B. Beginning February 5, 2013, you will provide consulting services to Emerson and the Emerson Entities as provided in the accompanying Consulting Agreement.
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- C. After February 5, 2013, Emerson will continue to pay for your leased automobile, financial planning, and your existing club dues, provided that Emerson may terminate such payments at any time.
 - D. In accordance with the terms of the applicable Emerson Stock Option plans and as approved by the Compensation Committee, your unvested stock options, which are due to vest on October 4, 2013, will vest on February 5, 2013, and you will have up to five years from the date of your retirement (but no longer than the original term of your respective options) to exercise your stock options. You should note, however, that any of these stock options that are not exercised by you within ninety (90) days of the date of your retirement will become non-qualified stock options as required by Internal Revenue Service regulations.
 - E. Commencing March 1, 2013, pursuant to the terms and conditions of the qualified all-employee Emerson Retirement Plan and the related non-qualified supplemental executive retirement plan (which plan covers the benefits you would have been entitled to under the all-employee Retirement Plan were it not for the compensation limitations imposed under the Internal Revenue Code ("Code")), you will be eligible to receive your monthly pension benefits earned to date under each of these plans, subject only to the provisions of each such plan. You will forfeit the pension benefits under the non-qualified supplemental executive retirement plan if you violate any of your obligations to Emerson under that plan. Payments of your pension benefits will be paid monthly in the manner set forth in the plans, subject to the terms and conditions of the plans, including reduction for annuity options provided under the plans; provided, however, that the portion of your non-qualified supplemental executive retirement plan benefits which are not "grandfathered" from coverage under Section 409A of the Code shall be deferred to the extent required by Code Section 409A.
 - F. Upon your retirement, just like any other employee retiring from Emerson, at your election you will be eligible to receive distributions from your Emerson 401(k) plan. You are also eligible to receive distributions under the Emerson non-qualified 401(k) plan (which plan allows you to make contributions and continue to receive the company matching contribution you would have been entitled to receive were it not for the compensation limits imposed under the Code), subject only to the provisions of such plan. Distributions from this plan which are not "grandfathered" under Section 409A of the Code shall be deferred to the extent required by Code Section 409A. Additionally, you will be eligible for a \$1,000 life insurance benefit to which any other employee is entitled. Finally, following your retirement, you may continue coverage under the former split dollar and group universal life policies owned by you, at your own expense with no
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premium payments or other obligations by Emerson.

This Agreement shall be interpreted in accordance with and governed by the laws of the State of Missouri, without regard to conflict of law principles. It is conclusively deemed that this Agreement was entered into in the State of Missouri.

Emerson and you agree that any legal action or proceeding with respect to this Agreement shall be brought and determined in the federal or state courts located in the State of Missouri, and Emerson and you submit with regard to any such action or proceeding to the exclusive jurisdiction of such courts.

You acknowledge that Emerson has advised you to consult with an attorney if you need assistance in reviewing or understanding this Agreement or any of the documents referenced in this Agreement.

Please confirm that the foregoing represents your understanding of our entire agreement by signing in the space provided below.

Sincerely,

/s/ David N. Farr

David N. Farr
Chairman and Chief Executive Officer

ACCEPTED AND AGREED TO THIS 5th
DAY OF FEBRUARY, 2013:

/s/ Walter J. Galvin

Walter J. Galvin

EMERSON ELECTRIC CO. CLAWBACK POLICY

If the Board determines that an executive officer has engaged in intentional misconduct that caused or partially caused a material restatement of the Company's consolidated financial statements, the Board may, to the extent permitted by law and to the extent it determines that it is in the Company's best interests to do so, require reimbursement to the Company of, or reduce or cancel, that portion of annual incentive or any long-term incentive compensation paid or credited to such executive officer on or after October 1, 2009 that would not have been paid or credited had the consolidated financial statements that are the subject of such restatement been correctly stated. For purposes of this policy, the term "executive officer" means any officer of the Company who is required to file reports pursuant to Section 16 of the Securities Exchange Act of 1934.

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement") is made and entered into as of this 5th day of February, 2013, by and between EMERSON ELECTRIC CO., a Missouri corporation ("Emerson"), and WALTER J. GALVIN ("Consultant"). For purposes of this Agreement, the term "Emerson Entities" means, collectively, Emerson and its business and operating units and its direct and indirect subsidiaries and affiliates, as the same may exist now or in the future, including those corporations or other legal entities in which Emerson has a direct or indirect ownership or investment interest of 20% or more.

WITNESSETH;

WHEREAS, Emerson desires to retain the services of Consultant, and Consultant desires to render such services, all upon the terms set forth herein;

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, Emerson and Consultant agree to the following:

1. Consulting Term. Consultant is hereby retained by Emerson as Consultant and independent contractor to provide consulting services for a period commencing February 5, 2013 and ending January 31, 2014 (the "Initial Term"), unless this Agreement is (a) sooner terminated by Emerson in accordance with Section 5 hereof or (b) extended by mutual agreement. For purposes of this Agreement, "Term" shall mean the period during which Consultant provides consulting services to Emerson or the other Emerson Entities under this Agreement.

2. Consulting Services. During the Term, Consultant shall perform such consulting and advisory services, consisting primarily of assisting with projects relating to Emerson's governmental affairs and leadership programs on an as-needed basis, as requested by Emerson. To the extent that Consultant's services hereunder relating to Emerson's governmental affairs result in disclosure, registration and/or compliance obligations on Consultant's part, Consultant and Emerson will take the appropriate steps to ensure that such obligations are fulfilled. If the

Term of this Agreement is extended beyond the Initial Term, Emerson and Consultant shall determine the scope of the consulting services to be provided by mutual agreement. Consultant shall be entitled to set his work schedule and the place where the services will be performed, subject to completing the services in a timely manner. Consultant shall not hold himself out as an employee of Emerson. Consultant's role shall be limited to providing the services as outlined herein, and Consultant shall have no authority to contract with or engage third parties on behalf of Emerson, or to otherwise bind Emerson in any way.

3. Consulting Fee. In consideration for the consulting services and subject to the due performance thereof, Emerson will pay or cause to be paid to Consultant during the Term compensation at the rate of Forty-One Thousand Six Hundred Sixty-Seven Dollars (\$41,667.00) per month on the 15th day of each month of the Term. Consultant shall be entitled to the full monthly amount for the month of February, 2013.

4. Expenses. Consultant shall generally be responsible for his own expenses, but may be entitled to be reimbursed by Emerson for those reasonable and necessary business expenses incurred in connection with, and directly and integrally related to, the performance of the services hereunder. As a condition to any reimbursement, Consultant shall submit verification of the nature and amount of such expenses in accordance with Emerson's expense reimbursement policies. Consultant, at his expense, shall be responsible for obtaining workers' compensation insurance, and any other insurance, as may be required by law or considered necessary or desirable by Consultant for the conduct of his business affairs.

5. Termination. This Agreement and the engagement of Consultant by Emerson hereunder shall only be terminated (i) by expiration of the Term, (ii) by mutual agreement of the parties, or (iii) by Emerson, effective immediately upon written notice to Consultant if Consultant:

- (a) commits any breach of the terms or conditions hereof or of any other agreements or obligations that Consultant has with Emerson or any of the Emerson Entities;
- (b) fails to perform his duties and obligations as specified herein;

(c) commits acts constituting willful fraud or dishonesty; or

(d) commits fraud or dishonesty against any of the Emerson Entities or willful conduct involving a third party which may, in Emerson's sole discretion, impair the reputation of, or harm, any of the Emerson Entities, or any directors, officers, employees or agents of any of the foregoing.

Consultant shall not be entitled to any payments after termination of this Agreement, other than reimbursement of expenses incurred prior to the effective date of termination that are reimbursable pursuant to Section 4 hereof.

6. Assignment. In the event that Emerson, or any corporation or other entity resulting from any merger or consolidation referred to in this paragraph, merges or consolidates into or with any other entity or entities, or in the event that substantially all of the assets of Emerson are sold or otherwise transferred to another entity, the provisions of this Agreement shall be binding upon and inure to the benefit of the entity resulting from such merger or consolidation or to which such assets are sold or transferred. This Agreement shall not be assignable by Emerson or by any entity resulting from any such merger or consolidation or to which such assets are sold or transferred, except (i) to the continuing entity in, or the entity resulting from and as an incident of, any such merger or consolidation, or (ii) to the entity to which such assets are sold or transferred, and as an incident of such sale or transfer. Neither this Agreement nor any rights hereunder shall be assignable by Consultant.

7. Non-Competition and Non-Solicitation Agreement.

(a) Consultant agrees that, for the duration of this Agreement and for a period of two years thereafter (the "Non-Competition Period"), Consultant shall not without Emerson's prior written consent, directly or indirectly, own, manage, operate, assist, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, any profit or non-profit company, organization or business anywhere in the world, that, directly or indirectly, competes with the businesses of any of the Emerson Entities as such businesses shall exist immediately prior to the date hereof or as contemplated on the date hereof to be developed by the any of the Emerson Entities during the Non-competition Period. In addition, during the Non-competition Period, Consultant shall not have an equity interest in any such Person other than as a 5% or less shareholder of a public corporation.

- (b) During the Non-competition Period, Consultant shall not (i) solicit, raid, entice, induce or contact, or attempt to solicit, raid, entice, induce or contact, any Person that is a customer of any of the Emerson Entities to become a customer of any other Person for products or services the same as, or competitive with, those products and services sold, rented, leased, rendered or otherwise made available to customers by any of the Emerson Entities as of the date hereof, as well as products and services in any stage of development by any of the Emerson Entities as of the date hereof (although not yet commercialized or not generally available), or approach any such Person for such purpose or authorize the taking of such actions by any other Person or assist or participate with any such Person in taking such action, or (ii) solicit, raid, entice, induce or contact, or attempt to solicit, raid, entice, induce or contact, any Person that currently is or at any time during the Non-competition Period shall be (or, in the case of termination is at the time of termination), an employee, agent or consultant of any of the Emerson Entities to leave such Emerson Entity or do anything from which the Emerson Entity or Consultant is restricted by reason of this Section 7(b), and Consultant shall not approach any such employee, agent or consultant for such purpose or authorize or participate with the taking of such actions by any other Person or assist or participate with any such Person in taking such action.
- (c) For purposes of this Agreement, "Person" means and shall include a natural person, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity (or any department, agency or political subdivision thereof) and shall be construed broadly.

8. Confidential Information. Consultant will not for the Term of this Agreement or at any time thereafter directly or indirectly use for himself or use for or disclose to any third party any Confidential Information of the Emerson Entities without Emerson's prior written consent. This provision shall be in addition to and not in lieu of any other like provisions or similar obligations of Consultant. As used herein, "Confidential Information" means all technical and business information relating to any of the Emerson Entities that is of a confidential, trade secret, and/or proprietary character, including without limitation information relating to:

- (a) the business or products of any of the Emerson Entities;
- (b) the costs, uses, or applications of, or the customers or suppliers (and information concerning transactions and prospective transactions therewith) for, products made, assembled, produced, or sold by any of the Emerson Entities;

- (c) any apparatus, method, system, or manufacturing or other process at any time used, developed, or investigated by or for any of the Emerson Entities, whether or not invented, developed, acquired, discovered, or investigated by Consultant;
- (d) financial information relating to any of the Emerson Entities, including past and projected future financial information and information relating to the profitability and profit margins of any of the Emerson Entities or their products or product lines; and
- (e) information relating to any of the Emerson Entities concerning business plans or strategies, operational methods, employees, research and development activities, product development techniques or plans and business acquisition plans or programs.

Upon expiration or termination of this Agreement, or at any other time upon the request of Emerson, Consultant shall promptly deliver to Emerson all Confidential Information in any form, whether written, electronic or otherwise, including without limitation all Confidential Information contained or embodied in or represented by, memoranda, notes, records, plats, sketches, plans, data, reports, or other documents or electronic media made or compiled by, delivered to, or otherwise acquired by Consultant.

9. Relationship of Parties. Consultant is an independent contractor and is not an employee or agent of Emerson or any of the other Emerson Entities. Consultant is not covered by or entitled to any benefits from Emerson or any of the other Emerson Entities (e.g. health, dental, medical, disability, or life insurance; pension, retirement, profit sharing, savings, incentive, or bonus plans; vacation days or vacation or severance pay) by virtue of this Agreement; provided, however, that the foregoing shall not limit the rights and benefits to which Consultant is entitled pursuant to any other written agreements with Emerson or other Emerson benefit plans. Consultant shall devote sufficient business time and efforts to the performance of services for Emerson hereunder necessary to complete such services within the timeframes for completion established by Emerson. Consultant shall use his best efforts in such endeavors. Consultant shall perform the services with a level of care, skill and diligence that a prudent professional acting in a like capacity and familiar with such matters would use. Consultant shall determine the manner, means and details by which Consultant provides consulting services hereunder, and except as provided in Section 7, Consultant shall have the right to provide consulting or other services to persons other than Emerson.

10. Non-Waiver of Rights. The failure to enforce any provision of this Agreement or to require performance by the other party of any provision hereof shall not be construed as a waiver of such provision or to affect either the validity of this Agreement or any part hereof or the right of either party thereafter to enforce each and every provision in accordance with the terms of this Agreement.

11. Invalidity of Provisions. If any provision of this Agreement is unenforceable under applicable law, it shall not affect the validity or enforceability of the remaining provisions. To the extent that any provision of this Agreement is unenforceable as stated, such provision shall not be void but rather shall be modified to the extent required by applicable law to permit such provision to be enforced to the maximum extent permitted by applicable law.

12. Equitable Remedy. Both Emerson and Consultant acknowledge that damages at law will not be adequate to compensate Emerson for a breach or threatened or anticipatory breach of this Agreement by Consultant. Both parties agree and stipulate that Emerson, in addition to the legal remedies available, shall be entitled to any and all equitable remedies, including without limitation injunctive relief, to prevent a breach or threatened or anticipatory breach by Consultant of any provision of this Agreement.

13. Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the State of Missouri, without regard to conflict of law principles. It is conclusively deemed that this Agreement was entered into in the State of Missouri.

14. Submission to Jurisdiction. Emerson and Consultant hereby agree that any legal action or proceeding with respect to this Agreement shall be brought and determined in the federal or state courts located in the State of Missouri, and Emerson and Consultant hereby submit with regard to any such action or proceeding to the exclusive jurisdiction of such courts.

15. Amendments. No modification, amendment, or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the parties.

16. Notices. Any notice to be given by either party shall be in writing and shall be deemed to have been duly given if delivered or mailed, by certified or registered mail, postage prepaid, as follows:

To Emerson:

Emerson Electric Co.
8000 West Florissant Avenue
P. O. Box 4100
St. Louis, Missouri 63136
Attention: Executive Vice President & General Counsel

To Consultant:

Walter J. Galvin
[At address on file]

or to such other address as may have been furnished to the other party by written notice in accordance herewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

EMERSON ELECTRIC CO.

BY: /s/ David N. Farr

Chairman and Chief Executive Officer

CONSULTANT

/s/ Walter J. Galvin

Walter J. Galvin