

OSHKOSH CORP

FORM 10-Q

(Quarterly Report)

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Telephone	920 235 9151
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Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

or

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

Commission File Number: 1-31371

Oshkosh Corporation

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other jurisdiction
of incorporation or organization)

39-0520270

(I.R.S. Employer
Identification No.)

P.O. Box 2566

Oshkosh, Wisconsin

(Address of principal executive offices)

54903-2566

(Zip Code)

Registrant's telephone number, including area code: **(920) 235-9151**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of April 25, 2011, 91,091,605 shares of the registrant's Common Stock were outstanding.

OSHKOSH CORPORATION
FORM 10-Q INDEX
FOR THE QUARTER ENDED MARCH 31, 2011

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PART I — FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

OSHKOSH CORPORATION
Condensed Consolidated Statements of Income
(In millions, except per share amounts; unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Net sales	\$ 1,745.6	\$ 2,864.2	\$ 3,446.4	\$ 5,298.3
Cost of sales	<u>1,464.5</u>	<u>2,236.4</u>	<u>2,856.3</u>	<u>4,191.3</u>
Gross income	281.1	627.8	590.1	1,107.0
Operating expenses:				
Selling, general and administrative	133.7	118.3	258.7	233.1
Amortization of purchased intangibles	15.0	15.2	30.3	30.6
Intangible asset impairment charges	<u>—</u>	<u>—</u>	<u>—</u>	<u>23.3</u>
Total operating expenses	<u>148.7</u>	<u>133.5</u>	<u>289.0</u>	<u>287.0</u>
Operating income	132.4	494.3	301.1	820.0
Other income (expense):				
Interest expense	(21.7)	(45.7)	(48.2)	(96.5)
Interest income	1.0	0.5	1.8	1.4
Miscellaneous, net	<u>0.4</u>	<u>1.0</u>	<u>0.1</u>	<u>1.2</u>
	<u>(20.3)</u>	<u>(44.2)</u>	<u>(46.3)</u>	<u>(93.9)</u>
Income from continuing operations before income taxes and equity in earnings (losses) of unconsolidated affiliates	112.1	450.1	254.8	726.1
Provision for income taxes	<u>44.2</u>	<u>157.4</u>	<u>88.2</u>	<u>260.6</u>
Income from continuing operations before equity in earnings (losses) of unconsolidated affiliates	67.9	292.7	166.6	465.5
Equity in earnings (losses) of unconsolidated affiliates	<u>(0.2)</u>	<u>(0.1)</u>	<u>0.2</u>	<u>(0.4)</u>
Income from continuing operations, net of tax	67.7	292.6	166.8	465.1
Loss on discontinued operations, net of tax	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2.9)</u>
Net income	67.7	292.6	166.8	462.2
Net loss attributable to the noncontrolling interest	<u>0.2</u>	<u>—</u>	<u>0.7</u>	<u>—</u>
Net income attributable to Oshkosh Corporation	<u>\$ 67.9</u>	<u>\$ 292.6</u>	<u>\$ 167.5</u>	<u>\$ 462.2</u>
Earnings (loss) per share attributable to Oshkosh Corporation common shareholders-basic:				
Continuing operations	\$ 0.75	\$ 3.27	\$ 1.85	\$ 5.19
Discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.03)</u>
	<u>\$ 0.75</u>	<u>\$ 3.27</u>	<u>\$ 1.85</u>	<u>\$ 5.16</u>
Earnings (loss) per share attributable to Oshkosh Corporation common shareholders-diluted:				
Continuing operations	\$ 0.74	\$ 3.22	\$ 1.83	\$ 5.12
Discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.03)</u>
	<u>\$ 0.74</u>	<u>\$ 3.22</u>	<u>\$ 1.83</u>	<u>\$ 5.09</u>

The accompanying notes are an integral part of these financial statements.

OSHKOSH CORPORATION
Condensed Consolidated Balance Sheets
(In millions, except share and per share amounts; unaudited)

	March 31, 2011	September 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 416.7	\$ 339.0
Receivables, net	773.9	889.5
Inventories, net	773.6	848.6
Deferred income taxes	72.4	86.7
Other current assets	65.4	52.1
Total current assets	2,102.0	2,215.9
Investment in unconsolidated affiliates	32.1	30.4
Property, plant and equipment, net	388.4	403.6
Goodwill	1,059.9	1,049.6
Purchased intangible assets, net	870.4	896.3
Other long-term assets	94.4	112.8
Total assets	<u>\$ 4,547.2</u>	<u>\$ 4,708.6</u>
Liabilities and Equity		
Current liabilities:		
Revolving credit facility and current maturities of long-term debt	\$ 83.1	\$ 215.9
Accounts payable	669.4	717.7
Customer advances	250.0	373.2
Payroll-related obligations	95.2	127.5
Income taxes payable	1.7	1.3
Accrued warranty	73.5	90.5
Deferred revenue	37.2	76.9
Other current liabilities	253.7	209.0
Total current liabilities	1,463.8	1,812.0
Long-term debt, less current maturities	1,053.8	1,086.4
Deferred income taxes	182.9	189.6
Other long-term liabilities	304.5	293.8
Commitments and contingencies		
Equity:		
Preferred Stock (\$.01 par value; 2,000,000 shares authorized; none issued and outstanding)	—	—
Common Stock (\$.01 par value; 300,000,000 shares authorized; 91,091,605 and 90,662,377 shares issued, respectively)	0.9	0.9
Additional paid-in capital	677.3	659.7
Retained earnings	926.7	759.2
Accumulated other comprehensive loss	(62.2)	(93.2)
Total Oshkosh Corporation shareholders' equity	1,542.7	1,326.6
Noncontrolling interest	(0.5)	0.2
Total equity	1,542.2	1,326.8
Total liabilities and equity	<u>\$ 4,547.2</u>	<u>\$ 4,708.6</u>

The accompanying notes are an integral part of these financial statements.

OSHKOSH CORPORATION
Condensed Consolidated Statements of Equity
(In millions; unaudited)

	Oshkosh Corporation's Shareholders						
	Common Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury at Cost	Non- Controlling Interest	Comprehensive Income (Loss)
Balance at September 30, 2009	\$ 0.9	\$ 619.5	\$ (30.8)	\$ (74.7)	\$ (0.8)	\$ 2.2	
Sale of discontinued operations	—	—	—	—	—	(2.2)	
Comprehensive income (loss):							
Net income	—	—	462.2	—	—	—	\$ 462.2
Change in fair value of derivative instruments, net of tax of \$7.3	—	—	—	10.0	—	—	10.0
Employee pension and postretirement benefits, net of tax of \$1.1	—	—	—	1.7	—	—	1.7
Currency translation adjustments	—	—	—	(35.2)	—	—	(35.2)
Total comprehensive income							<u>\$ 438.7</u>
Exercise of stock options	—	2.3	—	—	0.8	—	
Stock-based compensation and award of nonvested shares	—	7.1	—	—	—	—	
Other	—	1.7	—	—	—	—	
Balance at March 31, 2010	<u>\$ 0.9</u>	<u>\$ 630.6</u>	<u>\$ 431.4</u>	<u>\$ (98.2)</u>	<u>\$ —</u>	<u>\$ —</u>	

	Oshkosh Corporation's Shareholders						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury at Cost	Non- Controlling Interest	Comprehensive Income
Balance at September 30, 2010	\$ 0.9	\$ 659.7	\$ 759.2	\$ (93.2)	\$ —	\$ 0.2	
Comprehensive income:							
Net income	—	—	167.5	—	—	(0.7)	\$ 166.8
Change in fair value of derivative instruments, net of tax of \$3.1	—	—	—	5.4	—	—	5.4
Employee pension and postretirement benefits, net of tax of \$1.7	—	—	—	2.9	—	—	2.9
Currency translation adjustments	—	—	—	22.7	—	—	22.7
Total comprehensive income							<u>\$ 197.8</u>
Exercise of stock options	—	7.0	—	—	—	—	
Stock-based compensation and award of nonvested shares	—	8.4	—	—	—	—	
Tax benefit related to stock-based compensation	—	2.1	—	—	—	—	
Other	—	0.1	—	—	—	—	
Balance at March 31, 2011	<u>\$ 0.9</u>	<u>\$ 677.3</u>	<u>\$ 926.7</u>	<u>\$ (62.2)</u>	<u>\$ —</u>	<u>\$ (0.5)</u>	

The accompanying notes are an integral part of these financial statements.

OSHKOSH CORPORATION
Condensed Consolidated Statements of Cash Flows
(In millions; unaudited)

	Six Months Ended March 31,	
	2011	2010
Operating activities:		
Net income	\$ 166.8	\$ 462.2
Non-cash asset impairment charges	—	23.3
Loss on sale of discontinued operations, net of tax	—	2.9
Depreciation and amortization	69.9	80.8
Deferred income taxes	2.7	(28.8)
Other non-cash adjustments	4.7	13.4
Changes in operating assets and liabilities	12.5	211.5
Net cash provided by operating activities	256.6	765.3
Investing activities:		
Additions to property, plant and equipment	(31.0)	(34.4)
Additions to equipment held for rental	(3.1)	(3.5)
Proceeds from sale of property, plant and equipment	0.7	0.5
Proceeds from sale of equipment held for rental	7.8	6.0
Other investing activities	(1.1)	0.8
Net cash used by investing activities	(26.7)	(30.6)
Financing activities:		
Repayment of long-term debt	(65.3)	(907.0)
Proceeds from issuance of long-term debt	—	500.0
Repayments under revolving credit facility, net	(100.0)	—
Debt issuance costs	—	(10.8)
Proceeds from exercise of stock options	7.0	3.1
Other financing activities	1.8	1.1
Net cash used by financing activities	(156.5)	(413.6)
Effect of exchange rate changes on cash	4.3	(6.6)
Increase in cash and cash equivalents	77.7	314.5
Cash and cash equivalents at beginning of period	339.0	530.4
Cash and cash equivalents at end of period	\$ 416.7	\$ 844.9
Supplemental disclosures:		
Cash paid for interest	\$ 45.5	\$ 99.8
Cash paid for income taxes	79.8	239.6

The accompanying notes are an integral part of these financial statements.

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and notes thereto included in Oshkosh Corporation's (the "Company") Annual Report on Form 10-K for the year ended September 30, 2010. The interim results are not necessarily indicative of results for the full year.

During fiscal 2010, in conjunction with the appointment of a new segment president, the Company transferred operational responsibility of its subsidiary, JerrDan Corporation ("JerrDan"), from the fire & emergency segment to the access equipment segment. As a result, JerrDan has been included within the access equipment segment for financial reporting purposes. Historical information has been reclassified to include JerrDan in the access equipment segment for all periods presented.

2. New Accounting Standards

In June 2009, the Financial Accounting Standards Board ("FASB") issued a new standard to address the elimination of the concept of a qualifying special purpose entity. The new variable interest standard also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Additionally, the new variable interest standard provides more timely and useful information about an enterprise's involvement with a variable interest entity. The Company adopted the new variable interest standard as of October 1, 2010. The adoption of the new variable interest standard did not have a material impact on the Company's financial condition, results of operations or cash flows.

In July 2010, the FASB amended Accounting Standards Codification ("ASC") Topic 310, *Receivables*, to require more robust and disaggregated disclosures about the credit quality of an entity's financing receivables and its allowances for credit losses. The new disclosures require additional information for nonaccrual and past due accounts, the allowance for credit losses, impaired loans, credit quality and account modifications. The Company adopted the new disclosure requirements as of October 1, 2010. See Note 3 of the Notes to Condensed Consolidated Financial Statements for additional information.

3. Receivables

Receivables consisted of the following (in millions):

	March 31, 2011	September 30, 2010
U.S. government		
Amounts billed	\$ 266.7	\$ 380.1
Costs and profits not billed	66.6	75.2
	333.3	455.3
Other trade receivables	420.5	401.8
Finance receivables	30.2	65.6
Notes receivable	48.9	52.1
Other receivables	21.0	19.5
	853.9	994.3
Less allowance for doubtful accounts	(35.9)	(42.0)
	<u>\$ 818.0</u>	<u>\$ 952.3</u>

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Costs and profits not billed generally result from undefinitized change orders on existing long-term contracts and “not-to-exceed” undefinitized contracts whereby the Company cannot invoice the customer the full price under the contract or contract change order until such change order or contract is definitized and agreed to with the customer following a review of costs under such a contract award even though the contract deliverables may have been met. Definitization of a change order on an existing long-term contract or a sole source contract begins when the U.S. government customer undertakes a detailed review of the Company’s submitted costs related to the contract, with the final change order or contract price subject to review. The Company recognizes revenue on undefinitized contracts to the extent that it can reasonably and reliably estimate the expected final contract price and when collectability is reasonably assured. To the extent that contract definitization results in changes to previously estimated incurred costs or revenues, the Company records those adjustments as a change in estimate. During the quarter ending March 31, 2011, the Company updated its estimated costs under an undefinitized change order related to MRAP-All Terrain Vehicles (“M-ATVs”) produced and sold to the customer in the fourth quarter of fiscal 2010 and first quarter of fiscal 2011. As a result of cost estimate changes, the Company recorded a \$15.2 million reduction in deferred revenue and a corresponding increase to revenue during the second quarter of fiscal 2011. As all costs associated with the contract had been previously expensed, the change increased operating income by \$15.2 million and net income by \$9.6 million or \$0.10 per share.

Classification of receivables in the Condensed Consolidated Balance Sheets consisted of the following (in millions):

	<u>March 31, 2011</u>	<u>September 30, 2010</u>
Current receivables	\$ 773.9	\$ 889.5
Long-term receivables	44.1	62.8
	<u>\$ 818.0</u>	<u>\$ 952.3</u>

Finance Receivables: Finance receivables represent sales-type leases resulting from the sale of the Company’s products and the purchase of finance receivables from lenders pursuant to defaults under program agreements with finance companies. Finance receivables originated by the Company generally include a residual value component. Residual values are determined based on the expectation that the underlying equipment will have a minimum fair market value at the end of the lease term. This residual value accrues to the Company at the end of the lease. The Company uses its experience and knowledge as an original equipment manufacturer and participant in end markets for the related products along with third-party studies to estimate residual values. The Company monitors these values for impairment on a periodic basis and reflects any resulting reductions in value in current earnings. Finance receivables consisted of the following (in millions):

	<u>March 31, 2011</u>	<u>September 30, 2010</u>
Finance receivables	\$ 36.4	\$ 74.7
Estimated residual value	—	2.1
Less unearned income	(6.2)	(11.2)
Net finance receivables	30.2	65.6
Less allowance for doubtful accounts	(16.3)	(20.9)
	<u>\$ 13.9</u>	<u>\$ 44.7</u>

The contractual maturities of the Company’s finance receivables at March 31, 2011 were as follows: 2011 (remaining six months) - \$12.5 million; 2012 - \$7.2 million; 2013 - \$6.0 million; 2014 - \$5.5 million; 2015 - \$2.1 million; 2016 - \$1.5 million; and thereafter - \$1.6 million. Historically, finance receivables have been paid off prior to their contractual due dates, although actual repayment timing is often times impacted by the economic environment at the time. As a result, contractual maturities are not to be regarded as a forecast of future cash flows.

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Delinquency is the primary indicator of credit quality for finance receivables. The Company maintains a general allowance for finance receivables considered doubtful of future collection based upon historical experience. Additional allowances are established based upon the Company's perception of the quality of the finance receivables, including the length of time the receivables are past due, past experience of collectability and underlying economic conditions. In circumstances where the Company believes collectability is no longer reasonably assured, a specific allowance is recorded to reduce the net recognized receivable to the amount reasonably expected to be collected. Under the terms of these agreements, the Company generally has the ability to take possession of the underlying collateral. The Company may incur losses in excess of recorded allowances if the financial condition of its customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting its customers' financial obligations is not realized. As of March 31, 2011, approximately 49% of the finance receivables were due from two parties.

Notes Receivable: Notes receivable include refinancing of trade accounts and finance receivables. As of March 31, 2011, approximately 89% of the notes receivable balance outstanding was due from three parties. The Company routinely evaluates the creditworthiness of its customers and establishes reserves where the Company believes collectability is no longer reasonably assured. Certain notes receivable are collateralized by a security interest in the underlying assets and/or other assets owned by the debtor. The Company may incur losses in excess of recorded allowances if the financial condition of its customers were to deteriorate or the full amount of any anticipated proceeds from the sale of the collateral supporting its customers' financial obligations is not realized.

Quality of Finance and Notes Receivable : The Company does not accrue interest income on finance receivables in circumstances where the Company believes collectability is no longer reasonably assured. Any cash payments received on nonaccrual finance receivables are applied first to principal balances. The Company does not resume accrual of interest income until the customer has shown that it is capable of meeting its financial obligations by making timely payments over a sustained period of time. The Company determines past due or delinquency status based upon the due date of the receivable. Finance and notes receivable aging and accrual status consisted of the following (in millions):

	Finance Receivables		Notes Receivable	
	March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010
Aging of receivables that are past due				
Greater than 30 days and less than 60 days	\$ 1.0	\$ 3.3	\$ —	\$ —
Greater than 60 days and less than 90 days	—	—	—	—
Greater than 90 days	15.7	20.7	0.8	2.6
Receivables on nonaccrual status	17.8	57.7	0.8	2.6
Receivables past due 90 days or more and still accruing	—	—	—	—
Receivables subject to general reserves	4.2	3.9	3.5	21.5
Allowance for doubtful accounts	(0.1)	(0.1)	(0.4)	(0.4)
Receivables subject to specific reserves	26.0	61.7	45.4	30.6
Allowance for doubtful accounts	(16.2)	(20.8)	(9.8)	(9.0)

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Changes in the Company's allowance for doubtful accounts were as follows (in millions):

	Three Months Ended March 31, 2011			
	Finance Receivables	Notes Receivable	Trade and Other Receivables	Total
Allowance for doubtful accounts at beginning of period	\$ (14.8)	\$ (12.7)	\$ (10.7)	\$ (38.2)
Provision for doubtful accounts, net of recoveries	(2.3)	0.6	(0.5)	(2.2)
Charge-off of accounts	0.8	2.1	1.9	4.8
Foreign currency translation	—	(0.2)	(0.1)	(0.3)
Allowance for doubtful accounts at end of period	<u>\$ (16.3)</u>	<u>\$ (10.2)</u>	<u>\$ (9.4)</u>	<u>\$ (35.9)</u>

	Six Months Ended March 31, 2011			
	Finance Receivables	Notes Receivable	Trade and Other Receivables	Total
Allowance for doubtful accounts at beginning of period	\$ (20.9)	\$ (9.4)	\$ (11.7)	\$ (42.0)
Provision for doubtful accounts, net of recoveries	(0.9)	(2.8)	(0.3)	(4.0)
Charge-off of accounts	5.5	2.1	2.7	10.3
Foreign currency translation	—	(0.1)	(0.1)	(0.2)
Allowance for doubtful accounts at end of period	<u>\$ (16.3)</u>	<u>\$ (10.2)</u>	<u>\$ (9.4)</u>	<u>\$ (35.9)</u>

4. Inventories

Inventories consisted of the following (in millions):

	March 31, 2011	September 30, 2010
Raw materials	\$ 525.9	\$ 658.6
Partially finished products	460.5	332.2
Finished products	292.2	227.3
Inventories at FIFO cost	1,278.6	1,218.1
Less: Progress/performance-based payments on U.S. government contracts	(439.0)	(308.7)
Excess of FIFO cost over LIFO cost	(66.0)	(60.8)
	<u>\$ 773.6</u>	<u>\$ 848.6</u>

Title to all inventories related to U.S. government contracts, which provide for progress or performance-based payments, vests with the government to the extent of unliquidated progress or performance-based payments.

Inventory includes costs which are amortized to expense as sales are recognized under certain contracts. At March 31, 2011 and September 30, 2010, unamortized costs related to long-term contracts of \$0.9 million and \$4.1 million, respectively, were included in inventory.

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

5. Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates are accounted for under the equity method, and consisted of the following (in millions):

	Percent- owned	March 31, 2011	September 30, 2010
OMFSP (U.S.)	50%	\$ 13.1	\$ 12.9
RiRent (The Netherlands)	50%	11.5	11.1
Other		7.5	6.4
		<u>\$ 32.1</u>	<u>\$ 30.4</u>

The investment generally represents the Company's maximum exposure to loss as a result of the Company's ownership interest. Earnings or losses are reflected in "Equity in earnings (losses) of unconsolidated affiliates" in the Condensed Consolidated Statements of Income.

The Company and an unaffiliated third-party are partners in Oshkosh/McNeilus Financial Services Partnership ("OMFSP"), a general partnership, formed for the purpose of offering lease financing to certain customers of the Company. OMFSP engages in vendor lease business providing financing to certain customers of the Company. The Company sells vehicles, vehicle bodies and concrete batch plants to OMFSP for lease to user-customers. The Company's sales to OMFSP were \$0.2 million and \$1.9 million for the six months ended March 31, 2011 and 2010, respectively. Banks and other financial institutions lend to OMFSP a portion of the purchase price, with recourse solely to OMFSP, secured by a pledge of lease payments due from the user-lessees. Each partner funds one-half of the approximate 4.0% to 8.0% equity portion of the cost of new equipment purchases. Customers typically provide a 2.0% to 6.0% down payment. Each partner is allocated its proportionate share of OMFSP's cash flow and taxable income in accordance with the partnership agreement. Indebtedness of OMFSP is secured by the underlying leases and assets of, and is with recourse solely to, OMFSP. All such OMFSP indebtedness is non-recourse to the Company and its partner. Each of the two general partners has identical voting, participating and protective rights and responsibilities, and each general partner materially participates in the activities of OMFSP. For these and other reasons, the Company has determined that OMFSP is a voting interest entity. Accordingly, the Company accounts for its equity interest in OMFSP under the equity method.

The Company and an unaffiliated third-party are joint venture partners in RiRent Europe, B.V. ("RiRent"). RiRent maintains a fleet of access equipment for short-term lease to rental companies throughout most of Europe. The re-rental fleet provides rental companies with equipment to support requirements on short notice. RiRent does not provide services directly to end users. The Company's sales to RiRent were \$2.0 million and \$2.3 million for the six months ended March 31, 2011 and 2010, respectively. The Company recognizes income on sales to RiRent at the time of shipment in proportion to the outside third-party interest in RiRent and recognizes the remaining income ratably over the estimated useful life of the equipment, which is generally five years. Indebtedness of RiRent is secured by the underlying leases and assets of RiRent. All such RiRent indebtedness is non-recourse to the Company and its partner. Under RiRent's €15.0 million bank credit facility, the partners of RiRent have committed to maintain an overall equity to asset ratio of at least 30.0% (58.5% as of March 31, 2011).

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6. Property, Plant and Equipment

Property, plant and equipment consisted of the following (in millions):

	March 31, 2011	September 30, 2010
Land and land improvements	\$ 46.3	\$ 46.7
Buildings	237.4	237.2
Machinery and equipment	504.4	490.2
Equipment on operating lease to others	38.7	46.0
Construction in progress	—	0.9
	826.8	821.0
Less accumulated depreciation	(438.4)	(417.4)
	<u>\$ 388.4</u>	<u>\$ 403.6</u>

Depreciation expense was \$36.9 million and \$39.1 million for the six months ended March 31, 2011 and 2010, respectively. Equipment on operating lease to others represents the cost of equipment sold to customers for whom the Company has guaranteed the residual value and equipment on short-term leases. These transactions are accounted for as operating leases with the related assets capitalized and depreciated over their estimated economic lives of five to ten years. Cost less accumulated depreciation for equipment on operating lease at March 31, 2011 and September 30, 2010 was \$17.6 million and \$25.2 million, respectively.

7. Goodwill and Purchased Intangible Assets

The following table presents the changes in goodwill during the six months ended March 31, 2011 (in millions):

	Access Equipment	Fire & Emergency	Commercial	Total
Balance at September 30, 2010:				
Goodwill	\$ 1,848.1	\$ 182.1	\$ 197.3	\$ 2,227.5
Accumulated impairment losses	(932.1)	(69.9)	(175.9)	(1,177.9)
	916.0	112.2	21.4	1,049.6
Fiscal 2011 Activity:				
Translation	10.1	—	0.2	10.3
Balance at March 31, 2011	<u>\$ 926.1</u>	<u>\$ 112.2</u>	<u>\$ 21.6</u>	<u>\$ 1,059.9</u>
Balance at March 31, 2011:				
Goodwill	\$ 1,858.2	\$ 182.1	\$ 197.5	\$ 2,237.8
Accumulated impairment losses	(932.1)	(69.9)	(175.9)	(1,177.9)
	<u>\$ 926.1</u>	<u>\$ 112.2</u>	<u>\$ 21.6</u>	<u>\$ 1,059.9</u>

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Details of the Company's total purchased intangible assets were as follows (in millions):

March 31, 2011				
	Weighted- Average Life	Gross	Accumulated Amortization	Net
Amortizable intangible assets:				
Distribution network	39.1	\$ 55.4	\$ (20.0)	\$ 35.4
Non-compete	10.5	56.9	(51.8)	5.1
Technology-related	11.8	104.0	(49.0)	55.0
Customer relationships	12.6	582.8	(209.4)	373.4
Other	16.7	15.8	(11.8)	4.0
	14.2	814.9	(342.0)	472.9
Non-amortizable tradenames		397.5	—	397.5
Total		<u>\$ 1,212.4</u>	<u>\$ (342.0)</u>	<u>\$ 870.4</u>

September 30, 2010				
	Weighted- Average Life	Gross	Accumulated Amortization	Net
Amortizable intangible assets:				
Distribution network	39.1	\$ 55.4	\$ (19.3)	\$ 36.1
Non-compete	10.5	56.3	(50.6)	5.7
Technology-related	11.8	104.0	(44.6)	59.4
Customer relationships	12.7	577.2	(183.8)	393.4
Other	16.6	15.7	(11.3)	4.4
	14.3	808.6	(309.6)	499.0
Non-amortizable tradenames		397.3	—	397.3
Total		<u>\$ 1,205.9</u>	<u>\$ (309.6)</u>	<u>\$ 896.3</u>

Amortization expense was \$30.3 million and \$30.6 million for the six months ended March 31, 2011 and 2010, respectively. The estimated future amortization expense of purchased intangible assets for the remainder of fiscal 2011 and the five fiscal years succeeding September 30, 2011 are as follows: 2011 (remaining six months) - \$30.6 million; 2012 - \$59.5 million; 2013 - \$56.9 million; 2014 - \$55.5 million; 2015 - \$54.7 million and 2016 - \$54.1 million.

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8. Credit Agreements

The Company was obligated under the following debt instruments (in millions):

	March 31, 2011	September 30, 2010
Senior secured term loan	\$ 585.0	\$ 650.0
8 1/4% Senior notes due March 2017	250.0	250.0
8 1/2% Senior notes due March 2020	250.0	250.0
Other long-term facilities	1.9	2.1
	<u>1,086.9</u>	<u>1,152.1</u>
Less current portion	(33.1)	(65.7)
	<u>\$ 1,053.8</u>	<u>\$ 1,086.4</u>
Revolving line of credit	\$ 50.0	\$ 150.0
Current portion of long-term debt	33.1	65.7
Other short-term facilities	—	0.2
	<u>\$ 83.1</u>	<u>\$ 215.9</u>

On September 27, 2010, the Company replaced its existing credit agreement with a new senior secured credit agreement with various lenders (the “Credit Agreement”). The Credit Agreement provides for (i) a revolving credit facility (“Revolving Credit Facility”) that matures in October 2015 with an initial maximum aggregate amount of availability of \$550 million and (ii) a \$650 million term loan (“Term Loan”) facility due in quarterly principal installments of \$16.25 million commencing December 31, 2010 with a balloon payment of \$341.25 million due at maturity in October 2015. During the first quarter of fiscal 2011, the Company prepaid the principal installments which were originally due March 31, 2011 through September 30, 2011. At March 31, 2011, borrowings of \$50.0 million and outstanding letters of credit of \$33.0 million reduced available capacity under the Revolving Credit Facility to \$467.0 million.

The Company’s obligations under the Credit Agreement are guaranteed by certain of its domestic subsidiaries, and the Company will guarantee the obligations of certain of its subsidiaries under the Credit Agreement to the extent such subsidiaries borrow directly under the Credit Agreement. Subject to certain exceptions, the Credit Agreement is secured by (i) a first-priority perfected lien and security interests in substantially all of the personal property of the Company, each material subsidiary of the Company and each subsidiary guarantor, (ii) mortgages upon certain real property of the Company and certain of its domestic subsidiaries and (iii) a pledge of the equity of each material subsidiary and each subsidiary guarantor.

The Company must pay (1) an unused commitment fee ranging from 0.40% to 0.50% per annum of the average daily unused portion of the aggregate revolving credit commitments under the Credit Agreement and (2) a fee ranging from 1.125% to 3.50% per annum of the maximum amount available to be drawn for each letter of credit issued and outstanding under the Credit Agreement.

Borrowings under the Credit Agreement bear interest at a variable rate equal to (i) LIBOR plus a specified margin, which may be adjusted upward or downward depending on whether certain criteria are satisfied, or (ii) for dollar-denominated loans only, the base rate (which is the highest of (a) the administrative agent’s prime rate, (b) the federal funds rate plus 0.50% or (c) the sum of 1% plus one-month LIBOR) plus a specified margin, which may be adjusted upward or downward depending on whether certain criteria are satisfied. At March 31, 2011, the interest spread on the Revolving Credit Facility and Term Loan was 250 basis points. The weighted-average interest rate on borrowings outstanding at March 31, 2011, prior to consideration of the interest rate swap, was 2.75% for the Revolving Credit Facility and 2.78% for the Term Loan.

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To manage a portion of the Company's exposure to changes in LIBOR-based interest rates on its variable-rate debt, the Company entered into an amortizing interest rate swap agreement in 2007 that effectively fixes the interest payments on a portion of the Company's variable-rate debt. The swap, which has a termination date of December 6, 2011, effectively fixes the LIBOR-based interest rate on the debt in the amount of the notional amount of the swap at 5.105% plus the applicable spread based on the terms of the Credit Agreement (7.605% at March 31, 2011). The notional amount of the swap at March 31, 2011 was \$250.0 million.

A portion of the swap has been designated as a cash flow hedge of 3-month LIBOR-based interest payments. The effective portion of the change in fair value of the derivative has been recorded in "Accumulated other comprehensive income (loss)," with any ineffective portion recorded as an adjustment to miscellaneous expense. At March 31, 2011, a loss of \$8.2 million (\$5.1 million net of tax) was recorded in "Accumulated other comprehensive income (loss)." The differential paid or received on the designated portion of the interest rate swap will be recognized as an adjustment to interest expense when the hedged, forecasted interest is recorded. Net gains or losses related to hedge ineffectiveness on the interest rate swap were insignificant for all periods presented.

Under this swap agreement, the Company will pay the counterparty interest on the notional amount at a fixed rate of 5.105% and the counterparty will pay the Company interest on the notional amount at a variable rate equal to 3-month LIBOR. The 3-month LIBOR rate applicable to this agreement was 0.30% at March 31, 2011. The notional amounts do not represent amounts exchanged by the parties, and thus are not a measure of exposure of the Company. The amounts exchanged are normally based on the notional amounts and other terms of the swaps. The variable rates are subject to change over time as 3-month LIBOR fluctuates. Neither the Company nor the counterparty is required to collateralize its obligations under these swaps.

The Credit Agreement contains various restrictions and covenants, including requirements that the Company maintain certain financial ratios at prescribed levels and restrictions on the ability of the Company and certain of its subsidiaries to consolidate or merge, create liens, incur additional indebtedness, dispose of assets, consummate acquisitions and make investments in joint ventures and foreign subsidiaries. The Credit Agreement contains the following financial covenants:

- **Leverage Ratio:** A maximum leverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated indebtedness to consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and certain other items ("EBITDA")) as of the last day of any fiscal quarter of 4.50 to 1.0.
- **Interest Coverage Ratio:** A minimum interest coverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated EBITDA to the Company's consolidated cash interest expense) as of the last day of any fiscal quarter of 2.50 to 1.0.
- **Senior Secured Leverage Ratio:** A maximum senior secured leverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated secured indebtedness to the Company's consolidated EBITDA) of the following:

Fiscal Quarters Ending

March 31, 2011 through September 30, 2011	3.25 to 1.0
December 31, 2011 through September 30, 2012	3.00 to 1.0
Thereafter	2.75 to 1.0

The Company was in compliance with the financial covenants contained in the Credit Agreement as of March 31, 2011 and expects to be able to meet the financial covenants contained in the Credit Agreement over the next twelve months.

Additionally, with certain exceptions, the Credit Agreement limits the ability of the Company to pay dividends and other distributions. However, so long as no event of default exists under the Credit Agreement or would result from such payment, the Company may pay dividends and other distributions in an aggregate amount not exceeding the sum of:

- (i) \$50 million during any fiscal year; plus
- (ii) the excess of (a) 25% of the cumulative net income of the Company and its consolidated subsidiaries for all fiscal quarters ending after September 27, 2010, over (b) the cumulative amount of all such dividends and other distributions made in any fiscal year ending after such date that exceed \$50 million; plus

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- (iii) for each of the first four fiscal quarters ending after September 27, 2010, \$25 million per fiscal quarter, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0; plus
- (iv) for the period of four fiscal quarters ending September 30, 2011 and for each period of four fiscal quarters ending thereafter, \$100 million during such period, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0.

In March 2010, the Company issued \$250.0 million of 8¼% unsecured senior notes due March 1, 2017 and \$250.0 million of 8½% unsecured senior notes due March 1, 2020 (collectively, the “Senior Notes”). The Senior Notes were issued pursuant to an indenture (the “Indenture”) among the Company, the subsidiary guarantors named therein and a trustee. The Indenture contains customary affirmative and negative covenants. The Company has the option to redeem the Senior Notes due 2017 and Senior Notes due 2020 for a premium after March 1, 2014 and March 1, 2015, respectively. Certain of the Company’s subsidiaries fully, unconditionally, jointly and severally guarantee the Company’s obligations under the Senior Notes. See Note 19 of the Notes to Condensed Consolidated Financial Statements for separate financial information of the subsidiary guarantors.

The fair value of the long-term debt is estimated based upon the market rate of the Company’s debt. At March 31, 2011, the fair value of the Senior Notes was estimated to be \$553.8 million and the fair value of the Term Loan approximated book value.

9. Warranty and Guarantee Arrangements

The Company’s products generally carry explicit warranties that extend from six months to five years, based on terms that are generally accepted in the marketplace. Selected components (such as engines, transmissions, tires, etc.) included in the Company’s end products may include manufacturers’ warranties. These manufacturers’ warranties are generally passed on to the end customer of the Company’s products, and the customer would generally deal directly with the component manufacturer.

Changes in the Company’s warranty liability were as follows (in millions):

	Six Months Ended March 31,	
	2011	2010
Balance at beginning of period	\$ 90.5	\$ 72.8
Warranty provisions	17.1	43.1
Settlements made	(25.2)	(32.5)
Changes in liability for pre-existing warranties, net	(9.2)	1.1
Disposition of business	—	(1.6)
Foreign currency translation adjustment	0.3	(1.2)
Balance at end of period	<u>\$ 73.5</u>	<u>\$ 81.7</u>

Provisions for estimated warranty and other related costs are recorded at the time of sale and are periodically adjusted to reflect actual experience. For the six months ended March 31, 2011, warranty claims under the Company’s M-ATV program were less than estimated at the time of sale. Certain warranty and other related claims involve matters of dispute that ultimately are resolved by negotiation, arbitration or litigation. At times, warranty issues arise that are beyond the scope of the Company’s historical experience. For example, accelerated programs to design, test, manufacture and deploy products such as the M-ATV in war-time conditions carry with them an increased level of inherent risk of product or component failure. It is reasonably possible that additional warranty and other related claims could arise from disputes or other matters in excess of amounts accrued; however, any such amounts, while not determinable, would not be expected to have a material adverse effect on the Company’s financial condition, result of operations or cash flows.

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In the fire & emergency segment, the Company provides guarantees of certain customers' obligations under deferred payment contracts and lease payment agreements to third parties. Guarantees provided prior to February 1, 2008 are limited to \$1.0 million per year in total. In January 2008, the Company entered into a new guarantee arrangement. Under this arrangement, guarantees are limited to \$3.0 million per year for contracts signed after February 1, 2008. These guarantees are mutually exclusive, and until the portfolio under the \$1.0 million guarantee is repaid, the Company has exposure of up to \$4.0 million per year. Both guarantees are supported by the residual value of the underlying equipment. The Company's actual losses under these guarantees over the last ten years have been negligible. In accordance with FASB ASC Topic 460, *Guarantees*, the Company has recorded the fair value of all such guarantees issued after January 1, 2003 as a liability and a reduction of the initial revenue recognized on the sale of equipment. Liabilities accrued for guarantees for all periods presented were insignificant.

In the access equipment segment, the Company is party to multiple agreements whereby it guarantees an aggregate of \$194.3 million in indebtedness of others, including \$179.2 million under loss pool agreements. The Company estimated that its maximum loss exposure under these contracts was \$64.2 million at March 31, 2011. Under the terms of these and various related agreements and upon the occurrence of certain events, the Company generally has the ability to, among other things, take possession of the underlying collateral. At March 31, 2011 and September 30, 2010, the Company had recorded liabilities related to these agreements of \$10.1 million and \$22.8 million, respectively. If the financial condition of the customers were to deteriorate and result in their inability to make payments, then additional accruals may be required. While the Company does not expect to experience losses under these agreements that are materially in excess of the amounts reserved, it cannot provide any assurance that the financial condition of the customers will not deteriorate resulting in the customers' inability to meet their obligations. In the event that occurs, the Company cannot guarantee that the collateral underlying the agreements will be sufficient to avoid losses materially in excess of the amounts reserved. Any losses under these guarantees would generally be mitigated by the value of any underlying collateral, including financed equipment, and are generally subject to the finance company's ability to provide the Company clear title to foreclosed equipment and other conditions. During periods of economic weakness, collateral values generally decline and can contribute to higher exposure to losses.

Changes in the Company's credit guarantee liability were as follows (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Balance at beginning of period	\$ 14.1	\$ 26.6	\$ 22.8	\$ 26.7
Provision for new credit guarantees	—	—	0.1	0.1
Settlements made	(0.7)	—	(3.0)	(0.3)
Changes for pre-existing guarantees, net	(2.6)	(2.8)	(8.9)	(2.3)
Amortization of previous guarantees	(0.8)	(0.3)	(1.0)	(0.7)
Foreign currency translation adjustment	0.1	(0.1)	0.1	(0.1)
Balance at end of period	<u>\$ 10.1</u>	<u>\$ 23.4</u>	<u>\$ 10.1</u>	<u>\$ 23.4</u>

In the first quarter of fiscal 2011, the Company reached a settlement with a customer that resulted in the customer's repayment of \$28.3 million of loans supported by Company guarantees for which the Company had established specific credit loss reserves. Upon release of the guarantees, the Company reduced previously accrued reserves by \$8.1 million.

10. Derivative Financial Instruments and Hedging Activities

The Company has used forward foreign currency exchange contracts ("derivatives") to reduce the exchange rate risk of specific foreign currency denominated transactions. These derivatives typically require the exchange of a foreign currency for U.S. dollars at a fixed rate at a future date. At times, the Company has designated these hedges as either cash flow hedges or fair value hedges under FASB ASC Topic 815, *Derivatives and Hedging*, as follows:

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Fair Value Hedging Strategy — The Company enters into forward foreign exchange contracts to hedge certain firm commitments denominated in foreign currencies, primarily the Euro. The purpose of the Company's foreign currency hedging activities is to protect the Company from risk that the eventual U.S. dollar-equivalent cash flows from the sale of products to international customers will be adversely affected by changes in the exchange rates.

Cash Flow Hedging Strategy — To protect against an increase in the cost of forecasted purchases of foreign-sourced component parts payable in Euro, the Company has a foreign currency cash flow hedging program. The Company hedges portions of its forecasted purchases denominated in Euro with forward contracts. When the U.S. dollar weakens against the Euro, increased foreign currency payments are offset by gains in the value of the forward contracts. Conversely, when the U.S. dollar strengthens against the Euro, reduced foreign currency payments are offset by losses in the value of the forward contracts.

At March 31, 2011, the Company had no forward foreign exchange contracts designated as hedges.

To manage a portion of the Company's exposure to changes in LIBOR-based interest rates on its variable-rate debt, the Company entered into an amortizing interest rate swap agreement that effectively fixes the interest payments on a portion of the Company's variable-rate debt. A portion of the swap has been designated as a cash flow hedge of 3-month LIBOR-based interest payments and, accordingly, derivative gains or losses are reflected as a component of accumulated other comprehensive income (loss) and are amortized to interest expense over the respective lives of the borrowings. At March 31, 2011, \$8.2 million of net unrealized losses remained deferred in "Accumulated other comprehensive income (loss)" in the Condensed Consolidated Balance Sheet. See Note 8 of the Notes to Condensed Consolidated Financial Statements for information regarding the interest rate swap.

The Company has entered into forward foreign currency exchange contracts to create an economic hedge to manage foreign exchange risk exposure associated with non-functional currency denominated payables resulting from global sourcing activities. The Company has not designated these derivative contracts as hedge transactions under FASB ASC Topic 815, and accordingly, the mark-to-market impact of these derivatives is recorded each period in current earnings. The fair value of foreign currency related derivatives is included in the Condensed Consolidated Balance Sheets in "Other current assets" and "Other current liabilities." At March 31, 2011, the U.S. dollar equivalent of these outstanding forward foreign exchange contracts totaled \$104.4 million in notional amounts, including \$56.6 million in contracts to sell Euro, \$37.5 million in contracts to sell Australian dollars and \$8.0 million in contracts to sell U.K. pounds sterling and buy Euro, with the remaining contracts covering a variety of foreign currencies.

Fair Market Value of Financial Instruments — The fair values of all open derivative instruments in the Condensed Consolidated Balance Sheets were as follows (in millions):

	March 31, 2011			September 30, 2010		
	Other Current Assets	Other Current Liabilities	Other Long-term Liabilities	Other Current Assets	Other Current Liabilities	Other Long-term Liabilities
Designated as hedging instruments:						
Interest rate contracts	\$ —	\$ 8.2	\$ —	\$ —	\$ 15.6	\$ 2.8
Not designated as hedging instruments:						
Foreign exchange contracts	0.2	0.6	—	0.3	0.8	—
Total derivatives	<u>\$ 0.2</u>	<u>\$ 8.8</u>	<u>\$ —</u>	<u>\$ 0.3</u>	<u>\$ 16.4</u>	<u>\$ 2.8</u>

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The pre-tax effects of derivative instruments on the Condensed Consolidated Statements of Income consisted of the following (in millions):

	Classification of Gains (Losses)	Three Months Ended March 31,	
		2011	2010
Cash flow hedges:			
Reclassified from other comprehensive income (effective portion):			
Interest rate contracts	Interest expense	\$ (3.0)	\$ (9.1)
Not designated as hedges:			
Foreign exchange contracts	Miscellaneous, net	(4.1)	3.0
Total		<u>\$ (7.1)</u>	<u>\$ (6.1)</u>
	Classification of Gains (Losses)	Six Months Ended March 31,	
		2011	2010
Cash flow hedges:			
Reclassified from other comprehensive income (effective portion):			
Interest rate contracts	Interest expense	\$ (10.5)	\$ (22.8)
Foreign exchange contracts	Cost of sales	(0.1)	(0.1)
Not designated as hedges:			
Foreign exchange contracts	Miscellaneous, net	(4.7)	4.3
Total		<u>\$ (15.3)</u>	<u>\$ (18.6)</u>

11. Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted prices other than those included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

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As of March 31, 2011, the fair values of the Company's financial assets and liabilities were as follows (in millions):

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign currency exchange derivatives (a)	\$ —	\$ 0.2	\$ —	\$ 0.2
Liabilities:				
Foreign currency exchange derivatives (a)	\$ —	\$ 0.6	\$ —	\$ 0.6
Interest rate swaps (b)	—	8.2	—	8.2
Total liabilities at fair value	\$ —	\$ 8.8	\$ —	\$ 8.8

(a) Based on observable market transactions of forward currency prices.

(b) Based on observable market transactions of forward LIBOR rates.

12. Stock-Based Compensation

Under the Company's 2009 Incentive Stock and Awards Plan (the "2009 Stock Plan"), officers, directors, including non-employee directors, and employees of the Company may be granted stock options, stock appreciation rights, performance shares, performance units, shares of Common Stock, restricted stock, restricted stock units and other stock-based awards. The 2009 Stock Plan provides for the granting of options to purchase shares of the Company's Common Stock at not less than the fair market value of such shares on the date of grant. Stock options granted under the 2009 Stock Plan become exercisable in equal installments over a three-year period, beginning with the first anniversary of the date of grant of the option, unless a shorter or longer duration is established by the Human Resources Committee of the Board of Directors at the time of the option grant. Stock options terminate not more than seven years from the date of grant. Except for performance shares and performance units, vesting is based solely on continued service as an employee of the Company and generally vest upon retirement. The maximum number of shares of stock reserved for all awards under the 2009 Stock Plan is 4,000,000. At March 31, 2011, the Company had reserved 6,830,833 shares of Common Stock to provide for the exercise of outstanding stock options and the issuance of Common Stock under incentive compensation awards, including awards issued prior to the effective date of the 2009 Stock Plan.

The Company recognizes compensation expense for stock option, nonvested stock and performance share awards over the requisite service period for vesting of the award, or to an employee's eligible retirement date, if earlier and applicable. Total stock-based compensation expense included in the Company's Condensed Consolidated Statements of Income for the three and six months ended March 31, 2011 was \$4.2 million (\$2.7 million net of tax) and \$8.4 million (\$5.3 million net of tax), respectively. Total stock-based compensation expense included in the Company's Condensed Consolidated Statements of Income for the three and six months ended March 31, 2010 was \$3.9 million (\$2.5 million net of tax) and \$7.1 million (\$4.5 million net of tax), respectively.

The Company granted 30,575 and 23,650 options to purchase shares of the Company's common stock and issued 13,812 and 19,182 shares of nonvested stock during the six month periods ended March 31, 2011 and 2010, respectively.

13. Restructuring and Other Charges

As part of the Company's actions to rationalize and optimize its global manufacturing footprint and in an effort to streamline operations, the Company announced in September 2010 that it was closing two JerrDan manufacturing facilities and relocating towing and recovery equipment production to other underutilized access equipment segment facilities. The Company largely completed these actions in the fourth quarter of fiscal 2010 and the first quarter of fiscal 2011. As a result of the Company's plan to put a leased facility back into use, a liability for lease termination costs was reversed in the second quarter of fiscal 2011.

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In October 2010, the Company announced that its fire & emergency segment would be closing its Oshkosh Specialty Vehicles manufacturing facilities and integrating those operations into existing operations in Florida. In the first quarter of fiscal 2011, the Company accrued severance payments of \$0.7 million in connection with this consolidation. The Company largely completed this action in the first quarter of fiscal 2011.

In January 2011, the Company initiated a plan to address continued weak market conditions in its access equipment segment in Europe. The plan includes the consolidation of certain facilities and other cost reduction initiatives that will result in reductions in its workforce in Europe. In connection with this plan, the Company recorded statutorily or contractually required termination benefit costs of \$11.3 million in the first quarter of fiscal 2011. During the second quarter of fiscal 2011, the Company reached an agreement with the works councils on certain details of the plan, including the number of employees that will ultimately receive severance. As a result of employees voluntarily leaving the Company prior to the finalization of the plan, the accrual was reduced during the second quarter of fiscal 2011. Also in January 2011, the Company announced that its fire & emergency segment would be closing its Medtec Ambulance Corporation manufacturing facilities and integrating those operations into existing operations in Florida. The Company expects to incur approximately \$2 million of additional restructuring charges in connection with these facility consolidations and workforce reductions in fiscal 2011.

Pre-tax restructuring charges (credits) for the three and six month periods ended March 31, 2011 were as follows (in millions):

Three Months Ended March 31, 2011			
	Cost of Sales	Selling, General and Administrative	Total
Access equipment	\$ (4.5)	\$ (1.3)	\$ (5.8)
Fire & emergency	—	0.7	0.7
Commercial	0.1	0.3	0.4
	<u>\$ (4.4)</u>	<u>\$ (0.3)</u>	<u>\$ (4.7)</u>

Six Months Ended March 31, 2011			
	Cost of Sales	Selling, General and Administrative	Total
Access equipment	\$ 4.3	\$ 1.4	\$ 5.7
Fire & emergency	—	1.4	1.4
Commercial	0.1	0.3	0.4
	<u>\$ 4.4</u>	<u>\$ 3.1</u>	<u>\$ 7.5</u>

Changes in the Company's restructuring reserves, included within "Other current liabilities" in the Condensed Consolidated Balance Sheets, were as follows (in millions):

	Employee Severance and Termination Benefits	Property, Plant and Equipment Impairment	Other	Total
Original provision	\$ 0.4	\$ 6.9	\$ 3.2	\$ 10.5
Utilized - cash	(0.3)	—	—	(0.3)
Utilized - noncash	—	(6.9)	—	(6.9)
Balance at September 30, 2010	0.1	—	3.2	3.3
Restructuring provisions	9.9	—	(2.4)	7.5
Utilized - cash	(0.6)	—	(0.5)	(1.1)
Balance at March 31, 2011	<u>\$ 9.4</u>	<u>\$ —</u>	<u>\$ 0.3</u>	<u>\$ 9.7</u>

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14. Employee Benefit Plans

Components of net periodic pension benefit cost were as follows (in millions):

	U.S. Plans			
	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Service cost	\$ 4.7	\$ 4.0	\$ 8.6	\$ 7.6
Interest cost	3.4	3.1	6.5	5.9
Expected return on plan assets	(3.6)	(3.0)	(7.2)	(6.0)
Amortization of prior service cost	0.6	0.5	1.0	0.8
Amortization of net actuarial loss	2.2	1.1	3.5	2.1
Net periodic benefit cost	<u>\$ 7.3</u>	<u>\$ 5.7</u>	<u>\$ 12.4</u>	<u>\$ 10.4</u>

	Non-U.S. Plans			
	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Service cost	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.4
Interest cost	0.2	0.3	0.4	0.5
Expected return on plan assets	(0.2)	(0.3)	(0.5)	(0.5)
Net periodic benefit cost	<u>\$ 0.1</u>	<u>\$ 0.3</u>	<u>\$ 0.2</u>	<u>\$ 0.4</u>

The Company expects to contribute approximately \$25.0 million to its pension plans in fiscal 2011 compared to \$34.7 million in fiscal 2010.

Components of net periodic other post-employment benefit costs were as follows (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Service cost	\$ 1.2	\$ 1.1	\$ 2.3	\$ 2.1
Interest cost	0.7	0.7	1.5	1.4
Amortization of net actuarial loss	0.2	0.2	0.5	0.4
Net periodic benefit cost	<u>\$ 2.1</u>	<u>\$ 2.0</u>	<u>\$ 4.3</u>	<u>\$ 3.9</u>

The Company made contributions to fund benefit payments of \$0.3 million and \$0.3 million for the three months ended and \$0.6 and \$0.6 million for the six months ended March 31, 2011 and 2010, respectively, under its other post-employment benefit plans. The Company estimates additional contributions of approximately \$0.6 million will be made under these other post-employment benefit plans prior to the end of fiscal 2011.

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15. Income Taxes

The Company's effective income tax rate was 34.6% and 35.9% for the six months ended March 31, 2011 and 2010, respectively. The effective income tax rate for the six months ended March 31, 2011 was favorably impacted by discrete tax benefits, including the impact of benefits associated with foreign tax credits related to a decision to repatriate earnings previously fully reinvested (234 basis points), reductions of tax reserves related to the expiration of the statute of limitations (66 basis points) and the December 2010 reinstatement of the U.S. research and development tax credit (83 basis points). The effective income tax rate for the six months ended March 31, 2010 was unfavorably impacted by non-deductible intangible asset impairment charges (50 basis points).

The Company's liability for gross unrecognized tax benefits, excluding related interest and penalties, was \$55.7 million and \$53.4 million as of March 31, 2011 and September 30, 2010, respectively. Excluding interest and penalties, net unrecognized tax benefits of \$43.5 million would affect the Company's net income if recognized, \$23.4 million of which would impact net income from continuing operations.

The Company recognizes accrued interest and penalties, if any, related to unrecognized tax benefits in the "Provision for income taxes" in the Company's Condensed Consolidated Statements of Income. During the six months ended March 31, 2011 and 2010, the Company recognized \$0.9 million and \$1.8 million in interest and penalties, respectively. At March 31, 2011, the Company had accruals for the payment of interest and penalties of \$13.6 million. During the next twelve months, it is reasonably possible that federal, state and foreign tax audit resolutions could reduce unrecognized tax benefits by approximately \$6.2 million, because the Company's tax positions are sustained on audit, the Company agrees to their disallowance or the statute of limitations expires.

The Company files federal income tax returns, as well as multiple state, local and non-U.S. jurisdiction tax returns. The Company is regularly audited by federal, state and foreign tax authorities. The Company is currently under audit by the Internal Revenue Service for the taxable years ended September 30, 2008 and 2009; the Belgium taxing authorities for the taxable years ended September 30, 2008 and 2009; and the state of Wisconsin for the taxable years 2006 through 2009.

16. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted weighted-average shares used in the denominator of the per share calculations:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Basic weighted-average shares outstanding	90,839,750	89,596,583	90,716,175	89,536,608
Effect of dilutive stock options and other equity-based compensation awards	964,606	1,322,631	921,762	1,301,505
Diluted weighted-average shares outstanding	<u>91,804,356</u>	<u>90,919,214</u>	<u>91,637,937</u>	<u>90,838,113</u>

Options to purchase 1,399,955 shares of Common Stock were outstanding during the three and six months ended March 31, 2011, but were not included in the computation of diluted earnings (loss) per share attributable to Oshkosh Corporation common shareholders because the exercise price of the options was greater than the average market price of the shares of Common Stock and therefore would have been anti-dilutive. Options to purchase 1,390,849 and 1,397,794 shares of Common Stock were outstanding during the three and six months ended March 31, 2010, but were not included in the computation of diluted earnings (loss) per share attributable to Oshkosh Corporation common shareholders because the exercise price of the options was greater than the average market price of the shares of Common Stock and therefore would have been anti-dilutive.

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Income attributable to Oshkosh Corporation common shareholders was as follows (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Amounts attributable to Oshkosh Corporation common shareholders:				
Continuing operations, net of tax	\$ 67.9	\$ 292.6	\$ 167.5	\$ 465.1
Discontinued operations, net of tax	—	—	—	(2.9)
Net income	<u>\$ 67.9</u>	<u>\$ 292.6</u>	<u>\$ 167.5</u>	<u>\$ 462.2</u>

17. Contingencies, Significant Estimates and Concentrations

Environmental - As part of its routine business operations, the Company disposes of and recycles or reclaims certain industrial waste materials, chemicals and solvents at third-party disposal and recycling facilities, which are licensed by appropriate governmental agencies. In some instances, these facilities have been and may be designated by the United States Environmental Protection Agency (“EPA”) or a state environmental agency for remediation. Under the Comprehensive Environmental Response, Compensation, and Liability Act and similar state laws, each potentially responsible party (“PRP”) that contributed hazardous substances may be jointly and severally liable for the costs associated with cleaning up these sites. Typically, PRPs negotiate a resolution with the EPA and/or the state environmental agencies. PRPs also negotiate with each other regarding allocation of the cleanup costs.

The Company had reserves of \$2.2 million and \$1.9 million for losses related to environmental matters that were probable and estimable at March 31, 2011 and September 30, 2010, respectively. The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these matters in excess of the amounts recorded will have a materially adverse effect on the Company’s financial position, results of operations or cash flows.

Personal Injury Actions and Other - Product and general liability claims arise against the Company from time to time in the ordinary course of business. The Company is generally self-insured for future claims up to \$3.0 million per claim. Accordingly, a reserve is maintained for the estimated costs of such claims. At March 31, 2011 and September 30, 2010, reserves for product and general liability claims were \$43.8 million and \$44.4 million, respectively, based on available information. There is inherent uncertainty as to the eventual resolution of unsettled claims. Management, however, believes that any losses in excess of established reserves will not have a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Market Risks - The Company was contingently liable under bid, performance and specialty bonds totaling \$194.4 million and open standby letters of credit issued by the Company’s banks in favor of third parties totaling \$33.0 million at March 31, 2011.

Other Matters - The Company is subject to other environmental matters and legal proceedings and claims, including patent, antitrust, product liability, warranty and state dealership regulation compliance proceedings that arise in the ordinary course of business. Although the final results of all such matters and claims cannot be predicted with certainty, management believes that the ultimate resolution of all such matters and claims will not have a material adverse effect on the Company’s financial condition, results of operations or cash flows. Actual results could vary, among other things, due to the uncertainties involved in litigation.

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The ramp-up of the FMTV program has been challenging for the Company as it worked through a number of issues associated with the start-up of production. The Company expensed start-up costs of \$13.5 million during the second quarter of fiscal 2011, which resulted in a loss for the FMTV program for the quarter. The Company expects to incur additional start-up costs in the third and fourth quarters of fiscal 2011, but at amounts lower than in the second quarter, which it expects will lead to further losses for the program in those quarters. The Company expects that FMTV production and sales beyond fiscal 2011 will be profitable and, therefore, has not recorded a charge for a loss contract. In evaluating the profitability under the FMTV contract, it is necessary to estimate future production costs. Management cost assumptions include estimates for future increases in the costs of raw materials, targeted cost savings and production efficiencies. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of profitability. For example, a 1% escalation in material costs over the Company's projection for FMTV orders currently in backlog would increase the cost of materials by approximately \$21 million. Although this amount is less than the expected future profitability, it would significantly reduce the expected future gross margins on orders received to date. It is possible that assumptions underlying the analysis could change in such a manner that the Company would determine in the future that this is a loss contract, which could result in a material charge.

18. Business Segment Information

The Company is organized into four reportable segments based on the internal organization used by management for making operating decisions and measuring performance and based on the similarity of customers served, common management, common use of facilities and economic results attained. During fiscal 2010, in conjunction with the appointment of a new segment president, the Company transferred operational responsibility of JerrDan from the fire & emergency segment to the access equipment segment. As a result, JerrDan is currently included with the access equipment segment for financial reporting purposes. Historical information has been reclassified to include JerrDan in the access equipment segment for all periods presented.

For purposes of business segment performance measurement, the Company does not allocate to individual business segments costs or items that are of a non-operating nature or organizational or functional expenses of a corporate nature. The caption "Corporate" includes corporate office expenses, including share-based compensation and results of insignificant operations. Identifiable assets of the business segments exclude general corporate assets, which principally consist of cash and cash equivalents, certain property, plant and equipment and certain other assets pertaining to corporate activities. Intersegment sales generally include amounts invoiced by a segment for work performed for another segment. Amounts are based on actual work performed and agreed-upon pricing which is intended to be reflective of the contribution made by the supplying business segment.

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Summarized financial information concerning the Company's product lines and reportable segments was as follows (in millions):

	Three Months Ended March 31, 2011			Three Months Ended March 31, 2010		
	External Customers	Inter-segment	Net Sales	External Customers	Inter-segment	Net Sales
Net sales:						
Defense	\$ 971.3	\$ 1.0	\$ 972.3	\$ 2,267.8	\$ 2.4	\$ 2,270.2
Access equipment						
Aerial work platforms	237.1	—	237.1	105.0	—	105.0
Telehandlers	138.1	—	138.1	71.6	—	71.6
Other ^(a)	96.0	—	96.0	91.9	741.7	833.6
Total access equipment	471.2	—	471.2	268.5	741.7	1,010.2
Fire & emergency	172.4	4.8	177.2	208.0	6.1	214.1
Commercial						
Concrete placement	40.1	—	40.1	39.5	—	39.5
Refuse collection	72.5	—	72.5	65.3	—	65.3
Other	18.1	21.0	39.1	15.1	26.0	41.1
Total commercial	130.7	21.0	151.7	119.9	26.0	145.9
Intersegment eliminations	—	(26.8)	(26.8)	—	(776.2)	(776.2)
Consolidated	\$ 1,745.6	\$ —	\$ 1,745.6	\$ 2,864.2	\$ —	\$ 2,864.2
	Six Months Ended March 31, 2011			Six Months Ended March 31, 2010		
	External Customers	Inter-segment	Net Sales	External Customers	Inter-segment	Net Sales
Net sales:						
Defense	\$ 2,083.1	\$ 2.9	\$ 2,086.0	\$ 4,125.3	\$ 4.6	\$ 4,129.9
Access equipment						
Aerial work platforms	357.0	—	357.0	192.9	—	192.9
Telehandlers	223.4	—	223.4	110.4	—	110.4
Other ^(a)	181.4	36.7	218.1	188.1	1,272.5	1,460.6
Total access equipment	761.8	36.7	798.5	491.4	1,272.5	1,763.9
Fire & emergency	369.5	9.2	378.7	428.4	10.9	439.3
Commercial						
Concrete placement	74.6	—	74.6	81.1	—	81.1
Refuse collection	122.7	—	122.7	146.0	—	146.0
Other	34.7	39.2	73.9	26.1	47.8	73.9
Total commercial	232.0	39.2	271.2	253.2	47.8	301.0
Intersegment eliminations	—	(88.0)	(88.0)	—	(1,335.8)	(1,335.8)
Consolidated	\$ 3,446.4	\$ —	\$ 3,446.4	\$ 5,298.3	\$ —	\$ 5,298.3

- (a) Access equipment intersegment sales involve assembly of M-ATV crew capsules and complete vehicles for the defense segment. These sales are eliminated in consolidation.

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	Three Months Ended March 31,		Six Months Ended March 31,	
	2011	2010	2011	2010
Income (loss) from continuing operations:				
Defense	\$ 141.6	\$ 452.8	\$ 359.5	\$ 792.5
Access equipment	17.7	45.8	1.0	59.1
Fire & emergency ^(a)	(6.6)	19.3	(4.0)	17.3
Commercial	5.3	1.4	(2.4)	4.5
Corporate	(25.5)	(23.8)	(56.7)	(48.2)
Intersegment eliminations	(0.1)	(1.2)	3.7	(5.2)
Operating income	132.4	494.3	301.1	820.0
Interest expense, net of interest income	(20.7)	(45.2)	(46.4)	(95.1)
Miscellaneous, net	0.4	1.0	0.1	1.2
Income from continuing operations before income taxes and equity in earnings (losses) of unconsolidated affiliates	<u>\$ 112.1</u>	<u>\$ 450.1</u>	<u>\$ 254.8</u>	<u>\$ 726.1</u>

(a) Results for the six months ended March 31, 2010 include non-cash goodwill and long-lived asset impairment charges of \$23.3 million.

	March 31, 2011	September 30, 2010
Identifiable assets:		
Defense - U.S. ^(a)	\$ 599.9	\$ 876.4
Access equipment:		
U.S.	1,690.0	1,766.5
Europe ^(a)	808.9	794.0
Rest of world	215.0	186.7
Total access equipment	2,713.9	2,747.2
Fire & emergency:		
U.S.	526.5	529.9
Europe	16.0	15.6
Total fire & emergency	542.5	545.5
Commercial:		
U.S. ^(a)	329.5	316.4
Other North America ^(a)	37.9	38.7
Total commercial	367.4	355.1
Corporate and other:		
U.S.	321.4	183.1
Rest of world	2.1	1.3
Total corporate and other	323.5	184.4
Consolidated	<u>\$ 4,547.2</u>	<u>\$ 4,708.6</u>

(a) Includes investments in unconsolidated affiliates.

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Net sales by geographic region based on product shipment destination were as follows (in millions):

	Six Months Ended March 31,	
	2011	2010
Net sales:		
United States	\$ 2,876.0	\$ 4,865.9
Other North America	71.8	38.3
Europe, Africa and Middle East	309.7	267.8
Rest of world	188.9	126.3
Consolidated	<u>\$ 3,446.4</u>	<u>\$ 5,298.3</u>

19. Separate Financial Information of Subsidiary Guarantors of Indebtedness

The Senior Notes are jointly, severally and unconditionally guaranteed on a senior unsecured basis by all of Oshkosh Corporation's existing and future subsidiaries that from time to time guarantee obligations under Oshkosh Corporation's senior credit facility, with certain exceptions (the "Guarantors").

The following condensed supplemental consolidating financial information reflects the summarized financial information of Oshkosh Corporation, the Guarantors on a combined basis and Oshkosh Corporation's non-guarantor subsidiaries on a combined basis (in millions):

Condensed Consolidating Statement of Income

For the Three Months Ended March 31, 2011

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ 1,004.9	\$ 553.7	\$ 227.9	\$ (40.9)	\$ 1,745.6
Cost of sales	834.1	477.9	193.3	(40.8)	1,464.5
Gross income	170.8	75.8	34.6	(0.1)	281.1
Selling, general and administrative expenses	52.6	45.1	36.0	—	133.7
Amortization of purchased intangibles	—	9.8	5.2	—	15.0
Intangible asset impairment charges	—	—	—	—	—
Operating income (loss)	118.2	20.9	(6.6)	(0.1)	132.4
Interest expense	(50.0)	(22.1)	(0.9)	51.3	(21.7)
Interest income	0.9	6.2	45.2	(51.3)	1.0
Miscellaneous, net	3.4	(32.1)	29.1	—	0.4
Income (loss) from continuing operations before income taxes	72.5	(27.1)	66.8	(0.1)	112.1
Provision for (benefit from) income taxes	31.2	(11.2)	24.2	—	44.2
Income (loss) from continuing operations before equity in earnings of affiliates	41.3	(15.9)	42.6	(0.1)	67.9
Equity in earnings (losses) of consolidated subsidiaries	26.6	13.4	(11.1)	(28.9)	—
Equity in earnings (losses) of unconsolidated affiliates	—	—	(0.2)	—	(0.2)
Income (loss) from continuing operations	67.9	(2.5)	31.3	(29.0)	67.7
Discontinued operations, net of tax	—	—	—	—	—
Net income (loss)	67.9	(2.5)	31.3	(29.0)	67.7
Net loss attributable to the noncontrolling interest	—	—	0.2	—	0.2
Net income (loss) attributable to Oshkosh Corporation	<u>\$ 67.9</u>	<u>\$ (2.5)</u>	<u>\$ 31.5</u>	<u>\$ (29.0)</u>	<u>\$ 67.9</u>

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Condensed Consolidating Statement of Income

For the Three Months Ended March 31, 2010

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ 2,320.0	\$ 1,129.6	\$ 200.2	\$ (785.6)	\$ 2,864.2
Cost of sales	1,831.8	1,002.4	186.4	(784.2)	2,236.4
Gross income	488.2	127.2	13.8	(1.4)	627.8
Selling, general and administrative expenses	49.2	38.0	31.1	—	118.3
Amortization of purchased intangibles	—	10.0	5.2	—	15.2
Intangible asset impairment charges	—	—	—	—	—
Operating income (loss)	439.0	79.2	(22.5)	(1.4)	494.3
Interest expense	(67.7)	(42.0)	(0.3)	64.3	(45.7)
Interest income	0.7	5.0	59.1	(64.3)	0.5
Miscellaneous, net	3.5	(16.2)	13.7	—	1.0
Income (loss) from continuing operations before income taxes	375.5	26.0	50.0	(1.4)	450.1
Provision for (benefit from) income taxes	130.1	14.2	13.6	(0.5)	157.4
Income (loss) from continuing operations before equity in earnings of affiliates	245.4	11.8	36.4	(0.9)	292.7
Equity in earnings (losses) of consolidated subsidiaries	47.2	(14.4)	7.1	(39.9)	—
Equity in earnings (losses) of unconsolidated affiliates	—	—	(0.1)	—	(0.1)
Income (loss) from continuing operations	292.6	(2.6)	43.4	(40.8)	292.6
Discontinued operations, net of tax	—	—	—	—	—
Net income (loss)	292.6	(2.6)	43.4	(40.8)	292.6
Net loss attributable to the noncontrolling interest	—	—	—	—	—
Net income (loss) attributable to Oshkosh Corporation	<u>\$ 292.6</u>	<u>\$ (2.6)</u>	<u>\$ 43.4</u>	<u>\$ (40.8)</u>	<u>\$ 292.6</u>

Condensed Consolidating Statement of Income

For the Six Months Ended March 31, 2011

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ 2,164.6	\$ 973.2	\$ 423.1	\$ (114.5)	\$ 3,446.4
Cost of sales	1,749.0	848.0	377.7	(118.4)	2,856.3
Gross income	415.6	125.2	45.4	3.9	590.1
Selling, general and administrative expenses	107.1	86.6	65.0	—	258.7
Amortization of purchased intangibles	—	19.9	10.4	—	30.3
Intangible asset impairment charges	—	—	—	—	—
Operating income (loss)	308.5	18.7	(30.0)	3.9	301.1
Interest expense	(104.8)	(44.7)	(2.1)	103.4	(48.2)
Interest income	1.7	12.8	90.7	(103.4)	1.8
Miscellaneous, net	5.7	(56.0)	50.4	—	0.1
Income (loss) from continuing operations before income taxes	211.1	(69.2)	109.0	3.9	254.8
Provision for (benefit from) income taxes	68.1	(21.7)	40.4	1.4	88.2
Income (loss) from continuing operations before equity in earnings of affiliates	143.0	(47.5)	68.6	2.5	166.6
Equity in earnings (losses) of consolidated subsidiaries	24.5	12.9	(42.5)	5.1	—
Equity in earnings (losses) of unconsolidated affiliates	—	—	0.2	—	0.2
Income (loss) from continuing operations	167.5	(34.6)	26.3	7.6	166.8
Discontinued operations, net of tax	—	—	—	—	—
Net income (loss)	167.5	(34.6)	26.3	7.6	166.8
Net loss attributable to the noncontrolling interest	—	—	0.7	—	0.7
Net income (loss) attributable to Oshkosh Corporation	<u>\$ 167.5</u>	<u>\$ (34.6)</u>	<u>\$ 27.0</u>	<u>\$ 7.6</u>	<u>\$ 167.5</u>

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Condensed Consolidating Statement of Income
For the Six Months Ended March 31, 2010

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ 4,222.9	\$ 2,038.9	\$ 388.5	\$ (1,352.0)	\$ 5,298.3
Cost of sales	3,367.7	1,809.3	361.1	(1,346.8)	4,191.3
Gross income	855.2	229.6	27.4	(5.2)	1,107.0
Selling, general and administrative expenses	94.2	73.8	65.1	—	233.1
Amortization of purchased intangibles	—	20.1	10.5	—	30.6
Intangible asset impairment charges	—	—	23.3	—	23.3
Operating income (loss)	761.0	135.7	(71.5)	(5.2)	820.0
Interest expense	(140.0)	(84.8)	(1.6)	129.9	(96.5)
Interest income	1.7	10.3	119.3	(129.9)	1.4
Miscellaneous, net	4.6	(53.1)	49.7	—	1.2
Income (loss) from continuing operations before income taxes	627.3	8.1	95.9	(5.2)	726.1
Provision for (benefit from) income taxes	219.7	12.4	30.3	(1.8)	260.6
Income (loss) from continuing operations before equity in earnings of affiliates	407.6	(4.3)	65.6	(3.4)	465.5
Equity in earnings (losses) of consolidated subsidiaries	53.2	(17.8)	(18.8)	(16.6)	—
Equity in earnings (losses) of unconsolidated affiliates	—	—	(0.4)	—	(0.4)
Income (loss) from continuing operations	460.8	(22.1)	46.4	(20.0)	465.1
Discontinued operations, net of tax	1.4	—	(4.3)	—	(2.9)
Net income (loss)	462.2	(22.1)	42.1	(20.0)	462.2
Net loss attributable to the noncontrolling interest	—	—	—	—	—
Net income (loss) attributable to Oshkosh Corporation	\$ 462.2	\$ (22.1)	\$ 42.1	\$ (20.0)	\$ 462.2

Condensed Consolidating Balance Sheet
As of March 31, 2011

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 271.7	\$ 4.9	\$ 140.1	\$ —	\$ 416.7
Receivables, net	371.4	326.3	138.9	(62.7)	773.9
Inventories, net	202.0	320.2	253.3	(1.9)	773.6
Other current assets	80.1	32.9	24.8	—	137.8
Total current assets	925.2	684.3	557.1	(64.6)	2,102.0
Investment in and advances to consolidated subsidiaries	2,501.2	(1,308.7)	2,748.9	(3,941.4)	—
Intangible assets, net	—	1,153.7	776.6	—	1,930.3
Other long-term assets	166.0	159.5	189.4	—	514.9
Total assets	\$ 3,592.4	\$ 688.8	\$ 4,272.0	\$ (4,006.0)	\$ 4,547.2
Liabilities and Equity					
Current liabilities:					
Accounts payable	\$ 396.7	\$ 227.1	\$ 104.9	\$ (59.3)	\$ 669.4
Customer advances	115.8	122.8	11.4	—	250.0
Other current liabilities	317.2	133.2	99.3	(5.3)	544.4
Total current liabilities	829.7	483.1	215.6	(64.6)	1,463.8
Long-term debt, less current maturities	1,053.7	0.1	—	—	1,053.8
Other long-term liabilities	166.8	172.9	147.7	—	487.4
Equity:					
Oshkosh Corporation shareholders' equity	1,542.7	32.7	3,909.2	(3,941.9)	1,542.7
Noncontrolling interest	(0.5)	—	(0.5)	0.5	(0.5)
Total equity	1,542.2	32.7	3,908.7	(3,941.4)	1,542.2
Total liabilities and equity	\$ 3,592.4	\$ 688.8	\$ 4,272.0	\$ (4,006.0)	\$ 4,547.2

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Condensed Consolidating Balance Sheet

As of September 30, 2010

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 202.2	\$ 2.5	\$ 134.3	\$ —	\$ 339.0
Receivables, net	481.8	364.1	147.4	(103.8)	889.5
Inventories, net	348.4	257.2	244.8	(1.8)	848.6
Other current assets	78.8	31.0	29.0	—	138.8
Total current assets	1,111.2	654.8	555.5	(105.6)	2,215.9
Investment in and advances to consolidated subsidiaries	2,602.3	(1,367.1)	2,678.8	(3,914.0)	—
Intangible assets, net	—	1,170.9	775.0	—	1,945.9
Other long-term assets	168.0	163.1	215.7	—	546.8
Total assets	<u>\$ 3,881.5</u>	<u>\$ 621.7</u>	<u>\$ 4,225.0</u>	<u>\$ (4,019.6)</u>	<u>\$ 4,708.6</u>

Liabilities and Equity

Current liabilities:					
Accounts payable	\$ 588.6	\$ 144.7	\$ 85.3	\$ (100.9)	\$ 717.7
Customer advances	251.5	106.7	15.0	—	373.2
Other current liabilities	468.3	141.7	115.8	(4.7)	721.1
Total current liabilities	1,308.4	393.1	216.1	(105.6)	1,812.0
Long-term debt, less current maturities	1,086.4	—	—	—	1,086.4
Other long-term liabilities	159.9	179.2	144.3	—	483.4
Equity:					
Oshkosh Corporation shareholders' equity	1,326.8	49.4	3,864.4	(3,914.0)	1,326.6
Noncontrolling interest	—	—	0.2	—	0.2
Total equity	1,326.8	49.4	3,864.6	(3,914.0)	1,326.8
Total liabilities and equity	<u>\$ 3,881.5</u>	<u>\$ 621.7</u>	<u>\$ 4,225.0</u>	<u>\$ (4,019.6)</u>	<u>\$ 4,708.6</u>

Condensed Consolidating Statement of Cash Flows

For the Six Months Ended March 31, 2011

	Oshkosh Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided (used) by operating activities	\$ 90.1	\$ 61.1	\$ 105.4	\$ —	\$ 256.6
Investing activities:					
Additions to property, plant and equipment	(17.5)	(8.8)	(4.7)	—	(31.0)
Additions to equipment held for rental	—	—	(3.1)	—	(3.1)
Intercompany investing	154.1	(37.1)	(103.4)	(13.6)	—
Other investing activities	(0.2)	0.1	7.5	—	7.4
Net cash provided (used) by investing activities	136.4	(45.8)	(103.7)	(13.6)	(26.7)
Financing activities:					
Repayment of long-term debt	(65.2)	(0.1)	—	—	(65.3)
Net repayments under revolving credit facility	(100.0)	—	—	—	(100.0)
Intercompany financing	(0.6)	(13.0)	—	13.6	—
Other financing activities	8.8	—	—	—	8.8
Net cash used by financing activities	(157.0)	(13.1)	—	13.6	(156.5)
Effect of exchange rate changes on cash	—	0.2	4.1	—	4.3
Increase (decrease) in cash and cash equivalents	69.5	2.4	5.8	—	77.7
Cash and cash equivalents at beginning of period	202.2	2.5	134.3	—	339.0
Cash and cash equivalents at end of period	<u>\$ 271.7</u>	<u>\$ 4.9</u>	<u>\$ 140.1</u>	<u>\$ —</u>	<u>\$ 416.7</u>

OSHKOSH CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended March 31, 2010

	<u>Oshkosh Corporation</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net cash provided (used) by operating activities	\$ 682.7	\$ (68.8)	\$ 151.4	\$ —	\$ 765.3
Investing activities:					
Additions to property, plant and equipment	(23.8)	(5.3)	(5.3)	—	(34.4)
Additions to equipment held for rental	—	—	(3.5)	—	(3.5)
Intercompany investing	99.5	84.1	(170.0)	(13.6)	—
Other investing activities	—	0.1	7.2	—	7.3
Net cash provided (used) by investing activities	75.7	78.9	(171.6)	(13.6)	(30.6)
Financing activities:					
Repayment of long-term debt	(906.7)	(0.1)	(0.2)	—	(907.0)
Proceeds from issuance of long-term debt	500.0	—	—	—	500.0
Intercompany financing	(0.6)	(13.0)	—	13.6	—
Other financing activities	(6.6)	—	—	—	(6.6)
Net cash used by financing activities	(413.9)	(13.1)	(0.2)	13.6	(413.6)
Effect of exchange rate changes on cash	—	0.1	(6.7)	—	(6.6)
Increase (decrease) in cash and cash equivalents	344.5	(2.9)	(27.1)	—	314.5
Cash and cash equivalents at beginning of period	340.6	5.6	184.2	—	530.4
Cash and cash equivalents at end of period	<u>\$ 685.1</u>	<u>\$ 2.7</u>	<u>\$ 157.1</u>	<u>\$ —</u>	<u>\$ 844.9</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement About Forward-Looking Statements

This Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations and other sections of this Form 10-Q contain statements that Oshkosh Corporation (the "Company") believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including, without limitation, statements regarding the Company's future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations, including those under the caption "Executive Overview," are forward-looking statements. When used in this Form 10-Q, words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "project" or "plan" or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond the Company's control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the impact on revenues and margins of the decrease in MRAP-All Terrain Vehicle ("M-ATV") production rates; the cyclical nature of the Company's access equipment, commercial and fire & emergency markets, especially during periods of global economic weakness, tight credit markets and lower municipal spending; the Company's ability to produce vehicles under the Family of Medium Tactical Vehicles ("FMTV") contract at targeted margins and at required volumes to receive and sustain performance-based payments; the duration of the ongoing global economic weakness, which could lead to additional impairment charges related to many of the Company's intangible assets and/or a slower recovery in the Company's cyclical businesses than equity market expectations; the expected level and timing of U.S. Department of Defense ("DoD") procurement of products and services and funding thereof; risks related to reductions in government expenditures in light of U.S. defense budget pressures and an uncertain DoD tactical wheeled vehicle strategy; the potential for the U.S. government to competitively bid the Company's Army and Marine Corps contracts; the consequences of financial leverage, which could limit the Company's ability to pursue various opportunities; increasing commodity and other raw material costs, particularly in a sustained economic recovery; the ability to pass on to customers price increases to offset higher input costs; risks related to costs and charges as a result of facilities consolidation and alignment, including that anticipated cost savings may not be achieved; risks related to the collectability of receivables, particularly for those businesses with exposure to construction markets; the cost of any warranty campaigns related to the Company's products; risks related to production delays arising from supplier quality or production issues, especially in light of the significant recent earthquake and subsequent tsunami in Japan; risks associated with international operations and sales, including foreign currency fluctuations and compliance with the Foreign Corrupt Practices Act; risks related to work stoppages and other labor matters, especially in light of the pending contract expiration for union employees at the Company's Oshkosh defense facilities; the potential for disruptions or cost overruns in the Company's global enterprise system implementation; the potential for increased costs relating to compliance with changes in laws and regulations; and risks related to disruptions in the Company's distribution networks. Additional information concerning these and other factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's U.S. Securities and Exchange Commission ("SEC") filings, including, but not limited to, the Company's Current Report on Form 8-K filed with the SEC on April 28, 2011 and Item 1A. of Part II of this Quarterly Report on Form 10-Q.

All forward-looking statements, including those under the caption "Executive Overview," speak only as of the date the Company files this Quarterly Report on Form 10-Q with the SEC. The Company assumes no obligation, and disclaims any obligation, to update information contained in this Quarterly Report on Form 10-Q. Investors should be aware that the Company may not update such information until the Company's next quarterly earnings conference call, if at all.

All references herein to earnings per share refer to earnings per share assuming dilution.

General

Major products manufactured and marketed by each of the Company's business segments are as follows:

Defense — tactical trucks and supply parts and services sold to the U.S. military and to other militaries around the world.

Access equipment — aerial work platforms and telehandlers used in a wide variety of construction, industrial, institutional and general maintenance applications to position workers and materials at elevated heights, as well as wreckers and carriers. Access equipment customers include equipment rental companies, construction contractors, manufacturing companies, home improvement centers, the U.S. military and towing companies in the U.S. and abroad.

Fire & emergency — custom and commercial firefighting vehicles and equipment, aircraft rescue and firefighting vehicles, snow removal vehicles, ambulances and other emergency vehicles primarily sold to fire departments, airports and other governmental units, mobile medical trailers sold to hospitals and third-party medical service providers in the Americas and abroad and broadcast vehicles sold to broadcasters and TV stations in North America and abroad.

Commercial — concrete mixers, refuse collection vehicles, portable and stationary concrete batch plants and vehicle components sold to ready-mix companies and commercial and municipal waste haulers in the Americas and other international markets and field service vehicles and truck-mounted cranes sold to mining, construction and other companies in the U.S. and abroad.

Executive Overview

The Company continued its transition in the second quarter of fiscal 2011 from high volume production of M-ATVs to the gradual launch of production of the U.S. Army's FMTVs. As margins on the FMTV program have been and are expected to remain significantly lower than the margins the Company generated on the M-ATV program, this transition will challenge the Company's earnings comparisons during fiscal 2011, but the Company continues to expect to be profitable during both the third and fourth quarters of fiscal 2011. The Company remains focused on optimizing its operations and investing in its people, its infrastructure and new product development to position itself to take advantage of future growth opportunities.

Combined vehicle and parts & service revenues under the M-ATV program totaled \$248.8 million in the second quarter of fiscal 2011, which reflected a decrease of \$1.38 billion from the prior year second quarter. Lower M-ATV revenues were the primary driver for the \$1.12 billion, or 39.1%, decrease in consolidated revenues during the period. Completion of the requirements on the M-ATV production contract also was a significant factor that contributed to a \$361.9 million, or 73.2%, decrease in consolidated operating income in the second quarter compared to the previous year second quarter. The Company reported earnings per share of \$0.74 in the second quarter of fiscal 2011, primarily due to defense segment performance and a return to profitability from sales to external customers in the access equipment segment. Orders in the access equipment segment for the second quarter were up significantly, both sequentially from the first quarter and year over year, leading to a backlog of \$596.3 million at March 31, 2011. The strong order rates resulted from replacement of aged equipment in North America and Europe along with economic growth and increased product adoption in emerging markets. Sales in the fire & emergency segment were down from the prior year quarter due largely to continued lower municipal spending in the U.S. Lower sales, an adverse product mix, and facility consolidation costs led to an operating loss in the fire & emergency segment in the second quarter. The commercial segment experienced a slight rebound in sales of aftermarket parts and reported modest operating income for the quarter.

The ramp-up of the FMTV program has been challenging for the Company as it worked through a number of issues associated with the start-up of production. The Company expensed start-up costs of \$13.5 million during the second quarter of fiscal 2011, which resulted in a loss for the FMTV program for the quarter. The Company expects to incur additional start-up costs in the third and fourth quarters of fiscal 2011, but at amounts lower than in the second quarter, which it expects will lead to further losses for the program in those quarters. The Company expects that FMTV production and sales beyond fiscal 2011 will be profitable and, therefore, has not recorded a charge for a loss contract. In evaluating the profitability under the FMTV contract, it is necessary to estimate future production costs. Management cost assumptions include estimates for future increases in the costs of raw materials, targeted cost savings and production efficiencies. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of profitability. For example, a 1% escalation in material costs over the Company's projection for FMTV orders currently in backlog would increase the cost of materials by approximately \$21 million. Although this amount is less than the expected future profitability, it would significantly reduce the expected future gross margins on orders received to date. It is possible that assumptions underlying the analysis could change in such a manner that the Company would determine in the future that this is a loss contract, which could result in a material charge.

While not providing specific quantitative guidance for the remainder of fiscal 2011, the Company believes that operating income and net income in the last six months of fiscal 2011 will be lower than the first six months of fiscal 2011 as the first half of fiscal 2011 benefitted from \$763.8 million of M-ATV related sales. The Company expects that aggregate sales in its defense segment will be \$4.1 to \$4.2 billion in fiscal 2011. The defense segment sales estimate is down \$300 million from the Company's first quarter expectations as certain sales previously expected to be realized in fiscal 2011 will not be realized until fiscal 2012 due to the late signing of the fiscal 2011 U.S. federal budget. The Company believes that sufficient time does not exist to obtain a delivery order, manufacture and deliver the vehicles in time for the sales to occur in fiscal 2011. In addition, the Company has removed sales under a contract to produce 250 M-ATV ambulances for the DoD from its defense sales estimate as a result of a stop work order it received during the second quarter of fiscal 2011. The Company expects that

operating income margins in the defense segment in the second half of the fiscal year will be significantly lower than the first half of the fiscal year as FMTV sales volume is expected to progressively increase through the remainder of the year. As a result, the Company believes that defense segment operating income margins for the full year will be in the low double digits as a percentage of sales, with margins in the third quarter expected to be higher than in the fourth quarter as a result of a more favorable sales mix. The Company believes that start-up related issues associated with the FMTV program, which included diverting resources from cost reduction efforts, will cause the Company to realize a loss on units delivered under the FMTV contract in fiscal 2011.

The Company believes that the access equipment segment will record solid year-over-year gains in sales to external customers in fiscal 2011 based on higher equipment replacement demand in North America and Europe and continued growth in emerging markets. The Company continues to believe that operating income margins in the access equipment segment, including the impact of any restructuring charges, will be in the low single digits in fiscal 2011. The Company expects to incur \$2 to \$7 million of additional charges in connection with the announced plant consolidations in the access equipment segment in fiscal 2011.

Due primarily to continued weak municipal spending on fire apparatus, the Company believes that fire & emergency segment sales in fiscal 2011 will be down compared to fiscal 2010. The Company anticipates that sales in the second half of fiscal 2011 will be stronger than in the first half due to scheduled deliveries currently in our backlog, including a few multi-unit international orders. The Company expects that this segment will be profitable in the second half of fiscal 2011, but believes that full year operating income margins will be significantly lower than in fiscal 2010 due to the lower volume, increased new product development spending, and a more challenging pricing environment, especially internationally. In addition, the Company expects to incur approximately \$5 million of additional charges in connection with the previously announced plant consolidations in the fire & emergency segment in fiscal 2011.

The Company believes that sales in the commercial segment will be down slightly in fiscal 2011 compared to fiscal 2010. While the Company expects concrete mixer sales will remain relatively flat domestically, it believes that international concrete mixer sales will continue to grow. The Company estimates that refuse collection vehicle sales will be slightly lower in fiscal 2011 compared to fiscal 2010. The Company expects that operating income margins in the commercial segment will be slightly lower in fiscal 2011 than in fiscal 2010 due to an expected reduction of LIFO inventory benefits.

The Company expects that corporate expenses will be higher in fiscal 2011 than in fiscal 2010 as a result of increased investments to support global growth initiatives. The Company expects significantly lower interest expense in fiscal 2011 due to lower debt levels and a lower interest rate spread as a result of the refinancing of its credit agreement completed in September 2010. The Company expects that fiscal 2011 capital expenditures will approximate \$100 million to \$110 million. The Company believes that its fiscal 2011 effective income tax rate will approximate 36%, including the benefit of discrete items reflected in the first six months of fiscal 2011.

Results of Operations

Analysis of Consolidated Net Sales

The following table presents net sales by business segment (in millions):

	Second Quarter Fiscal		First Six Months Fiscal	
	2011	2010	2011	2010
Net sales				
Defense	\$ 972.3	\$ 2,270.2	\$ 2,086.0	\$ 4,129.9
Access equipment	471.2	1,010.2	798.5	1,763.9
Fire & emergency	177.2	214.1	378.7	439.3
Commercial	151.7	145.9	271.2	301.0
Intersegment eliminations	(26.8)	(776.2)	(88.0)	(1,335.8)
Consolidated	<u>\$ 1,745.6</u>	<u>\$ 2,864.2</u>	<u>\$ 3,446.4</u>	<u>\$ 5,298.3</u>

Second Quarter Fiscal 2011 Compared to 2010

Consolidated net sales decreased 39.1% to \$1.75 billion for the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010 largely due to the scheduled decrease in sales under the M-ATV contract.

Defense segment net sales decreased 57.2% to \$972.3 million for the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010. The decrease in sales was primarily due to completion of M-ATV production under the initial delivery orders awarded during fiscal 2009 and 2010, offset in part by higher shipments of reducible height armor kits of \$73.6 million. Combined vehicle and parts & service sales related to the M-ATV program totaled \$248.8 million in the second quarter of fiscal 2011, a decrease of \$1.38 billion as compared to the second quarter of the prior year.

Access equipment segment net sales decreased 53.3% to \$471.2 million for the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010 due to the cessation of intersegment M-ATV related production, offset in part by increased sales to external customers. Second quarter fiscal 2010 sales included \$737.2 million in intersegment M-ATV related sales. Sales to external customers increased 72.7% compared to the second quarter of fiscal 2010 primarily as a result of improved replacement demand in North America following extremely low demand in the prior year quarter. Sales of new access equipment increased 101.0% compared with the prior year quarter as a result of the replacement of aged equipment in North America and Europe as well as economic growth and increased product adoption in emerging markets.

Fire & emergency segment net sales decreased 17.2% to \$177.2 million for the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010. The decrease in sales reflected lower fire fighting apparatus volume (\$31.6 million) and a shift in the timing of airport products sales to later in the fiscal year (\$15.8 million). Weak municipal spending in the U.S. was the primary driver of a decrease in the fire fighting apparatus sales, with the North American market down by approximately 30 percent from its long-term average.

Commercial segment net sales increased 3.9% to \$151.7 million for the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010. The slight increase in sales was primarily the result of improved aftermarket parts sales.

First Six Months of Fiscal 2011 Compared to 2010

Consolidated net sales decreased 35.0% to \$3.45 billion for the first six months of fiscal 2011 compared to the first six months of fiscal 2010 largely due to the scheduled decrease in sales under the M-ATV contract.

Defense segment net sales decreased 49.5% to \$2.09 billion for the first six months of fiscal 2011 compared to the first six months of fiscal 2010. The decrease in sales was primarily due to completion of M-ATV production under the initial delivery orders awarded during fiscal 2009 and 2010 and lower Family of Heavy Tactical Vehicles ("FHTV") volume (\$119.2 million), offset in part by an increase in M-ATV related aftermarket parts & service sales. Combined vehicle and parts & services sales related to the M-ATV program totaled \$763.8 million in the first six months of fiscal 2011, a decrease of \$1.97 billion as compared to the first six months of the prior year.

Access equipment segment net sales decreased 54.7% to \$798.5 million for the first six months of fiscal 2011 compared to the first six months of fiscal 2010. Sales for the first six months of fiscal 2011 included \$36.7 million in intersegment M-ATV related sales compared to \$1.27 billion in the first six months of fiscal 2010. Sales to external customers totaled \$761.8 million in the first six months of fiscal 2011, a 55.0% increase compared to the first six months of fiscal 2010. The increase in sales to external customers was primarily related to improved demand following extremely low demand in the prior year. Sales of new equipment increased 77.2% compared with the prior year period as a result of replacement of aged equipment in North America and Europe as well as economic growth and increased product adoption in emerging markets.

Fire & emergency segment net sales decreased 13.8% to \$378.7 million for the first six months of fiscal 2011 compared to the first six months of fiscal 2010. The decrease in sales reflected lower fire fighting apparatus volume (\$80.0 million) due to soft demand attributable to weak municipal spending in the U.S.

Commercial segment net sales decreased 9.9% to \$271.2 million for the first six months of fiscal 2011 compared to the first six months of fiscal 2010. The decrease in sales was primarily the result of a \$36.9 million decline in refuse collection vehicles volume due to lower volume with large waste haulers as a result of delayed orders.

Analysis of Consolidated Cost of Sales

Second Quarter Fiscal 2011 Compared to 2010

Consolidated cost of sales were \$1.46 billion, or 83.9% of sales, in the second quarter of fiscal 2011 compared to \$2.24 billion, or 78.1% of sales, in the second quarter of fiscal 2010. The 580 basis point increase in cost of sales as a percentage of sales in the second quarter of fiscal 2011 compared to the same quarter in the prior year was generally due to

under absorption of fixed costs and inefficiencies associated with lower sales (250 basis points), adverse product mix (230 basis points) and higher new product development spending (130 basis points).

First Six Months of Fiscal 2011 Compared to 2010

Consolidated cost of sales were \$2.86 billion, or 82.9% of sales, in the first six months of fiscal 2011 compared to \$4.19 billion, or 79.1% of sales, in the first six months of fiscal 2010. The 380 basis point increase in cost of sales as a percentage of sales in the first six months of fiscal 2011 compared to the same period in the prior year was generally due to under absorption of fixed costs and inefficiencies associated with lower sales (240 basis points) and higher new product development spending (110 basis points).

Analysis of Consolidated Operating Income (Loss)

The following table presents operating income (loss) by business segment (in millions):

	Second Quarter Fiscal		First Six Months Fiscal	
	2011	2010	2011	2010
Operating income (loss)				
Defense	\$ 141.6	\$ 452.8	\$ 359.5	\$ 792.5
Access equipment	17.7	45.8	1.0	59.1
Fire & emergency	(6.6)	19.3	(4.0)	17.3
Commercial	5.3	1.4	(2.4)	4.5
Corporate	(25.5)	(23.8)	(56.7)	(48.2)
Intersegment eliminations	(0.1)	(1.2)	3.7	(5.2)
Consolidated	<u>\$ 132.4</u>	<u>\$ 494.3</u>	<u>\$ 301.1</u>	<u>\$ 820.0</u>

Second Quarter Fiscal 2011 Compared to 2010

Consolidated operating income decreased 73.2% to \$132.4 million, or 7.6% of sales, in the second quarter of fiscal 2011 compared to \$494.3 million, or 17.3% of sales, in the second quarter of fiscal 2010. The decrease in operating income was primarily the result of lower sales volume.

Defense segment operating income decreased 68.7% to \$141.6 million, or 14.6% of sales, in the second quarter of fiscal 2011 compared to \$452.8 million, or 19.9% of sales, in the prior year quarter. The decrease in operating income as a percentage of sales compared to the prior year quarter reflected the impact of lower production volumes on a relatively fixed cost base (360 basis points), an adverse product mix (210 basis points), start-up losses on the FMTV contract (140 basis points) and higher new product development spending (70 basis points), offset in part by favorable warranty and undefinitized contract award adjustments (120 basis points) related to changes to cost estimates on the M-ATV SOCOM variant.

Access equipment segment operating income decreased 61.2% to \$17.7 million, or 3.8% of sales, for the second quarter of fiscal 2011 compared to operating income of \$45.8 million, or 4.5% of sales, in the prior year quarter. The decline in operating results was due to the cessation of intersegment M-ATV related sales offset in part by higher sales to external customers and improved product mix. In the prior year quarter, the access equipment segment recognized \$737.2 million of intersegment M-ATV related sales at high single-digit margins.

The fire & emergency segment reported an operating loss of \$6.6 million, or 3.7% of sales, for the second quarter of fiscal 2011 compared to operating income of \$19.3 million, or 9.0% of sales, in the prior year quarter. The decline in operating results largely reflected lower sales volumes and the related absorption impact (\$12.0 million) and adverse product mix (\$3.3 million). Second quarter fiscal 2011 results also included restructuring charges and other costs related to the Company's plans to rationalize and optimize its global manufacturing footprint of \$3.2 million.

Commercial segment operating income increased 273.4% to \$5.3 million, or 3.5% of sales, for the second quarter of fiscal 2011 compared to operating income of \$1.4 million, or 1.0% of sales, in the prior year quarter. The increase in operating results was largely due to improved absorption related to increased production levels compared to the prior year period.

Corporate operating expenses increased \$1.7 million to \$25.5 million in the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010, largely due to the Company's investment to support its growth initiatives for fiscal 2012 and beyond.

Consolidated selling, general and administrative expenses increased 13.0% to \$133.7 million, or 7.7% of sales, in the second quarter of fiscal 2011 compared to \$118.3 million, or 4.1% of sales, in the second quarter of fiscal 2010. The increase in selling, general and administrative expenses was due primarily to higher salaries and fringe benefits (\$7.8 million), outside services (\$2.5 million), advertising and trade shows (\$2.4 million) and travel (\$1.7 million). Consolidated selling, general and administrative expenses as a percentage of sales increased largely due to lower sales in the current year quarter.

First Six Months Fiscal 2011 Compared to 2010

Consolidated operating income decreased 63.3% to \$301.1 million, or 8.7% of sales, in the first six months of fiscal 2011 compared to \$820.0 million, or 15.5% of sales, in the first six months of fiscal 2010. Operating income in the first six months of fiscal 2010 included pre-tax, non-cash charges for the impairment of goodwill and other long-lived assets in the Company's fire & emergency segment of \$23.3 million. The decrease in operating income was primarily the result of lower sales volume.

Defense segment operating income decreased 54.6% to \$359.5 million, or 17.2% of sales, in the first six months of fiscal 2011 compared to \$792.5 million, or 19.2% of sales, in the first six months of fiscal 2010. The decrease in operating income as a percentage of sales compared to the first six months of the prior year reflected the impact of lower M-ATV production and sales on a relatively fixed cost base (280 basis points), start-up losses on the FMTV contract (70 basis points) and higher new product development spending (50 basis points), offset in part by favorable warranty and undefinitized contract award adjustments (80 basis points) related to the M-ATV contract.

Access equipment segment operating income decreased 98.2% to \$1.0 million, or 0.1% of sales, in the first six months of fiscal 2011 compared to \$59.1 million, or 3.3% of sales, in the first six months of fiscal 2010. The decline in operating results was due to the decrease in intersegment M-ATV related sales, offset in part by higher sales to external customers, improved product mix and the reversal of provisions for credit losses of \$6.0 million, primarily related to a customer settlement, compared to a provision for credit losses of \$8.8 million in the first six months of the prior year. In the first six months of the prior year, the access equipment segment recognized \$1.27 billion of intersegment M-ATV related sales at high single-digit margins compared to intersegment M-ATV related sales of \$36.7 million at mid single-digit margins in the first six months of fiscal 2011.

The fire & emergency segment reported an operating loss of \$4.0 million, or 1.1% of sales, for the first six months of fiscal 2011 compared to operating income of \$17.3 million, or 3.9% of sales, in the first six months of fiscal 2010. The operating results in the first six months of fiscal 2010 included pre-tax, non-cash charges for the impairment of goodwill and other long-lived assets of \$23.3 million. The decrease in operating results largely reflected lower sales volumes and the related absorption impact (\$27.2 million), restructuring charges and other costs related to the Company's plans to rationalize and optimize its global manufacturing footprint (\$4.2 million) and pricing of international sales.

The commercial segment generated an operating loss of \$2.4 million, or 0.9% of sales, in the first six months of fiscal 2011 compared to operating income of \$4.5 million, or 1.5% of sales, in the first six months of fiscal 2010. The decrease in operating results was largely a result of lower sales volumes.

Corporate operating expenses increased \$8.5 million to \$56.7 million in the first six months of fiscal 2011 compared to the first six months of fiscal 2010, largely due to higher compensation related to the elimination of prior year salary and benefit reductions and higher share-based compensation related to increases in share price, along with the Company's investments to support its growth initiatives for fiscal 2012 and beyond.

Intersegment profit of \$3.7 million in the first six months of fiscal 2011 resulted from profit on intersegment sales between segments (largely M-ATV related sales between access equipment and defense). To the extent that the purchasing segment sells the inventory to an outside party, previously deferred intersegment profits are recognized in consolidated earnings through intersegment profit eliminations.

Consolidated selling, general and administrative expenses increased 11.0% to \$258.7 million, or 7.5% of sales, in the first six months of fiscal 2011 compared to \$233.1 million, or 4.4% of sales, in the first six months of fiscal 2010. The increase in selling, general and administrative expenses was due primarily to higher salaries and fringe benefits (\$17.7 million), outside services (\$5.7 million), restructuring costs (\$4.3 million) and travel (\$4.0 million), offset in part by a lower provision for credit losses of \$14.9 million. Consolidated selling, general and administrative expenses as a percentage of sales increased largely due to lower sales in the current year period.

Analysis of Non-Operating Income Statement Items

Second Quarter Fiscal 2011 Compared to 2010

Interest expense net of interest income decreased \$24.5 million to \$20.7 million in the second quarter of fiscal 2011 compared to the second quarter of fiscal 2010, largely as a result of the effect of lower borrowings as well as lower interest rates following the refinancing of the Company's credit agreement in September 2010. Average debt outstanding decreased from \$1.67 billion during the second quarter of fiscal 2010 to \$1.09 billion in the second quarter of fiscal 2011 as a result of strong cash flow generation during the last 12 months. In addition, the Company wrote-off deferred financing expenses of \$5.3 million associated with the prepayment of debt in the second quarter of fiscal 2010.

The Company recorded a provision for income taxes of 39.5% of pre-tax income in the second quarter of fiscal 2011 compared to 35.0% in the prior year quarter. Second quarter fiscal 2011 results include unbenefitted foreign losses which increased the effective income tax rate by approximately 250 basis points.

Equity in earnings (losses) of unconsolidated affiliates of \$(0.2) million in the second quarter of fiscal 2011 and \$(0.1) million in the second quarter of fiscal 2010 primarily represented the Company's equity interest in a lease financing partnership, a commercial entity in Mexico and a joint venture in Europe.

First Six Months Fiscal 2011 Compared to 2010

Interest expense net of interest income decreased \$48.7 million to \$46.4 million in the first six months of fiscal 2011 compared to the first six months of fiscal 2010, largely as a result of the effect of lower borrowings. Average debt outstanding decreased from \$1.79 billion during the first six months of fiscal 2010 to \$1.12 billion in the first six months of fiscal 2011.

The Company recorded a provision for income taxes of 34.6% of pre-tax income in the first six months of fiscal 2011 compared to 35.9% for the first six months of fiscal 2010. The first six months of fiscal 2011 effective tax rate included discrete tax benefits associated with the impact of benefits associated with foreign tax credits related to a decision to repatriate earnings previously fully reinvested (234 basis points), the December 2010 reinstatement of the U.S. research and development tax credit (83 basis points) and reductions of tax reserves associated with expiration of statutes of limitations (66 basis points). These discrete benefits were partially offset by unbenefitted foreign losses (216 basis points) due to cumulative net operating losses.

Equity in earnings (losses) of unconsolidated affiliates of \$0.2 million in the first six months of fiscal 2011 and \$(0.4) million in the first six months of fiscal 2010 primarily represented the Company's equity interest in a lease financing partnership, a commercial entity in Mexico and a joint venture in Europe.

Liquidity and Capital Resources

Financial Condition at March 31, 2011

The Company's capitalization was as follows (in millions):

	March 31, 2011	September 30, 2010
Cash and cash equivalents	\$ 416.7	\$ 339.0
Total debt	1,136.9	1,302.3
Oshkosh Corporation shareholders' equity	1,542.7	1,326.6
Total capitalization (debt plus equity)	2,679.6	2,628.9
Debt to total capitalization	42.4%	49.5%

The Company repaid \$165.3 million of debt during the first six months of fiscal 2011. The Company used cash generated from operations in the first six months of fiscal 2011 to make all scheduled fiscal 2011 principal payments under the Term Loan (as defined in "Liquidity") and repaid \$100.0 million of borrowings under the Company's Revolving Credit Facility (as defined in "Liquidity") during the first six months of fiscal 2011. The Company's primary use of cash generated from operations continued to be debt reduction.

In addition to cash and cash equivalents, the Company had \$467.0 million of unused available capacity under the Revolving Credit Facility as of March 31, 2011. Borrowings under the Revolving Credit Facility could, as discussed below, be limited by the financial covenants contained within the Credit Agreement (as defined in "Liquidity").

Cash Flows

Operating Cash Flows

The Company generated \$256.6 million of cash from operating activities during the first six months of fiscal 2011 compared to \$765.3 million during the first six months of fiscal 2010. The decrease in cash from operating activities in the first six months of fiscal 2011 was primarily due to the decrease in net income and higher working capital requirements. Cash generation (use) from changes in significant working capital accounts were as follows (in millions):

	Six Months Ended March 31,	
	2011	2010
Receivables, net	\$ 119.9	\$ (245.3)
Inventories, net	80.8	(88.5)
Prepaid expenses	(2.1)	98.7
Accounts payable	(46.6)	442.4
Customer advances	(123.2)	(93.5)
Payroll-related obligations	(32.8)	19.0
Deferred revenue	(39.8)	14.8
	<u>\$ (43.8)</u>	<u>\$ 147.6</u>

Changes in receivables, inventories, accounts payable and customer advances in the first six months of fiscal 2011 were primarily driven by reductions in M-ATV production and sales in the defense segment. The change in payroll-related obligations was primarily the result of the payment of fiscal 2010 year-end incentive compensation in the first quarter of fiscal 2011 compared to a lower payout in fiscal 2010. The decrease in deferred revenue in fiscal 2011 resulted from the recognition of revenue on armor kits as a result of the shipment of the product.

The Company's cash flow from operations has fluctuated, and will likely continue to fluctuate, significantly from quarter to quarter due to the start-up or conclusion of large defense contracts and the timing of receipt of individually large performance-based payments from the DoD, as well as changes in working capital requirements arising principally from seasonal fluctuations in sales.

Consolidated days sales outstanding (defined as “Trade Receivables” divided by “Net Sales” for the most recent quarter multiplied by 90 days) increased from 37 days at September 30, 2010 to 39 days at March 31, 2011. The slight increase in days sales outstanding was primarily due to the increase in access equipment segment sales to external customers, which tend to have longer terms than defense sales. Days sales outstanding on non-defense sales was 52 days at March 31, 2011, up from 49 days at September 30, 2010. Consolidated inventory turns (defined as “Cost of Sales” divided by the average “Inventory” as of the previous five quarter end periods) decreased from 6.7 times at September 30, 2010 to 4.9 times at March 31, 2011. The decrease in inventory turns was primarily related to the scheduled completion of M-ATV production in fiscal 2011, which had a positive impact on inventory turns in the prior year period due to the velocity of the program.

Investing Cash Flows

Cash flows relating to investing activities consist primarily of cash used for capital expenditures. Net cash used in investing activities in the first six months of fiscal 2011 was \$26.7 million compared to \$30.6 million in the first six months of fiscal 2010. Capital spending, excluding equipment held for rental, in the first six months of fiscal 2011 remained relatively consistent with the first six months of fiscal 2010. In fiscal 2011, the Company expects capital spending to approximate \$100 million to \$110 million.

Financing Cash Flows

Financing activities consist primarily of repayments of indebtedness. Financing activities resulted in a net use of cash of \$156.5 million during the first six months of fiscal 2011 compared to \$413.6 million during the first six months of fiscal 2010. The repayment of debt has slowed in the first six months of fiscal 2011 as compared to the first six months of fiscal 2010 as a result of the decrease in cash provided by operating activities.

Liquidity

The Company’s primary sources of liquidity are the cash flow generated from income, availability under the \$550.0 million Revolving Credit Facility (as defined below) and available cash and cash equivalents. In addition to cash and cash equivalents of \$416.7 million, the Company had \$467.0 million of unused availability under the Revolving Credit Facility as of March 31, 2011. These sources of liquidity are needed to fund the Company’s working capital requirements, debt service requirements and capital expenditures. The Company expects to have sufficient liquidity to finance its operations over the next twelve months.

Senior Secured Credit Agreement

On September 27, 2010, the Company replaced its existing credit agreement with a new senior secured credit agreement with various lenders (the “Credit Agreement”). The Credit Agreement provides for (i) a revolving credit facility (“Revolving Credit Facility”) that matures in October 2015 with an initial maximum aggregate amount of availability of \$550 million and (ii) a \$650 million term loan (“Term Loan”) facility due in quarterly principal installments of \$16.25 million commencing December 31, 2010 with a balloon payment of \$341.25 million due at maturity in October 2015. During the first quarter of fiscal 2011, the Company prepaid the principal installments which were originally due March 31, 2011 through September 30, 2011.

The Company’s obligations under the Credit Agreement are guaranteed by certain of its domestic subsidiaries, and the Company will guarantee the obligations of certain of its subsidiaries under the Credit Agreement to the extent such subsidiaries borrow directly under the Credit Agreement. Subject to certain exceptions, the Credit Agreement is secured by (i) a first-priority perfected lien and security interests in substantially all of the personal property of the Company, each material subsidiary of the Company and each subsidiary guarantor, (ii) mortgages upon certain real property of the Company and certain of its domestic subsidiaries and (iii) a pledge of the equity of each material subsidiary and each subsidiary guarantor.

The Company must pay (1) an unused commitment fee ranging from 0.40% to 0.50% per annum of the average daily unused portion of the aggregate revolving credit commitments under the Credit Agreement and (2) a fee ranging from 1.125% to 3.50% per annum of the maximum amount available to be drawn for each letter of credit issued and outstanding under the Credit Agreement.

Borrowings under the Credit Agreement bear interest at a variable rate equal to (i) LIBOR plus a specified margin, which may be adjusted upward or downward depending on whether certain criteria are satisfied, or (ii) for dollar-denominated loans only, the base rate (which is the highest of (a) the administrative agent's prime rate, (b) the federal funds rate plus 0.50% or (c) the sum of 1% plus one-month LIBOR) plus a specified margin, which may be adjusted upward or downward depending on whether certain criteria are satisfied. At March 31, 2011, the interest spread on the Revolving Credit Facility and Term Loan was 250 basis points. The weighted-average interest rate on borrowings outstanding at March 31, 2011, prior to consideration of the interest rate swap, was 2.75% for the Revolving Credit Facility and 2.78% for the Term Loan.

To manage a portion of the Company's exposure to changes in LIBOR-based interest rates on its variable-rate debt, the Company entered into an amortizing interest rate swap agreement in 2007 that effectively fixes the interest payments on a portion of the Company's variable-rate debt. The swap, which has a termination date of December 6, 2011, effectively fixes the LIBOR-based interest rate on the debt in the amount of the notional amount of the swap at 5.105% plus the applicable spread based on the terms of the Credit Agreement (7.605% at March 31, 2011). The notional amount of the swap at March 31, 2011 was \$250 million.

Covenant Compliance

The Credit Agreement contains various restrictions and covenants, including requirements that the Company maintain certain financial ratios at prescribed levels and restrictions on the ability of the Company and certain of its subsidiaries to consolidate or merge, create liens, incur additional indebtedness, dispose of assets, consummate acquisitions and make investments in joint ventures and foreign subsidiaries. The Credit Agreement contains the following financial covenants:

- **Leverage Ratio:** A maximum leverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated indebtedness to consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and certain other items ("EBITDA")) as of the last day of any fiscal quarter of 4.50 to 1.0.
- **Interest Coverage Ratio:** A minimum interest coverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated EBITDA to the Company's consolidated cash interest expense) as of the last day of any fiscal quarter of 2.50 to 1.0.
- **Senior Secured Leverage Ratio:** A maximum senior secured leverage ratio (defined as, with certain adjustments, the ratio of the Company's consolidated secured indebtedness to the Company's consolidated EBITDA) of the following:

Fiscal Quarters Ending	
March 31, 2011 through September 30, 2011	3.25 to 1.0
December 31, 2011 through September 30, 2012	3.00 to 1.0
Thereafter	2.75 to 1.0

The Company was in compliance with the financial covenants contained in the Credit Agreement as of March 31, 2011 and expects to be able to meet the financial covenants contained in the Credit Agreement over the next twelve months.

Additionally, with certain exceptions, the Credit Agreement limits the ability of the Company to pay dividends and other distributions. However, so long as no event of default exists under the Credit Agreement or would result from such payment, the Company may pay dividends and other distributions in an aggregate amount not exceeding the sum of:

- (i) \$50 million during any fiscal year; plus
- (ii) the excess of (a) 25% of the cumulative net income of the Company and its consolidated subsidiaries for all fiscal quarters ending after September 27, 2010, over (b) the cumulative amount of all such dividends and other distributions made in any fiscal year ending after such date that exceed \$50 million; plus
- (iii) for each of the first four fiscal quarters ending after September 27, 2010, \$25 million per fiscal quarter, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0; plus
- (iv) for the period of four fiscal quarters ending September 30, 2011 and for each period of four fiscal quarters ending thereafter, \$100 million during such period, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0.

Senior Notes

In March 2010, the Company issued \$250.0 million of 8¼% unsecured senior notes due March 1, 2017 and \$250.0 million of 8½% unsecured senior notes due March 1, 2020 (collectively, the “Senior Notes”). The Senior Notes were issued pursuant to an indenture (the “Indenture”) among the Company, the subsidiary guarantors named therein and a trustee. The Indenture contains customary affirmative and negative covenants. The Company has the option to redeem the Senior Notes due 2017 and Senior Notes due 2020 for a premium after March 1, 2014 and March 1, 2015, respectively. Certain of the Company’s subsidiaries fully, unconditionally, jointly and severally guarantee the Company’s obligations under the Senior Notes. See Note 19 of the Notes to Condensed Consolidated Financial Statements for separate financial information of the subsidiary guarantors.

Refer to Note 8 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company’s outstanding debt as of March 31, 2011.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Arrangements

The Company’s contractual obligations, commercial commitments and off-balance sheet arrangement disclosures in its Annual Report on Form 10-K for the year ended September 30, 2010 have not materially changed since that report was filed.

Application of Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires the Company to make judgments, assumptions and estimates that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. The significant accounting policies and methods used in the preparation of the Condensed Consolidated Financial Statements are described in Note 2 to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2010. The Company’s application of critical accounting policies has not materially changed since that report was filed.

Critical Accounting Estimates

The Company’s disclosures of critical accounting estimates in its Annual Report on Form 10-K for the year ended September 30, 2010 have not materially changed since that report was filed, except for the following:

The ramp-up of the FMTV program has been challenging for the Company as it worked through a number of issues associated with the start-up of production. The Company expensed start-up costs of \$13.5 million during the second quarter of fiscal 2011, which resulted in a loss for the FMTV program for the quarter. The Company expects to incur additional start-up costs in the third and fourth quarters of fiscal 2011, but at amounts lower than in the second quarter, which it expects will lead to further losses for the program in those quarters. The Company expects that FMTV production and sales beyond fiscal 2011 will be profitable and, therefore, has not recorded a charge for a loss contract. In evaluating the profitability under the FMTV contract, it is necessary to estimate future production costs. Management cost assumptions include estimates for future increases in the costs of raw materials, targeted cost savings and production efficiencies. There are inherent uncertainties related to these factors and management’s judgment in applying them to the analysis of profitability. For example, a 1% escalation in material costs over the Company’s projection for FMTV orders currently in backlog would increase the cost of materials by approximately \$21 million. Although this amount is less than the expected future profitability, it would significantly reduce the expected future gross margins on orders received to date. It is possible that assumptions underlying the analysis could change in such a manner that the Company would determine in the future that this is a loss contract, which could result in a material charge.

New Accounting Standards

Refer to Note 2 of the Notes to Condensed Consolidated Financial Statements for a discussion of the impact on the Company’s Condensed Consolidated Financial Statements of new accounting standards.

Customers and Backlog

Sales to the U.S. government comprised approximately 59% of the Company's net sales in the first six months of fiscal 2011. No other single customer accounted for more than 10% of the Company's net sales for this period. A substantial majority of the Company's net sales are derived from customer orders received prior to commencing production.

The Company's backlog as of March 31, 2011 increased 21.2% to \$6.16 billion compared to \$5.08 billion at March 31, 2010. Defense segment backlog increased 16.5% to \$4.99 billion at March 31, 2011 compared to \$4.28 billion at March 31, 2010 due largely to additional delivery orders received under the FMTV contract awarded in August 2009, offset in part by the completion of the initial delivery orders for 8,079 M-ATVs. Access equipment segment backlog increased 193.4% to \$596.3 million at March 31, 2011 compared to \$203.3 million at March 31, 2010 due largely to increased orders from North American customers. Fire & emergency segment backlog decreased 8.2% to \$459.8 million at March 31, 2011 compared to \$500.6 million at March 31, 2010 due largely to weak domestic municipal spending. Commercial segment backlog increased 19.7% to \$119.1 million at March 31, 2011 compared to \$99.5 million at March 31, 2010. Unit backlog for concrete mixers was up 41.6% compared to March 31, 2010, primarily as a result of increased international orders. Unit backlog for refuse collection vehicles was down 7.5% compared to March 31, 2010.

Reported backlog excludes purchase options and announced orders for which definitive contracts have not been executed. Additionally, backlog excludes unfunded portions of the FHTV, ID/IQ, LVSR and FMTV contracts. Backlog information and comparisons thereof as of different dates may not be accurate indicators of future sales or the ratio of the Company's future sales to the DoD versus its sales to other customers. In December 2010, the Company was awarded a \$161.6 million contract to produce 250 M-ATV ambulances for the DoD. During the second quarter of fiscal 2011, the DoD issued a stop work order relative to the M-ATV ambulance order. Orders remain in backlog during a stop work order and are removed only if and when a "termination for convenience" directive is received by the Company. Approximately 49% of the Company's March 31, 2011 backlog is not expected to be filled in fiscal 2011.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's quantitative and qualitative disclosures about market risk for changes in interest rates, commodity and foreign currency exchange risk, which are incorporated by reference to Item 7A of the Company's Annual Report on Form 10-K for the year ended September 30, 2010, have not materially changed since that report was filed.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures . In accordance with Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), the Company's management evaluated, with the participation of the Company's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the quarter ended March 31, 2011. Based upon their evaluation of these disclosure controls and procedures, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the quarter ended March 31, 2011 to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC rules and forms, and to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control . There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The Company's financial position, results of operations and cash flows are subject to various risks, many of which are not exclusively within the Company's control that may cause actual performance to differ materially from historical or projected future performance. In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Item 1A. of our Annual Report on Form 10-K for the year ended September 30, 2010, which have not materially changed other than as reflected below.

Certain of our markets are highly cyclical and the current or any further decline in these markets could have a material adverse effect on our operating performance.

The high levels of sales in our defense business in recent years have been due in significant part to demand for defense trucks, replacement parts and services (including armoring) and truck remanufacturing arising from the conflicts in Iraq and Afghanistan. Events such as these are unplanned, and we cannot predict how long these conflicts will last or the demand for our products that will arise out of such events. Accordingly, we cannot provide any assurance that the increased defense business as a result of these conflicts will continue. Furthermore, our defense business may fluctuate significantly from time to time as a result of the start and completion of new contract awards that we may receive, such as the M-ATV and FMTV contracts. In addition, current economic conditions have put significant pressure on the U.S. federal budget, including the defense budget. Specifically, the President's recently-approved defense budget for fiscal 2011 and the budget request for fiscal 2012 each include significantly lower funding for purchases of new military vehicles that we manufacture under our FHTV contract than in prior years. Moreover, the level of U.S. military involvement in Iraq has been significantly reduced and uncertainty exists regarding the future level of U.S. military involvement in Afghanistan and the level of defense funding that will be allocated to support U.S. military involvement in Iraq and Afghanistan. The magnitude of the adverse impact that federal budget pressures, future defense funding for U.S. military involvement in Iraq and Afghanistan and an uncertain DoD tactical wheeled vehicle strategy will have on funding for Oshkosh defense programs is uncertain, but directionally, we expect such funding to decline.

The decline compared to historical levels in overall customer demand in our access equipment, commercial and fire & emergency markets that we have experienced to date and any further decline could have a material adverse effect on our operating performance. The access equipment market that JLG operates in is highly cyclical and impacted by the strength of economies in general, by prevailing mortgage and other interest rates, by residential and non-residential construction spending, by the ability of rental companies to obtain third party financing to purchase revenue generating assets, by capital expenditures of rental companies in general and by other factors. The ready-mix concrete market that we serve is highly cyclical and impacted by the strength of the economy generally, by prevailing mortgage and other interest rates, by the number of housing starts and by other factors that may have an effect on the level of concrete placement activity, either regionally or nationally. Refuse collection vehicle markets are less cyclical and impacted by the strength of economies in general, by municipal tax receipts and by capital expenditures of large waste haulers. Fire & emergency markets are also cyclical later in an economic downturn and are impacted by the economy generally and municipal tax receipts and capital expenditures. Concrete mixer and access equipment sales also are seasonal with the majority of such sales occurring in the spring and summer months, which constitute the traditional construction season in the Northern hemisphere.

The global economy continues to experience weakness, which has negatively impacted our sales volumes for our access equipment, commercial and fire & emergency products as compared to historical levels. Continued weakness in U.S. and European housing starts and non-residential construction spending in most geographical areas of the world are further contributing to the lower sales volumes. A lack of significant improvement in non-residential construction spending or continued low levels of construction activity generally may cause future weakness in demand for our products. Furthermore, municipal tax revenues have weakened, which has impacted demand for fire apparatus. The towing and recovery equipment market is also being negatively impacted by the global economy and tight credit markets. We cannot provide any assurance that the global economic weakness and tight credit markets will not continue or become more severe. In addition, we cannot provide any assurance that any economic recovery will not progress more slowly than our or market expectations. If the global economic weakness and tight credit markets continue or become more severe, or if any economic recovery progresses

more slowly than our or market expectations, then there could be a material adverse effect on our net sales, financial condition, profitability and/or cash flows.

Our dependency on contracts with U.S. and foreign government agencies subjects us to a variety of risks that could materially reduce our revenues or profits.

We are dependent on U.S. and foreign government contracts for a substantial portion of our business. That business is subject to the following risks, among others, that could have a material adverse effect on our operating performance:

- Our business is susceptible to changes in the U.S. defense budget, which may reduce revenues that we expect from our defense business, especially in light of federal budget pressures in part caused by U.S. economic weakness and the uncertainty that exists regarding the future level of U.S. military involvement in Iraq and Afghanistan and the related level of defense funding that will be allocated to support this involvement and the DoD's tactical wheeled vehicle strategy.
- The U.S. government may not appropriate funding that we expect for our U.S. government contracts, which may prevent us from realizing revenues under current contracts or receiving additional orders that we anticipate we will receive, including anticipated orders that we took into account when we determined our outlook for the remainder of fiscal 2011.
- Certain of our government contracts for the U.S. Army and U.S. Marines could be suspended, opened for competition or terminated, and all such contracts expire in the future and may not be replaced, which could reduce revenues that we expect under the contracts and negatively affect margins in our defense segment. Specifically, during the second quarter of fiscal 2011, we received a stop work order from the U.S. government related to our previous award for 250 M-ATV ambulances. The U.S. government issued the stop work order in connection with its investigation of other options for delivery of ambulances to the theater. During the duration of the stop work order, we have worked, and we intend to continue to work, at our own expense to further refine this product to better meet the needs of our customer. If the U.S. government does not lift the stop work order or rescinds this award, we will not be able to recover amounts that we expend on this program during the duration of the stop work order.
- The current U.S. Administration has indicated that it supports increased competition for existing defense programs. The Weapon Systems Acquisition Reform Act also requires competition for defense programs in certain circumstances. Accordingly, it is possible that there will be competition for any M-ATV orders for units above the 10,000 unit ceiling in the initial contract award. Also, it is possible that the U.S. Army and U.S. Marines will conduct an open competition for programs for which we currently have contracts upon the expiration of the existing contracts. Our FHTV contract is scheduled to expire in September 2011, and we expect our vehicle deliveries under this contract to continue through October 2012. The U.S. Army has announced its intention to award a bridge contract for the FHTV program to us under which we would continue producing FHTVs while the U.S. Army develops a path to conduct an open competition for the next contract relating to this program in 2013. The bridge contract would likely include the purchase of the design rights to our vehicles under this contract so that the U.S. Army could compete the program. The U.S. Army may decide to forgo the issuance of this bridge contract, which may prevent us from realizing these revenues. Likewise, the U.S. Army and Marine Corps have inquired about purchasing the design rights to the M-ATV and Medium Tactical Vehicle Replacement ("MTVR") that we produce, respectively. Competition for these and other DoD programs we currently have could result in the U.S. government awarding future contracts to another manufacturer or the U.S. government awarding the contracts to us at lower prices and operating margins than we experience under the current contracts.
- Defense truck contract awards that we receive may be subject to protests by competing bidders, which protests, if successful, could result in the DoD revoking part or all of any defense truck contract it awards to us and our inability to recover amounts we have expended in anticipation of initiating production under any such contract.
- Most of our government contracts, including the FMTV contract, are fixed-price contracts with price escalation factors included for those contracts that extend beyond one year. Our actual costs on any of these contracts may exceed our projected costs, which could result in profits lower than historically realized or than we anticipate or net losses under these contracts. In addition, if the timing and size of orders received from the U.S. government differ significantly from the assumptions that we used to price the contract, we may incur unanticipated start-up costs or expend more capital to start up production under the contract, and we may not benefit as we expected from contractual price increases, which could also result in lower than anticipated margins or net losses under these contracts. In particular, we bid the FMTV program at very aggressive margins. We have received orders to date under this program significantly in excess of the quantities that bidders were asked to use to prepare their pricing for this program in the original request for proposal. While the timing and extent of FMTV orders have created opportunities to leverage higher orders to reduce our material costs, they have adversely impacted start-up manufacturing costs under the contract and product pricing relative to what we had originally anticipated as we do not benefit from price escalation factors. In addition, the higher order rate for FMTVs has caused us to devote more

attention to increasing our FMTV production capacity, which has delayed our focus on reducing manufacturing costs as compared to our original plans. Collectively, these items have caused us to incur losses under the FMTV program to date and we expect to also incur losses in the third and fourth quarters of fiscal 2011. Although we expect sales for the FMTV contract beyond fiscal 2011 to be profitable, this expectation is based on certain assumptions, including estimates for future increases in the costs of raw materials, targeted cost savings and production efficiencies. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of profitability. For example, a 1% escalation in material costs over the Company's projection for FMTV orders currently in backlog would increase the cost of materials by approximately \$21 million. Although this amount is less than the expected future profitability, it would significantly reduce the expected future gross margins on orders received to date. It is possible that assumptions underlying the analysis could change in such a manner that the Company would determine in the future that this is a loss contract, which could result in a material charge.

- We are required to spend significant sums on product development and testing, bid and proposal activities and pre-contract engineering, tooling and design activities in competitions to have the opportunity to be awarded these contracts.
- Competitions for the award of defense truck contracts are intense, and we cannot provide any assurance that we will be successful in the defense truck procurement competitions in which we participate.
- Our defense products undergo rigorous testing by the customer and are subject to highly technical requirements. Any failure to pass these tests or to comply with these requirements could result in unanticipated retrofit costs, delayed acceptance of vehicles, late or no payments under such contracts or cancellation of the contract to provide vehicles to the government. The U.S. government is currently testing our initial FMTV units. Any failure to pass FMTV contract testing could subject us to these risks.
- Our government contracts are subject to audit, which could result in adjustments of our costs and prices under these contracts.
- Our defense truck contracts are large in size and require significant personnel and production resources, and when such contracts end, we must make adjustments to personnel and production resources. In particular, orders for FMTVs are requiring substantial personnel and production resources to enable us to maintain the production levels required to meet the delivery requirements for such orders, while we expect our FHTV production quantities and required personnel and production resources to decline.
- We have historically received payments in advance of product deliveries, or performance-based payments ("PBP"), on a number of our government contracts. In the event that we are not able to meet contractual delivery requirements on these contracts, the government may discontinue providing PBPs. Specifically, our government customer is not currently providing PBPs on the FMTV program as we have not met its contractual delivery requirements. If we are unable to improve our deliveries or reach agreement with our customer on a revised delivery schedule, we may not receive future PBPs under the FMTV program, which could have an adverse effect on our debt levels and cause us to incur higher interest rates on our outstanding debt.
- We periodically experience difficulties with sourcing sufficient vehicle carcasses to maintain our defense truck remanufacturing schedule, which can create uncertainty and inefficiencies for this area of our business.

Our current debt levels, including the associated financing costs and restrictive covenants, could limit our flexibility in managing our business and increase our vulnerability to general adverse economic and industry conditions.

Our credit agreement contains financial and restrictive covenants which, among other things, require us to satisfy quarter-end financial ratios, including a leverage ratio, a senior secured leverage ratio and an interest coverage ratio. Our ability to meet the financial ratios in such covenants may be affected by a number of risks or events, including the risks described in this Form 10-Q and events beyond our control. The indenture governing our senior notes also contains restrictive covenants. Any failure by us to comply with these restrictive covenants or the financial and restrictive covenants in our credit agreement could have a material adverse effect on our financial condition, results of operations and debt service capability.

Our access to debt financing at competitive risk-based interest rates is partly a function of our credit ratings. Our current long-term debt ratings are BB with "stable" outlook from Standard & Poor's Rating Services and Ba3 with "stable" outlook from Moody's Investors Service. A downgrade to our credit ratings could increase our interest rates, could limit our access to public debt markets, could limit the institutions willing to provide us credit facilities, and could make any future credit facilities or credit facility amendments more costly and/or difficult to obtain.

We had approximately \$1.1 billion of debt outstanding as of March 31, 2011, which consisted primarily of \$50 million drawn under our revolving credit facility maturing in October 2015, a \$585 million term loan under our credit agreement maturing in October 2015 and \$500 million of senior notes, \$250 million of which mature in March 2017 and \$250 million of which mature in March 2020. Our ability to make required payments of principal and interest on our debt will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, political and other factors, some of which are beyond our control. While we experienced strong earnings and significant debt reduction during fiscal 2010 due largely to M-ATV contract sales in the defense segment, fiscal 2011 is a transition year for us in which we expect to replace fiscal 2010 high volume production of M-ATVs with the gradual increase in production of FMTVs at what we expect to be low single digit negative margins through our fiscal 2011. As we discuss above, our dependency on contracts with U.S. and foreign government agencies, such as the FMTV contract, subjects us to a variety of risks that, if realized,

could materially reduce our revenues, profits and cash flows. In addition, among other risks that we face that could affect our revenues, profits and cash flows, current continued weak economic conditions and tight credit markets could become more severe or prolonged. Accordingly, conditions could arise that could limit our ability to generate sufficient cash flows or access borrowings to enable us to fund our liquidity needs, further limit our financial flexibility or impair our ability to obtain alternative financing sufficient to repay our debt at maturity.

The covenants in our credit agreement and the indenture governing our senior notes, our credit rating, our current debt levels and the current credit market conditions could have important consequences for our operations, including:

- Render us more vulnerable to general adverse economic and industry conditions in our highly cyclical markets or economies generally;
- Require us to dedicate a substantial portion of our cash flow from operations to higher interest costs or higher required payments on debt, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, research and development, dividends and other general corporate activities;
- Limit our ability to obtain additional financing in the future to fund growth working capital, capital expenditures, new product development expenses and other general corporate requirements;
- Limit our ability to enter into additional foreign currency and interest rate derivative contracts;
- Make us vulnerable to increases in interest rates as a portion of our debt under our credit agreement is at variable rates;
- Limit our flexibility in planning for, or reacting to, changes in our business and the markets we serve;
- Place us at a competitive disadvantage compared to less leveraged competitors; and
- Limit our ability to pursue strategic acquisitions that may become available in our markets or otherwise capitalize on business opportunities if we had additional borrowing capacity.

We expect to incur costs and charges as a result of measures such as facilities and operations consolidations and workforce reductions that we intend to reduce costs, and those measures also may be disruptive to our business and may not result in anticipated cost savings.

We have been consolidating facilities and operations in an effort to make our business more efficient. For example, we closed two JerrDan facilities and integrated JerrDan operations into existing JLG production facilities during the fourth quarter of fiscal 2010, we closed a facility and integrated our mobile medical business into our Clearwater, Florida operations during the first quarter of fiscal 2011, and we recently moved manufacturing production of our Medtec ambulances to our Bradenton, Florida operations. We recently concluded a consultation and information procedure regarding possible facility consolidations for JLG manufacturing in Europe in a manner that permits such consolidations. Also during the first quarter of fiscal 2011, we announced workforce reductions and other cost reduction measures in our fire & emergency and commercial segments. We have incurred, and expect in the future to incur, additional costs and restructuring charges in connection with such consolidations, workforce reductions and other cost reduction measures that have adversely affected and, to the extent incurred in the future would adversely affect, our future earnings and cash flows. Furthermore, such actions may be disruptive to our business, which may result in production inefficiencies, product quality issues, late product deliveries or lost orders as we begin production at consolidated facilities, which would adversely impact our sales levels, operating results and operating margins. In addition, we may not realize the cost savings that we expect to realize as a result of such actions.

Systemic failures that the customer may identify could exceed recorded reserves or negatively affect our ability to win future business with the DoD or other foreign military customers.

As a result of the accelerated timetable from product design to full-scale production, the accelerated production schedule and limited field testing under the M-ATV contract and our ramp up to full-scale production of FMTVs, these vehicles could encounter systemic failures during fielding and use of the vehicles for which we may have responsibility if they occur. Additionally, we did not design the FMTV portfolio of trucks and trailers, and the design for this portfolio includes requirements that have caused us to implement manufacturing processes that we have not used extensively under previous contracts. If we do not implement these manufacturing processes correctly, then there could be systemic failures for which we would have responsibility. We have established reserves for the estimated cost of such systemic-type repairs based upon historical warranty rates of other defense programs in which we participate. If systemic issues arise, rectification costs could be in excess of the established reserves. If the DoD identifies systemic issues, this situation could impact our ability to win future business with the DoD or other foreign military customers, which would adversely affect our future earnings and cash flows.

A disruption or termination of the supply of parts, materials, components and final assemblies from third-party suppliers could delay sales of our vehicles and vehicle bodies.

We have experienced, and may in the future experience, significant disruption or termination of the supply of some of our parts, materials, components and final assemblies that we obtain from sole source suppliers or subcontractors. We may also incur a significant increase in the cost of these parts, materials, components or final assemblies. These risks are increased in a weak economic environment with tight credit conditions and when demand increases coming out of an economic downturn. Such disruptions, terminations or cost increases could delay sales of our vehicles and vehicle bodies and could result in a material adverse effect on our net sales, financial condition, profitability and/or cash flows. These risks are particularly serious with respect to our suppliers who participate in the automotive industry, from whom we obtain a significant portion of our parts, materials, components and final assemblies.

During the second quarter of fiscal 2011, Japan suffered a catastrophic earthquake and ensuing tsunami which severely damaged the infrastructure in that country, including roads, ports and other transportation networks, power generation and distribution facilities and other industrial facilities in a large swath of Northeastern Japan. Many industrial plants in the area, including facilities of a limited number of our suppliers, have been forced to operate at reduced levels. Our suppliers in Japan are currently making damage assessments, and it is too early to accurately gauge the likely extent and duration of any possible disruption to their operations. It is possible that spreading radiation from damaged nuclear power generation facilities could cause further portions of Japan to close operations and impact other of our suppliers. There can be no assurance that we will not face disruptions to our supply chain as a result of the conditions in Japan. Any significant or extended disruptions to our supply chain could have a material adverse affect on our business and results of operations.

Work stoppages and other labor matters could adversely affect our business.

As of September 30, 2010, we employed approximately 12,400 people worldwide, including approximately 11,000 employees in the U.S. Approximately 27% of our employees in the U.S. are represented by labor unions, the largest of which is the United Auto Workers union (“UAW”) in our defense segment, and we expect to hire additional employees in our defense segment in connection with the ramp up of FMTV production in fiscal 2011. Our five-year agreement with the UAW expires in September 2011. In September 2010, we approached the UAW with an offer to extend the current contract for one year, until September 2012, under terms similar to the current agreement. The UAW rejected our offer, and we have not engaged in any further discussions regarding the extension. If we do not reach an agreement with the UAW prior to the expiration of the current contract, we could experience a work stoppage at certain of our defense manufacturing facilities. Outside of the U.S., we enter into employment contracts and collective agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction. While we do not believe that work stoppages or other labor matters will impact us, we cannot provide any assurance that future issues with our labor unions will be resolved favorably or that we will not encounter future strikes or other types of conflicts with labor unions or our employees, particularly as we take steps to optimize our manufacturing footprint. Any of these factors may have an adverse effect on us or may limit our flexibility in dealing with our workforce.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In July 1995, the Company’s Board of Directors authorized the repurchase of up to 6,000,000 shares of Common Stock. The Company did not repurchase any shares under this authorization during the quarter ended March 31, 2011. As of March 31, 2011, the Company had repurchased 2,769,210 shares under this program at a cost of \$6.6 million, leaving the Company with authority to repurchase 3,230,790 shares of Common Stock under this program. There is no expiration date associated with the Board authorization. The Company’s credit agreement restricts the Company’s ability to repurchase shares of its Common Stock through financial covenants. The Company’s credit agreement also limits the amount of dividends it may pay to \$50 million during any fiscal year; plus the excess of (a) 25% of the cumulative net income of the Company and its consolidated subsidiaries for all fiscal quarters ending after September 27, 2010, over (b) the cumulative amount of all such dividends and other distributions made in any fiscal year ending after such date that exceed \$50 million, plus (c) for each of the first four fiscal quarters ending after September 27, 2010, \$25 million per fiscal quarter, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0; plus (d) for the period of four fiscal quarters ending September 30, 2011 and for each period of four fiscal quarters ending thereafter, \$100 million during such period, in each case provided that the leverage ratio (as defined) as of the last day of the most recently ended fiscal quarter was less than 2.0 to 1.0. The Company’s Senior Notes indenture also contains restrictive covenants that may limit the Company’s ability to repurchase shares of its Common Stock or make dividends and other types of distributions to shareholders.

ITEM 5. OTHER INFORMATION

On April 26, 2011, Oshkosh Corporation (the “Company”) entered into an Employment Agreement (the “Employment Agreement”) between the Company and Charles L. Szews, the Company’s President and Chief Executive Officer. Pursuant to the Employment Agreement, the Company will employ Mr. Szews as Chief Executive Officer effective as of January 1, 2011. The initial term of the Employment Agreement expires on December 31, 2012. Following the expiration of the initial term, the term of the Employment Agreement will be automatically renewed and extended annually for periods of one year unless either party gives notice of nonrenewal. However, the term of the Employment Agreement will not be automatically renewed and extended beyond the date on which Mr. Szews would attain age 62. Mr. Szews also remains bound by the Confidentiality and Loyalty Agreement in favor of the Company that Mr. Szews previously executed, which the Company has filed with the Securities and Exchange Commission.

Under the Employment Agreement, Mr. Szews is entitled to, among other things, (i) an annual base salary of not less than \$1,000,000, subject to annual increase at the discretion of the Human Resources Committee of the Board of Directors of the Company and (ii) the right to participate in all employee benefit plans offered to other senior executives of the Company.

Under the Employment Agreement, the Company has the right to terminate Mr. Szews’ employment at any time. If the Company terminates Mr. Szews’ employment without cause or Mr. Szews terminates his employment for good reason (each as defined in the Employment Agreement), then, provided that Mr. Szews executes a release of claims against the Company, Mr. Szews will generally be entitled to receive as severance pay, in lieu of base salary and bonus for the remaining term of the Employment Agreement, an amount equal to the sum of (i) the product of two times the sum of (A) Mr. Szews’ then current base salary, plus (B) a representative annual bonus amount for Mr. Szews, plus (ii) if Mr. Szews will not receive a bonus with respect to the fiscal year in which such termination occurs under the bonus plan then in effect solely as a result of the termination of Mr. Szews’ employment, a pro rata bonus for the fiscal year in which the termination occurs in an amount based upon the bonus (if any) that Mr. Szews would have received had he remained employed through the entire fiscal year. If Mr. Szews is entitled to severance pay, then, for no additional consideration, Mr. Szews is obligated to make himself available to consult with and otherwise assist or provide general advice to the then Chief Executive Officer and to the Board of Directors of the Company as and at such times as they may reasonably request during the two-year period after the date of termination of Mr. Szews’ employment.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is filed as Exhibit 10.1 and is incorporated by reference herein.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Second Amended and Restated Employment Agreement, effective as of April 26, 2011, between Oshkosh Corporation and Charles L. Szews.*
10.2	Form of Key Executive Employment and Severance Agreement between Oshkosh Corporation and each of Bryan J. Blankfield, Joseph H. Kimmitt, David M. Sagehorn and Charles L. Szews (each of the persons identified has signed this form or a form substantially similar).*
10.3	Form of Key Executive Employment and Severance Agreement between Oshkosh Corporation and each of Gregory L. Fredericksen, R. Andrew Hove, James W. Johnson, Wilson R. Jones, Josef Matosevic, Frank R. Nerenhausen, Michael K. Rohrkaste and Gary W. Schmiedel (each of the persons identified has signed this form or a form substantially similar).*
31.1	Certification by the President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act, dated April 28, 2011.
31.2	Certification by the Executive Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act, dated April 28, 2011.
32.1	Written Statement of the President and Chief Executive Officer, pursuant to 18 U.S.C. §1350, dated April 28, 2011.

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32.2	Written Statement of the Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. §1350, dated April 28, 2011.
101	The following materials from Oshkosh Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 are furnished herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Income, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text.

* Denotes a management contract or compensatory plan or arrangement.

SIGNATURES

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

OSHKOSH CORPORATION

April 28, 2011

/S/ Charles L. Szews
Charles L. Szews
President and Chief Executive Officer
(Principal Executive Officer)

April 28, 2011

/S/ David M. Sagehorn
David M. Sagehorn
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

April 28, 2011

/S/ Thomas J. Polnaszek
Thomas J. Polnaszek
Senior Vice President Finance and Controller
(Principal Accounting Officer)

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**SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT effective as of the 26th day of April, 2011 (“Agreement”) by and between OSHKOSH CORPORATION, a Wisconsin corporation (the “Company”), and CHARLES L. SZEWS (the “Executive”).

WITNESSETH:

WHEREAS, the Executive and the Company executed an initial Employment Agreement as of March 20, 2007 (“Original Agreement”) and a First Amended and Restated Employment Agreement as of January 1, 2008 (“First Amended Agreement”), and the parties hereto desire to amend and restate the First Amended Agreement to read in its entirety as set forth in this Agreement;

WHEREAS, the Executive previously served as President and Chief Operating Officer of the Company and has been serving as its Chief Executive Officer since January 1, 2011, the Company desires to continue to retain the services of the Executive as its Chief Executive Officer, and the Executive desires to continue to be employed by the Company and to serve as its Chief Executive Officer, on the terms and conditions set forth in this Agreement; and

WHEREAS, in consideration of the Company’s commitments in this Agreement, the Executive has entered into a Confidentiality and Loyalty Agreement with the Company (the “Loyalty Agreement”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Employment and Duties. Subject to the terms and conditions of this Agreement, commencing January 1, 2011, the Company will employ the Executive, and the Executive will be employed by the Company, as the Chief Executive Officer of the Company (“CEO”). As such officer, he shall be responsible for the supervision, control and conduct of all of the business and affairs of the Company, shall have the authority and duties set forth for his offices in the Company’s bylaws, shall have such additional duties as are normally assigned to a chief executive officer, shall perform his duties in a conscientious, reasonable and competent manner, shall devote his best efforts to his employment by the Company and, except as otherwise set forth herein, shall devote his entire business time and attention to the performance of his duties. At all times, the Executive shall be subject to the direction of the Board of Directors of the Company. It shall not be a violation of this Agreement for the Executive to (a) serve on corporate, civic or charitable boards or committees, (b) participate in other business, community and professional activities, and (c) manage personal investments, so long as in each case and collectively such activities do not significantly interfere with the performance of the Executive’s responsibilities as an employee of the Company in accordance with this Agreement and, in the case of corporate boards or serving as chairman (or in a comparable position) of a

corporate board, so long as the Executive receives the prior consent of the Human Resources Committee of the Board of Directors of the Company (the "Committee"), subject to review and approval by the full Board of Directors. While he is the Chief Executive Officer, the Company anticipates that the Executive will continue to serve as a member of the Board of Directors of the Company and, if there is an Executive Committee of the Board of Directors, as a member of such committee.

2. Term. The employment of the Executive under this Agreement will continue until the occurrence of the first of the following events:

- (a) December 31, 2012, subject to extension as described below;
- (b) The Executive's death;
- (c) The Executive shall have become totally disabled within the meaning of the Oshkosh Corporation Long Term Disability Program for Salaried Employees (the "LTD Program") such that the Executive is entitled to receive benefits under the LTD Program; or
- (d) Termination of this Agreement under Section 6.

The provisions of Sections 7 and 10 and the Loyalty Agreement shall survive the expiration of the term of this Agreement.

The last date on which the Executive's employment under this Agreement may terminate pursuant to subsection (a) shall be automatically extended at successive one-year intervals on the date 12 months prior to the date on which the Executive's employment under this Agreement would otherwise terminate pursuant to subsection (a) (as subsection (a) may have been previously extended by the parties) (the "Extension Date") unless not less than 30 days prior to the Extension Date the Company or the Executive has provided a written notice of nonrenewal (a "Nonrenewal Notice") to the other party. If a party gives a timely Nonrenewal Notice, then the Executive's employment under this Agreement shall terminate in accordance with the provisions of this Section (as subsection (a) may have been previously extended by the parties), and neither party shall have any other rights or obligations as a result of the delivery of such notice. However, this Agreement will not be extended automatically (x) beyond the date on which the Executive would attain age 62 or (y) if the Executive is disabled at the time such extension would otherwise automatically become effective. If the Executive's employment continues following the date identified in subsection (a) above, then for so long as the Executive is employed by the Company the Executive shall be an at-will employee.

3. Compensation. The Executive shall be entitled to the following compensation for services rendered to the Company during the term of this Agreement:

- (a) Base Salary. Subject to adjustment in accordance with this subsection (a), the Executive shall receive a base salary at the annual rate of not less than \$1,000,000, commencing as of October 1, 2010. The Committee shall review the Executive's base salary annually to determine whether such salary should be increased. Further, if the Executive initiates or agrees to a general reduction of base salaries of executive officers of the Company, then such base salary shall be subject to reduction on the same basis and terms that apply to the other

officers of the Company or, with the prior consent of the Executive, a reasonable larger percentage reduction in light of his position as CEO. (In this Agreement, the term “Base Salary” shall mean the amount established and adjusted from time to time pursuant to this subsection (a).)

(b) Other Compensation. The Executive shall be entitled to participate in the bonus plan, qualified retirement plan, supplemental retirement plan, stock-based compensation programs, deferred compensation plan and fringe benefit plans and programs (including without limitation the LTD Program), and receive perquisites, in each case in effect from time to time for other senior executives of the Company, subject to all of the terms and conditions of the respective plans and programs and the discretion and powers of the Committee thereunder.

(c) Vacations and Holidays. The Executive shall be entitled to receive 20 days of paid vacation per year together with the paid holidays available to all other senior management personnel. Unused vacation and holidays shall not accrue from year to year, except as may be contemplated by Company policies and practices applicable to other executive officers of the Company at the time in question (which may change from time to time) and except as may be approved by the Committee.

4. Reimbursements. The Company shall reimburse the Executive for actual out-of-pocket costs he incurs in the course of carrying out his duties, in accordance with Company policies and procedures in effect from time to time. The Executive shall also be entitled to reimbursement for all reasonable fees and expenses of the Executive’s legal counsel in connection with the negotiation and preparation of this Agreement.

5. Withholding. All payments under this Agreement shall be subject to withholding or deduction by reason of the Federal Insurance Contributions Act, the federal income tax and state or local income tax and similar laws, to the extent such laws apply to such payments.

6. Termination.

(a) By the Company for Cause. The Company may terminate this Agreement for Cause at any time. For the purposes of this Agreement, “Cause” shall mean any of the following: (i) theft, dishonesty, fraudulent misconduct, unauthorized disclosure of trade secrets, gross dereliction of duty or other grave misconduct on the part of the Executive that is substantially injurious to the Company; (ii) the Executive’s willful act or omission that he knew would have the effect of materially injuring the reputation, business or prospects of the Company; (iii) the Executive’s conviction of a felony, as evidenced by a binding and final judgment, order or decree of a court of competent jurisdiction; (iv) the Executive’s consent to an order of the Securities and Exchange Commission for the Executive’s violation of the federal securities laws; (v) the Executive’s repeated and demonstrated failure to perform material duties in a competent and efficient manner which failure is not due to illness or disability of the Executive; (vi) a petition under the federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver was appointed by a court for the property of, the Executive; (vii) the Executive’s failure to file timely (including extensions) federal or state income tax returns that the Executive or his spouse is required by law to file (such as personal returns and returns for

trusts or entities of which the Executive or his spouse is trustee, controlling or general partner or member, or managing member) and to pay related taxes; (viii) the occurrence of improprieties involving the financial statements of the Company in which the Executive was directly or indirectly involved in committing the impropriety; (ix) the Executive's commission of material violations of codes of conduct of the Company applicable to the Executive; or (x) the Executive's material breach of his obligations under the Loyalty Agreement. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive (A) a copy of a resolution, duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors of the Company (excluding the Executive) at a meeting of the Board of Directors called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board of Directors), finding that in the good faith opinion of the Board of Directors conduct of the Executive met one of the standards set forth in any of clauses (i) through (x) of the preceding sentence and specifying the particulars thereof and (B) an affidavit sworn to by the Secretary of the Company stating that such resolution was in fact adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors (excluding the Executive). If the Company terminates this Agreement for Cause, then the Executive shall forfeit his right to any and all benefits (other than vested fringe benefits) he would otherwise have been entitled to receive under this Agreement, except that whether the Executive forfeits vested equity compensation benefits will be determined in accordance with the terms of plans and agreements applicable to such equity compensation benefits rather than this Agreement.

(b) By the Company without Cause. The Company, by action of the Board of Directors, may terminate this Agreement without Cause at any time, subject to the terms of Section 7.

(c) By the Executive. The Executive may terminate this Agreement at any time upon 90 days' prior written notice to the Company. In addition, the Executive may terminate this Agreement for "Good Reason". For this purpose, "Good Reason" means any substantial breach of this Agreement by the Company that is not remedied by the Company within 30 days after receipt of written notice of termination from the Executive for Good Reason. A termination of employment by the Executive for Good Reason shall be effected by the Executive giving the Company such written notice of termination within 45 days of the event constituting the substantial breach of this Agreement by the Company, setting forth in reasonable detail the specific conduct of the Company that constitutes the substantial breach and the specific provision(s) of this Agreement that the Company has breached. The Executive's termination as a result of Good Reason shall automatically occur on the 31st day following the receipt by the Company of the written notice of termination from the Executive, unless the Company has cured the breach during the 30-day cure period. If the Company cures the breach during the 30-day cure period, then the Executive's notice of termination for Good Reason shall be deemed withdrawn.

7. Entitlements and Obligations. If this Agreement is terminated by the Company pursuant to Section 6(b), by the Company without Cause at any time on or within 90 days following the date determined pursuant to Section 2(a) or by the Executive for Good Reason pursuant to Section 6(c), then:

(a) Provided that the Executive signs a release of claims in the form attached hereto as Exhibit A (adjusted as necessary to conform to then existing legal requirements in a manner reasonably acceptable to the Company and the Executive) (a "Full Release") not earlier than the 30th day following the date of the Separation from Service, as that term is defined in the Executive's Key Executive Employment and Severance Agreement, and not later than the 50th day following the date of the Separation from Service for which any applicable revocation period has expired, the Company shall, subject to the provisions of Section 11(a), pay the Executive as severance pay in a single sum on the 60th day following the date of the Separation from Service, in lieu of Base Salary and bonus for the remaining term of this Agreement, an amount equal to the sum of (i) the product of two times the Annual Cash Compensation and (ii) if the Executive will not receive a bonus with respect to the fiscal year in which such termination occurs under the bonus plan then in effect solely as a result of the Executive's termination, a pro rata bonus for the fiscal year in which the termination occurs in an amount equal to the bonus (if any) that the Executive would have received had he remained employed through the entire fiscal year multiplied by a fraction representing the portion of the year through the termination date during which the Executive served the Company. However, solely with respect to the portion of such sum consisting of the amount described in clause (ii), if the 60th day following the date of the Separation from Service occurs prior to the date the Committee certifies the bonus amount described in such clause (ii), then payment of such portion shall instead be made as soon as practicable after the bonus amount is so certified, but in no event later than 2-1/2 months after the end of the fiscal year of the Company in which the Executive's termination occurs. The term "Annual Cash Compensation" means the sum of (1) the Base Salary (as of the date determined pursuant to Section 2(a) in the case of a termination following such date), plus (2) the Bonus Amount. The term "Bonus Amount" means the higher of (x) an amount equal to the average of the annual bonuses paid or payable to the Executive with respect to the three full fiscal years of the Company preceding the date of termination (it being understood that, if no bonus was paid or payable as to any year during such three-year period, then the bonus for that year will be zero (0) for purposes of this calculation) or (y) until such time as the three full fiscal years of the Company preceding the date of termination to which clause (x) refers do not include a fiscal year of the Company prior to its 2011 fiscal year, the Base Salary (as of the date determined pursuant to Section 2(a) in the case of a termination following such date). In no event will any payment or benefit described herein be paid or provided earlier than the first date that the Company may make such payment or provide such benefit without causing an additional tax to be paid under Section 409A of the Internal Revenue Code and the regulations thereunder ("Section 409A").

(b) The Company shall have continuing liability to the Executive for the fringe benefits provided in this Agreement for the remaining term of this Agreement as if this Agreement had not been terminated pursuant to Section 6(b).

(c) If the Executive does not deliver a Full Release to the Company not earlier than the 30th day following the date of the Separation from Service and not later than the 50th day following the date of the Separation from Service, or if the Executive delivers a Full Release but revokes it prior to the 60th day following the date of the Separation from Service (to the extent he is able to do so), then the Executive shall not be entitled to the payment that Section 7(a) contemplates or to the fringe benefits that Section 7(b) contemplates.

(d) If the Executive is entitled to the severance described in Section 7(a), then during the two-year period after the date of the Separation from Service, for no additional consideration, the Executive will make himself available to consult with, otherwise assist or provide general advice to the then CEO and to the Board of Directors as they may reasonably request, consistent with the Executive's other commitments (which may include full-time employment), for a nominal amount of time in each instance. In no event shall the Executive be obligated to provide such services to an extent that would involve a material amount of his time in the aggregate. During such period and thereafter, the Executive will also cooperate fully with the Company in any investigation, negotiation, litigation or other action arising out of transactions or other matters in which he was involved or of which he had knowledge during his employment with the Company. In the event such a matter arises, the Company will pay the Executive a reasonable per diem amount for the time that he must devote to such cooperation, which the Company and the Executive will negotiate in good faith, and fully reimburse the Executive for any reasonable expenses incurred by him in the course of his cooperation.

8. Annual Physical. At the Company's expense, during the term of this Agreement, the Executive shall have an annual physical examination performed by a physician whom the Executive reasonably chooses.

9. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors.

10. Miscellaneous.

(a) Severability. This Agreement is to be governed by and construed according to the laws of the State of Wisconsin. If any provision of this Agreement shall be held invalid and unenforceable for any reason whatsoever, such provision shall be deemed deleted and the remainder of the Agreement shall be valid and enforceable without such provision.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by reputable overnight courier or registered or certified mail, return receipt requested, postage prepaid, addressed as follows: (i) if to the Executive, to his home address as it appears on the personnel records of the Company; and (ii) if to the Company, to the General Counsel of the Company at the Company's principal executive offices, in each case or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when personally delivered, the date of delivery by overnight courier or on the second business day following the day on which such item was mailed.

(c) Entire Agreement; Amendments. This Agreement and the Loyalty Agreement contain the entire understanding between the Company and the Executive with respect to the subject matter hereof, except for the following additional agreements between the Company and the Executive:

- (i) Key Executive Employment and Severance Agreement (the “KEESA”); and
- (ii) Any stock option, restricted stock or other award agreement under the Company’s stock and incentive plans.

Anything in this Agreement to the contrary notwithstanding, if there is a Change in Control of the Company (as defined in the KEESA) at a time that the KEESA is in effect, then the rights and obligations of the Company and the Executive in respect of the Executive’s employment shall be determined in accordance with the KEESA rather than under this Agreement. Nothing contained in this Agreement shall be deemed to supersede any of the obligations, agreements, provisions or covenants of the Company or the Executive contained in the KEESA. At the request of the Company prior to a Change in Control of the Company, the Executive will execute a revised form of the KEESA so long as such revised form is substantially the same as the form then in effect for other senior executives of the Company, including without limitation a revised form that reflects changes that the Company determines are appropriate to comply with regulations under Section 409A. This Agreement may be modified only in writing signed by the parties hereto.

(d) Dispute Resolution. All controversies between the Executive and the Company arising under this Agreement shall be determined by arbitration. Any arbitration under this Section 10(d) shall be conducted in Appleton, Wisconsin, before the American Arbitration Association, and in accordance with the rules of such organization. The arbitration award may allocate attorneys’ fees and expenses attributable to the arbitration as determined by the arbitrator. The award of the arbitrators, or the majority of them, shall be final, and judgment upon the award rendered may be entered into any court, state or federal, having jurisdiction.

11. Limitations on Entitlements. Section 7 is subject to this Section 11. If this Agreement is terminated by the Company pursuant to Section 6(b) or by the Executive for Good Reason pursuant to Section 6(c), the Company shall satisfy its obligations under Section 7 only after the Executive has incurred a Separation from Service. The requirements of (a) and (b) below shall apply to the payment or provision of compensation and benefits pursuant to Section 7:

(a) Six-Month Delay. Notwithstanding any contrary provision of this Agreement, to extent the Executive would otherwise be entitled to any severance pay described in Section 7(a), or other payment or benefit under this Agreement or any plan or arrangement of the Company or its affiliates, that constitutes “deferred compensation” subject to Section 409A, and that if paid during the six months beginning on the Separation from Service would be subject to additional tax under Section 409A because the Executive is a “specified employee” (within the meaning of Section 409A as determined by the Company), such payment or benefit shall not be made until the first day of the seventh month following the Separation from Service for reasons

other than death (the "Authorized Payment Date"). The amount delayed for payment pursuant to this Section 11 shall be paid to the Executive on the Authorized Payment Date in a cash payment, accompanied by an interest payment calculated at the rate of interest announced by U.S. Bank, National Association, Milwaukee, Wisconsin, from time to time as its prime or base lending rate ("Prime"), determined on the date the Separation from Service occurred and compounded quarterly.

(b) Fringe Benefit Restrictions. During the period beginning on the date of the Separation from Service and ending on the Authorized Payment Date, the Executive shall pay to the Company the cost of any life insurance coverage that provides a benefit in excess of \$50,000 under a group term life insurance policy and any other taxable fringe benefit that would otherwise require imputing income to the Executive. On the Authorized Payment Date, the Company shall make a cash payment to the Executive, accompanied by an interest payment at Prime, determined on the date of the Separation from Service and compounded quarterly, equal to the aggregate amount paid by the Executive to the Company for such taxable fringe benefits, and thereafter such coverage and benefits shall be provided at the expense of the Company for the remainder of the period required by this Agreement.

(c) Limitations on Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Agreement or elsewhere, any reimbursement or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treas. Reg. 1.409A-1(b)(9)(v)(A) or (C) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the Executive's second taxable year following the Executive's taxable year in which the Separation from Service occurs. Further, such expenses shall be reimbursed no later than the last day of the Executive's third taxable year following the taxable year in which the Separation from Service occurs. Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement is determined to be subject to Section 409A, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

12. Compliance with Internal Revenue Code Section 409A. The Company and the Executive intend the terms of this Agreement to be in compliance with Section 409A. The Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit, including but not limited to consequences related to Section 409A. To the maximum extent permissible, any ambiguous terms of this Agreement shall be interpreted in a manner which avoids a violation of Section 409A. The Executive acknowledges that to avoid an additional tax on payments that may be payable or benefits that may be provided under this Agreement and that constitute deferred compensation that is not exempt from Section 409A, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which the Executive believes the Executive is entitled hereunder no later than 90 days after the latest date upon which the payment could have been made or benefit provided under this Agreement,

and if the payment or benefit is not paid or provided, then the Executive must take further enforcement measures within 180 days after such latest date.

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

OSHKOSH CORPORATION

By: /s/ Richard M. Donnelly
Name: Richard M. Donnelly
Title: Chairman-Board of Directors

Attest: /s/ Michael K. Rohrkaste
Name: Michael K. Rohrkaste
Title: EVP, CAHRO

EXECUTIVE

/s/ Charles L. Szews (SEAL)
Charles L. Szews

RELEASE

1. In exchange for the promises and payments provided for in the Second Amended and Restated Employment Agreement (the "Agreement") effective as April , 2011 between Oshkosh Corporation, a Wisconsin corporation (the "Company"), and Charles L. Szews (the "Executive"), the Executive hereby releases and forever discharges the Released Parties (defined below) from any and all claims, demands, rights, liabilities and causes of action of any kind or nature, known or unknown, arising prior to or through the date the Executive executes this Release, including, but not limited to, any claims, demands, rights, liabilities and causes of action arising or having arisen out of or in connection with the Executive's employment or termination of employment with the Company. "Released Parties" includes the Company, its parent companies, subsidiaries, related and affiliated companies, and its and their past and present employees, directors, officers, agents, shareholders, insurers, attorneys, executors, assigns and other representatives of any kind. The Executive also releases and waives any claim or right to further compensation, benefits, damages, penalties, attorneys' fees, costs or expenses of any kind from the Company or any of the other Released Parties except as provided in the Agreement. This release specifically includes, but is not limited to, a release of any and all claims pursuant to state and local fair employment law(s); Title VII of the Civil Rights Act of 1964; the Rehabilitation Act of 1973; the Reconstruction Era Civil Rights Acts, 42 U.S.C. §§1981-1988; the Civil Rights Act of 1991; the Age Discrimination in Employment Act ("ADEA"); the Americans with Disabilities Act; state and federal family and/or medical leave acts; state and federal wage payment laws to the extent such claims can legally be waived; and any other federal, state or local laws or regulations of any kind, whether statutory or decisional. This release also includes, but is not limited to, a release of any claims for wrongful termination, retaliation, tort, breach of contract, defamation, misrepresentation, violation of public policy or invasion of privacy. This release does not include a waiver of any claim that cannot legally be waived. This release does not apply to any right the Executive may have to indemnification by the Company by virtue of his status as a director, officer or employee of the Company under applicable law and/or the Company's bylaws.

2. The Executive states that he has not filed or joined in any complaints, lawsuits, or proceedings of any kind against the Company or any of the other Released Parties, and the Executive promises never to file, pursue, participate in, or join in any lawsuits or proceedings asserting any claims that are released in this Release. However, nothing in this Release prevents the Executive from (a) challenging the enforceability of this Release under the ADEA; or (b) filing a charge with the EEOC or otherwise cooperating with the EEOC; however, this Release does prohibit the Executive from obtaining any personal or monetary relief from the Released Parties based upon such cooperation or charge, whether filed by the Executive or anyone else on behalf of the Executive.

3. The Executive agrees and understands that this Release does not supersede any confidentiality or noncompete agreements or obligations to which the Executive was subject while employed by the Company or reduce the Executive's obligations to comply with applicable laws relating to trade secrets, confidential information or unfair competition.

4. The Executive hereby acknowledges that the benefits provided in the Agreement are greater than those to which the Executive is entitled by any contract, employment policy, or otherwise. The Executive has up to twenty-one (21) days to consider whether to accept this Release and the Executive enters into it voluntarily. The Executive may revoke this Release, in writing, within seven (7) days after signing it, and this Release will not become enforceable or effective until the revocation period has expired. The Company advises the Executive to consult with an attorney prior to signing this Release.

5. Neither the Company's signing of this Release nor any actions taken by the Company toward compliance with the terms of this Release or the Agreement constitute an admission by the Company that it has acted improperly or unlawfully with regard to the Executive or that it has violated any state or federal law.

6. If any portion of this Release is found to be unenforceable, the parties desire that all other portions that can be separated from it, or appropriately limited in scope, shall remain fully valid and enforceable. The Executive enters into this Release knowingly and voluntarily and without any coercion.

AGREED TO AND ACCEPTED BY:

EXECUTIVE

Charles L. Szews

Date: _____

KEY EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT

THIS AGREEMENT, made and entered into as of the [] day of [], 20[], by and between Oshkosh Corporation, a Wisconsin corporation (hereinafter referred to as the "Company"), and [] (hereinafter referred to as the "Executive").

WITNESSETH:

WHEREAS, the Executive is employed by the Company and/or a subsidiary of the Company in a key executive capacity, and the Executive's services are valuable to the conduct of the business of the Company;

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that circumstances may arise in which a change in control of the Company occurs, through acquisition or otherwise, thereby causing uncertainty about the Executive's future employment with the Company and/or any such subsidiary without regard to the Executive's competence or past contributions, which uncertainty may result in the loss of valuable services of the Executive to the detriment of the Company and its shareholders, and the Company and the Executive wish to provide reasonable security to the Executive against changes in the Executive's relationship with the Company in the event of any such change in control;

WHEREAS, the Company and the Executive are desirous that any proposal for a change in control or acquisition of the Company will be considered by the Executive objectively and with reference only to the best interests of the Company and its shareholders; and

WHEREAS, the Executive will be in a better position to consider the Company's best interests if the Executive is afforded reasonable security, as provided in this Agreement, against altered conditions of employment that could result from any such change in control or acquisition.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually covenant and agree as follows:

1. Definitions. The following terms are used in this Agreement as defined in Exhibit A:

409A Affiliate	Confidential Information	Person
Act	Covered Termination	Prime
Accrued Benefits	Effective Date	Section 409A Indemnification
Affiliate and Associate	Employer	Section 409A Tax
Annual Cash Compensation	Good Reason	Separation from Service
Cause	Indemnified Section 409A Violation	Termination Date
Change in Control	Normal Retirement Date	Termination of Employment
Code	Notice of Termination	Trade Secrets
Competitive Activity	Perquisite Amount	

2. Termination or Cancellation Prior to the Effective Date. The Company and the Executive shall each retain the right to terminate the employment of the Executive at any time prior to the Effective Date. If the Executive's employment is terminated prior to the Effective Date, then this Agreement shall be terminated and cancelled and of no further force or effect, and any and all rights and obligations of the parties hereunder shall cease. In addition, this Agreement shall terminate upon the Executive ceasing to be an officer of the Company and its Affiliates prior to a Change in Control unless the Executive can reasonably demonstrate that such change in status occurred under circumstances described in clause (iii)(B)(1) or (iii)(B)(2) of the definition of "Effective Date" in Exhibit A.

3. Employment Period. If the Executive is employed by the Employer on the Effective Date, then the Company will, or will cause the Employer to, continue thereafter to employ the Executive during the Employment Period (as hereinafter defined), and the Executive will remain in the employ of the Employer, in accordance with and subject to the terms and provisions of this Agreement. For purposes of this Agreement, the term "Employment Period" means a period (i) commencing on the Effective Date, and (ii) ending at 11:59 p.m. Oshkosh Time on the earlier of the third anniversary of such date or the Executive's Normal Retirement Date.

4. Duties. During the Employment Period, the Executive shall, in the most significant capacities and positions held by the Executive at any time during the 180-day period preceding the Effective Date or in such other capacities and positions as may be agreed to by the Company and the Executive in writing, devote the Executive's best efforts and all of the Executive's business time, attention and skill to the business and affairs of the Employer, as such business and affairs now exist and as they may hereafter be conducted.

5. Compensation. During the Employment Period, the Executive shall be compensated as follows:

(a) The Executive shall receive, at reasonable intervals (but not less often than monthly) and in accordance with such standard policies as may be in effect immediately prior to the Effective Date, an annual base salary in cash equivalent of not less than twelve times the Executive's highest monthly base salary for the twelve-month period immediately preceding the month in which the Effective Date occurs or, if higher, an annual base salary at the rate in effect immediately prior to the Effective Date (determined prior to any reduction for amounts deferred under Section 401(k) of the Code or otherwise, or deducted pursuant to a cafeteria plan or qualified transportation fringe benefit under Sections 125 and 132(f) of the Code), subject to upward adjustment as provided in Section 6 (such salary amount as adjusted upward from time to time is hereafter referred to as the "Annual Base Salary").

(b) The Executive shall receive perquisites at least equal in value to those provided for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to any executives of the Company and its Affiliates of comparable status and position to the Executive. The Executive shall be reimbursed, at such intervals and in accordance with such standard policies that are most favorable to the Executive that were in effect at any time during the 180-day period immediately preceding the Effective Date or, if

more favorable to the Executive, those provided generally at any time after the Effective Date to any executives of the Company and its Affiliates of comparable status and position to the Executive, for any and all monies advanced in connection with the Executive's employment for reasonable and necessary expenses incurred by the Executive on behalf of the Company, including travel expenses.

(c) The Executive and/or the Executive's family, as the case may be, shall be included, to the extent eligible thereunder (which eligibility shall not be conditioned on the Executive's salary grade or on any other requirement that excludes executives of the Company and its Affiliates of comparable status and position to the Executive unless such exclusion was in effect for such plan or an equivalent plan on the date 180 days prior to the Effective Date), in any and all welfare benefit plans, practices, policies and programs providing benefits for the Company's salaried employees in general or, if more favorable to the Executive, to any executives of the Company and its Affiliates of comparable status and position to the Executive, including but not limited to group life insurance, hospitalization, medical and dental plans; provided, that, (i) in no event shall the aggregate level of benefits under such plans, practices, policies and programs in which the Executive is included be less than the aggregate level of benefits under plans, practices, policies and programs of the type referred to in this Section 5(c) in which the Executive was participating at any time during the 180-day period immediately preceding the Effective Date and (ii) in no event shall the aggregate level of benefits under such plans, practices, policies and programs be less than the aggregate level of benefits under plans, practices, policies and programs of the type referred to in this Section 5(c) provided at any time after the Effective Date to any executive of the Company and its Affiliates of comparable status and position to the Executive.

(d) The Executive shall annually be entitled to not less than the amount of paid vacation and not fewer than the number of paid holidays to which the Executive was entitled annually at any time during the 180-day period immediately preceding the Effective Date or such greater amount of paid vacation and number of paid holidays as may be made available annually to the Executive or any other executive of the Company and its Affiliates of comparable status and position to the Executive at any time after the Effective Date.

(e) The Executive shall be included in all plans providing additional benefits to any executives of the Company and its Affiliates of comparable status and position to the Executive, including but not limited to deferred compensation, split-dollar life insurance, retirement, supplemental retirement, stock option, stock appreciation, stock bonus and similar or comparable plans; provided, that, (i) in no event shall the aggregate level of benefits under such plans be less than the aggregate level of benefits under plans of the type referred to in this Section 5(e) in which the Executive was participating at any time during the 180-day period immediately preceding the Effective Date; (ii) in no event shall the aggregate level of benefits under such plans be less than the aggregate level of benefits under plans of the type referred to in this Section 5(e) provided at any time after the Effective Date to the Executive or any executive of the Company and its Affiliates of comparable status and position to the Executive; and (iii) the Company's obligation to include the Executive in bonus or incentive compensation plans shall be determined by Section 5(f).

(f) To assure that the Executive will have an opportunity to earn incentive compensation after the Effective Date, the Executive shall be included in a bonus plan of the Company that shall satisfy the standards described below (the "Bonus Plan"). Bonuses under the Bonus Plan shall be payable with respect to achieving such financial or other goals reasonably related to the business of the Company, including the Employer, as the Company shall establish (the "Goals"), all of which Goals shall be attainable, prior to the end of the Employment Period, with approximately the same degree of probability as the goals under the Company's bonus plan or plans in the form most favorable to the Executive that was in effect at any time during the 180-day period prior to the Effective Date (the "Existing Plan") and in view of the Company's existing and projected financial and business circumstances applicable at the time. The amount of the bonus (the "Bonus Amount") that the Executive is eligible to earn under the Bonus Plan shall be no less than the amount of the Executive's highest maximum potential award under the Existing Plan at any time during the 180-day period prior to the Effective Date or, if higher, any maximum potential award under the Bonus Plan or any other bonus or incentive compensation plan in effect after the Effective Date for the Executive or for any executive of the Company and its Affiliates of comparable status and position to the Executive (such bonus amount herein referred to as the "Maximum Bonus"), and if the Goals are not achieved (and, therefore, the entire Maximum Bonus is not payable), then the Bonus Plan shall provide for a payment of a Bonus Amount not less than a portion of the Maximum Bonus reasonably related to that portion of the Goals that were achieved. Payment of the Bonus Amount (i) shall be in cash, unless otherwise agreed by the Executive, and (ii) shall not be affected by any circumstance occurring subsequent to the end of the Employment Period, including termination of the Executive's employment.

6. Annual Compensation Adjustments. During the Employment Period, the Board of Directors of the Company (or an appropriate committee thereof) will consider and appraise, at least annually, the contributions of the Executive to the Company, and in accordance with the Company's practice prior to the Effective Date, due consideration shall be given, at least annually, to the upward adjustment of the Executive's Annual Base Salary (i) commensurate with increases generally given to other executives of the Company and its Affiliates of comparable status and position to the Executive, and (ii) as the scope of the Company's operations or the Executive's duties expand.

7. Termination During Employment Period.

(a) Right to Terminate. During the Employment Period, (i) the Company shall be entitled to terminate the Executive's employment (A) for Cause, (B) by reason of the Executive's disability pursuant to Section 11, or (C) for any other reason, and (ii) the Executive shall be entitled to terminate the Executive's employment for any reason. Any such termination shall be subject to the procedures set forth in Section 12 and shall be subject to any consequences of such termination set forth in this Agreement. Any termination of the Executive's employment during the Employment Period by the Employer shall be deemed a termination by the Company for purposes of this Agreement.

(b) Termination for Cause or Without Good Reason. If there is a Covered Termination for Cause or due to the Executive's voluntarily terminating the Executive's employment other than for Good Reason, then the Executive shall be entitled to receive only Accrued Benefits.

(c) Termination Giving Rise to a Termination Payment. If there is a Covered Termination by the Executive for Good Reason, or by the Company other than by reason of (i) death, (ii) disability pursuant to Section 11, or (iii) Cause, then the Executive shall be entitled to receive, and the Company shall promptly pay, Accrued Benefits and, in lieu of further base salary for periods following the Termination Date, as liquidated damages and severance pay and in consideration of the covenant of the Executive set forth in Section 13(a), the Termination Payment pursuant to Section 8(a).

8. Payments Upon Termination.

(a) Termination Payment. The “Termination Payment” shall be an amount equal to the sum of the amounts described in paragraphs (i), (ii), and (iii) below:

(i) Annual Cash Compensation multiplied by the number of years or fractional portion thereof remaining in the Employment Period determined as of the Termination Date, except that the amount under this paragraph (i) shall not be less than the amount of Annual Cash Compensation;

(ii) an amount equal to the present value of pension benefits that would have accrued under the Retirement Plans (as defined below), in addition to the most favorable benefits provided for the Executive under any version of the Oshkosh Corporation Salaried and Clerical Employees Retirement Plan and any supplemental nonqualified defined benefit retirement plan or agreement of the Company providing benefits for the Executive (or any successors to such plans or agreements) in effect at any time during the 180-day period prior to the Effective Date (the “Retirement Plans”), if the Executive’s benefits under the Retirement Plans had been fully vested on the Termination Date and the Executive had continued to work from the Termination Date until the end of the Employment Period at a compensation rate equal to the Executive’s Annual Base Salary and received annual bonus or incentive compensation awards for each fiscal year of the Company (or portion thereof in the Employment Period) in an amount equal to the target amount of the Executive’s annual bonus or incentive compensation award for the fiscal year of the Company in which the Termination Date occurred or, if greater, the target amount of the Executive’s award for the immediately preceding fiscal year of the Company (or the actual amount if greater); and

(iii) an amount equal to the present value of monthly payments in the amount of the Executive’s estimated unreduced Social Security benefit at the end of the Employment Period paid from the first day of the month immediately following the Employment Period through the first day of the month immediately preceding the month in which the Executive attains the age when the Executive is eligible for unreduced Social Security benefits.

The values described in paragraphs (ii) and (iii) above shall be determined using the interest rates and mortality table used in the Oshkosh Corporation Salaried and Clerical Employees Retirement Plan to determine lump sum payments as of the Effective Date. The Termination Payment shall be paid to the Executive in cash equivalent on the first day of the seventh month following the month in which the Executive’s Separation from Service occurs (the “Termination Payment Date”) and shall be accompanied by an interest payment calculated at Prime, such rate to be

determined on the Termination Date, compounded quarterly. Such lump sum payment shall not be reduced by any present value or similar factor, and the Executive shall not be required to mitigate the amount of the Termination Payment by securing other employment or otherwise, nor will such Termination Payment be reduced by reason of the Executive securing other employment or for any other reason. The Termination Payment shall be in lieu of any other severance payments to which the Executive is entitled under the severance policies and practices of the Company and/or any subsidiary of the Company.

(b) Certain Additional Payments by the Company.

(i) Notwithstanding any other provision of this Agreement, if any portion of the Termination Payment or any other payment under this Agreement (including any Section 409A Indemnification under Section 8(b)(v)), or under any other agreement with or plan of the Company or the Employer, including, without limitation, the Oshkosh Corporation 1990 Incentive Stock Plan, the Oshkosh Corporation 2004 Incentive Stock and Awards Plan, and any subsequently adopted equity incentive plan (the "Incentive Stock Plans") or any stock option agreement (the "Stock Option Agreements") between the Company and the Executive entered into pursuant to an Incentive Stock Plan (in the aggregate "Total Payments"), would constitute an "excess parachute payment," then the Company shall pay the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive after deduction of any excise tax imposed by Section 4999 of the Code (or any successor provision), and any interest charges or penalties in respect of the imposition of such excise tax (but not any federal, state or local income tax, or employment tax) on the Total Payments, and any federal, state or local income tax, or employment tax, and excise tax upon the payment provided for by this Section 8(b)(i) shall be equal to the Total Payments. Any provisions of any Incentive Stock Plan or the Stock Option Agreements that provide for a reduction in payments to the Executive relating to acceleration of vesting of stock options upon a "Change of Control" (as such term is defined in the Incentive Stock Plan) if such payments would result in the payment by the Executive of any excise tax provided for in Section 280G and Section 4999 of the Code are null and void and of no further force and effect as they apply to the Executive. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income tax and employment taxes at the highest marginal rate of federal income and employment 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 domicile for income tax purposes on the date the Gross-Up Payment is made, net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes.

(ii) For purposes of this Agreement, the terms "excess parachute payment" and "parachute payments" shall have the meanings assigned to them in Section 280G of the Code (or any successor provision) and such "parachute payments" shall be valued as provided therein. Present value for purposes of this Agreement shall be calculated in accordance with Section 1274(b)(2) of the Code (or any successor provision). Within 40 days following a Covered Termination or notice by one party to the other of its belief that there is a payment or benefit due the Executive that will result in an "excess parachute payment" as defined in Section 280G of the Code (or any

successor provision), the Executive and the Company, at the Company's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel (the "National Tax Counsel") selected by the Company's independent auditors and acceptable to the Executive in the Executive's sole discretion (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments, (C) the amount and present value of any excess parachute payments, and (D) the amount of any Gross-Up Payment. As used in this Section 8(b)(ii), the term "Base Period Income" means an amount equal to the Executive's "annualized includible compensation for the base period" as defined in Section 280G(d)(1) of the Code (or any successor provision). For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code (or any successor provisions), which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Executive. The opinion of the National Tax Counsel shall be dated as of the Termination Date and addressed to the Company and the Executive and shall be binding upon the Company and the Executive. If the National Tax Counsel so requests in connection with the opinion required by this Section 8(b), the Executive and the Company shall obtain, at the Company's expense, and the National Tax Counsel may rely on in providing the opinion, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Executive. Notwithstanding the foregoing, the provisions of this Section 8(b), including the calculations, notices and opinions provided for herein, shall be based upon the conclusive presumption that the following are reasonable: (1) the compensation and benefits provided for in Section 5 and (2) any other compensation, including but not limited to the Accrued Benefits, earned prior to the Termination Date by the Executive pursuant to the Company's compensation programs if such payments would have been made in the future in any event, even though the timing of such payment is triggered by the Change in Control or the Termination Date. The Company shall pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of the Executive such Gross-Up Payment as is then due to Executive under this Agreement within five days after the National Tax Counsel's opinion is received by the Company and the Executive, but in no event prior to the date the Termination Payment is initially payable to the Executive; provided, however, that if prior to such date the Executive is required to remit the excise tax under Section 4999 of the Code to the Internal Revenue Service, then upon written notice by the Executive to the Company, the Company shall promptly pay the Gross-Up Payment (but based on the Executive's actual rate of taxation) to the Executive. In all events, the Gross-Up Payment shall be paid no later than the end of the calendar year following the calendar year in which the Executive remits the excise tax under Section 4999 of the Code to the Internal Revenue Service.

(iii) In the event that, upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments or Gross-Up Payment, a change is finally determined to be required in the amount of taxes paid by the Executive, appropriate adjustments shall be made under this Agreement such that the net amount that is payable to the Executive after taking into account the provisions of Section 4999 of the Code shall reflect the intent of the parties as expressed in this Section 8(b), in the manner determined by the National Tax Counsel. If the Company is required to make a

payment to the Executive, then such payment shall be paid following the date of the final determination by a court or the Internal Revenue Service and within 30 days after the date the Executive provides the Company a written request for reimbursement thereof (accompanied by proof of taxes paid), but in no event shall the reimbursement be made later than the end of the calendar year following the year in which the Executive remits the excise tax to the Internal Revenue Service.

(iv) The Company will bear all costs associated with the National Tax Counsel and will indemnify and hold harmless the National Tax Counsel of and from any and all claims, damages, and expenses resulting from or relating to the National Tax Counsel's determinations pursuant to this Section 8(b), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of such firm.

(v) The Company shall pay the Executive any Section 409A Indemnification within 30 days after the later of the date on which the Executive provides the Company with a written request for reimbursement thereof (accompanied by proof of payment of the Section 409A Tax upon which such request is based) or the date that is the first day of the seventh month following the month in which the Separation from Service occurs, but in no event later than the end of the calendar year following the year in which the Executive remits the Section 409A Tax to the Internal Revenue Service. The Company and the Executive shall reasonably cooperate with each other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Section 409A Tax, and the Executive shall, if reasonably requested by the Company, contest any obligation to pay a Section 409A Tax. If, as a result thereof, the Executive receives a tax refund or credit for any Section 409A Tax previously paid, the Executive shall return to the Company an amount equal to such refund or credit. Notwithstanding the above, no Section 409A Indemnification will be made if the Executive fails to timely consent to any amendment of this Agreement reasonably proposed by the Company for the purpose of avoiding the need to pay the Section 409A Tax.

(c) Additional Benefits. If there is a Covered Termination and the Executive is entitled to Accrued Benefits and the Termination Payment, then the Executive shall be entitled to the following additional benefits:

(i) Until the earlier of the end of the Employment Period or such time as the Executive has obtained new employment and is covered by benefits that in the aggregate are at least equal in value to the following benefits, the Executive shall continue to be covered, at the expense of the Company, by the most favorable life insurance, hospitalization, medical and dental coverage and other welfare benefits provided to the Executive and the Executive's family during the 180-day period immediately preceding the Effective Date or at any time thereafter or, if more favorable to the Executive, coverage as was required hereunder with respect to the Executive immediately prior to the date Notice of Termination is given, subject to the following:

(A) If applicable, following the end of the COBRA continuation period, if such hospitalization, medical or dental coverage is provided under a health plan that is subject to Section 105(h) of the Code, benefits payable under

such health plan shall comply with the requirements of Treasury regulation section 1.409A-3(i)(1)(iv)(A) and (B) and, if necessary, the Company shall amend such health plan to comply therewith.

- (B) During the first six months following the Executive's Separation from Service, the Executive shall pay the Company the cost of any life insurance coverage for the Executive that provides a benefit in excess of \$50,000 under a group term life insurance policy. After the end of such six month period, the Company shall make a cash payment to the Executive (with interest at Prime, compounded quarterly) equal to the aggregate premiums paid by the Executive for such coverage, and thereafter such coverage shall be provided at the expense of the Company for the remainder of the period.

If the Executive is entitled to the Termination Payment pursuant to Section 12(b), then on the first anniversary of the Change in Control, the Company shall reimburse the Executive for any COBRA premiums the Executive paid for his or her hospitalization, medical and dental coverage under COBRA from the Executive's Termination Date through such first anniversary of the Change in Control.

(ii) The Executive shall receive, until the end of the second calendar year following the calendar year in which the Separation from Service occurs, at the expense of the Company, outplacement services, on an individualized basis at a level of service commensurate with the Executive's most senior status with the Company during the 180-day period prior to the Effective Date (or, if higher, at any time after the Effective Date), provided by a nationally recognized executive placement firm selected by the Company with the consent of the Executive, which consent will not be unreasonably withheld; provided that the cost to the Company of such services shall not exceed 15 percent of the Annual Base Salary.

(iii) The Company shall bear up to \$10,000 in the aggregate of fees and expenses of consultants and/or legal or accounting advisors (other than the National Tax Counsel) engaged by the Executive to advise the Executive as to matters relating to the computation of benefits due and payable under this Section 8.

(d) Rabbi Trust. Prior to or simultaneously with a Change in Control over which the Company has control or within three business days of any other Change in Control, the Company shall establish an irrevocable grantor trust (also known as a "rabbi trust") for the benefit of the Executive and other executives of the Company who are parties to agreements with the Company similar to this Agreement for the sole purpose of (i) holding assets equal in value to the present value at any time after a Change in Control of the maximum amount of benefits to which the Executive may be entitled under Section 8(a) and Section 8(b) and to which such other executives may be entitled under similar provisions of their respective agreements and (ii) distributing such assets as their payment becomes due. Prior to or simultaneously with a Change in Control over which the Company has control or within three business days of any other Change in Control, the Company shall fund such trust with cash or marketable securities having the value described in clause (i); provided that the Company shall not be obligated to fund such trust at such time if the funding would result in additional tax being owed under Section 409A of

the Code, and in such event, the Company shall fund such trust on the first date it may fund such trust without causing any such additional tax to be owed. The Company shall reasonably calculate the value described in clause (i) assuming that the date on which such calculation is made is the Termination Date applicable to the Executive and the corresponding date applicable to such other executives.

9. Death.

(a) Except as provided in Section 9(b), in the event of a Covered Termination due to the Executive's death, the Executive's estate, heirs and beneficiaries shall receive all the Executive's Accrued Benefits through the Termination Date.

(b) If the Executive dies after a Notice of Termination is given (i) by the Company or (ii) by the Executive for Good Reason, then the Executive's estate, heirs and beneficiaries shall be entitled to the benefits described in Section 9(a) and, subject to the provisions of this Agreement, to such Termination Payment (and the additional benefits described in Section 8(c)) to which the Executive would have been entitled had the Executive lived, except that the Termination Payment shall be paid within 90 days following the date of the Executive's death, without interest thereon. For purposes of this Section 9(b), the Termination Date shall be the earlier of 30 days following the giving of the Notice of Termination, subject to extension pursuant to the definition of Termination of Employment, or one day prior to the end of the Employment Period.

10. Retirement. If, during the Employment Period, the Executive and the Company shall execute an agreement providing for the early retirement of the Executive from the Company, or the Executive shall otherwise give notice that the Executive is voluntarily choosing to retire early from the Company, then the Executive shall receive Accrued Benefits through the Termination Date; provided, that if the Executive's employment is terminated by the Executive for Good Reason or by the Company other than by reason of death, disability or Cause and the Executive also, in connection with such termination, elects voluntary early retirement, then the Executive shall also be entitled to receive a Termination Payment pursuant to Section 8(a).

11. Termination for Disability. If, during the Employment Period, as a result of the Executive's disability due to physical or mental illness or injury (regardless of whether such illness or injury is job-related), the Executive shall have been absent from the Executive's duties hereunder on a full-time basis for a period of six consecutive months and, within thirty days after the Company notifies the Executive in writing that it intends to terminate the Executive's employment (which notice shall not constitute the Notice of Termination contemplated below), the Executive shall not have returned to the performance of the Executive's duties hereunder on a full-time basis, then the Company may terminate the Executive's employment for purposes of this Agreement pursuant to a Notice of Termination. If the Executive's employment is terminated on account of the Executive's disability in accordance with this Section 11, then the Executive shall receive Accrued Benefits and shall remain eligible for all benefits provided by any long term disability programs of the Company in effect at the time the Company sends notice to the Executive of its intent to terminate pursuant to this Section.

12. Termination Notice and Procedure .

(a) Any termination of the Executive's employment during the Employment Period by the Company or the Executive (other than a termination of the Executive's employment referenced in the second sentence of the definition of "Effective Date" in Exhibit A) shall be communicated by written Notice of Termination to the Executive, if such Notice is given by the Company, and to the Company, if such Notice is given by the Executive, all in accordance with the following procedures and those set forth in Section 23:

(i) If such termination is for disability, Cause or Good Reason, then the Notice of Termination shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such termination.

(ii) Any Notice of Termination by the Company shall have been approved, prior to the giving thereof to the Executive, by a resolution duly adopted by a majority of the directors of the Company (or any successor corporation) then in office, a copy of which shall accompany the Notice.

(iii) If the Notice is given by the Executive for Good Reason, then the Executive may cease performing the Executive's duties hereunder on or after the date 15 days after the delivery of Notice of Termination (unless the Notice of Termination is based upon clause (vii) of the definition of "Good Reason" in Exhibit A, in which case the Executive may cease performing his duties at the time the Executive's employment is terminated) and shall in any event cease employment on the Termination Date, if any, arising from the delivery of such Notice. If the Notice is given by the Company, then the Executive may cease performing the Executive's duties hereunder on the date of receipt of the Notice of Termination, subject to the Executive's rights hereunder.

(iv) The recipient of any Notice of Termination shall personally deliver or mail in accordance with Section 23 written notice of any dispute relating to such Notice of Termination to the party giving such Notice within fifteen days after receipt thereof. After the expiration of such fifteen days, the contents of the Notice of Termination shall become final and not subject to dispute.

Notwithstanding the foregoing, (A) if the Executive terminates the Executive's employment after a Change in Control without complying with this Section 12, then the Executive will be deemed to have voluntarily terminated the Executive's employment other than for Good Reason and deemed to have delivered a written Notice of Termination to that effect to the Company as of the date of such termination and (B) if the Company or the Employer terminates the Executive's employment after a Change in Control without complying with this Section 12, then the Company will be deemed to have terminated the Executive's employment other than by reason of death, disability or Cause and the Company will be deemed to have delivered a written Notice of Termination to that effect to the Executive as of the date of such termination. Under circumstances described in clause (B) above, the Executive may, but shall not be obligated to, also deliver a Notice of Termination based upon clause (vii) of the definition of "Good Reason" in Exhibit A for the purpose of subjecting such Notice to Section 12(a)(iv).

(b) If a Change in Control occurs and the Executive's employment with the Employer terminates (whether by the Company, the Executive or otherwise) within 180 days prior to the Change in Control, then the Executive may assert that such termination is a Covered Termination by sending a written Notice of Termination to the Company at any time prior to the day 180 days following the Change in Control in accordance with the procedures set forth in this Section 12(b) and those set forth in Section 23. If the Executive asserts that the Executive terminated the Executive's employment for Good Reason or that the Company terminated the Executive's employment other than for disability or Cause, then the Notice of Termination shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such assertions. The Company shall personally deliver or mail in accordance with Section 23 written notice of any dispute relating to such Notice of Termination to the Executive within 15 days after receipt thereof. After the expiration of such 15 days, the contents of the Notice of Termination shall become final and not subject to dispute. If the Executive's termination constitutes a Covered Termination under this Section 12(b) such that the Executive is entitled to receive the Termination Payment, then such Termination Payment shall be paid to the Executive in cash equivalent on the first anniversary of the Change in Control and shall be accompanied by an interest payment calculated at Prime, such rate to be determined on the date of the Change in Control, compounded quarterly, from the date of the Change in Control.

13. Further Obligations of the Executive.

(a) Competition. The Executive agrees that, in the event of any Covered Termination where the Executive is entitled to (and receives) Accrued Benefits and the Termination Payment, the Executive shall not, for a period of 18 months after the Termination Date, without the prior written approval of the Company's Board of Directors, engage in any Competitive Activity.

(b) Confidentiality. During the Executive's employment by the Employer and for a period of 18 months after the Termination Date, the Executive will keep confidential and protect all Confidential Information known to or in the possession of the Executive, will not disclose any Confidential Information to any other person and will not use any Confidential Information, except for use or disclosure of Confidential Information for the exclusive benefit of the Company as it may direct or as necessary to fulfill the Executive's continuing duties as an employee of the Employer and except to the extent authorized in writing by the Board of Directors of the Company or required by any court or administrative agency. This Section 13(b) shall not, however, be construed to prohibit competition by the Executive for a longer time or in a broader territory than that specified in Section 13(a).

(c) Trade Secrets. In addition to the obligations that applicable law imposes on the Executive in respect of Trade Secrets, during the Executive's employment by the Employer and thereafter in respect of information for so long as it remains a Trade Secret, the Executive will keep confidential and protect all Trade Secrets known to or in the possession of the Executive, will not disclose any Trade Secrets to any other person and will not use any Trade Secrets, except for use or disclosure of Trade Secrets for the exclusive benefit of the Company as it may direct or as necessary to fulfill the Executive's continuing duties as an employee of the Employer and except to the extent authorized in writing by the Board of Directors of the Company or required by any court or administrative agency.

(d) Return of Property. All memoranda, notes, records, papers, tapes, disks, programs or other documents or forms of documents and all copies thereof relating to the operations or business of the Company or any of its subsidiaries that contain Confidential Information or Trade Secrets, some of which may be prepared by the Executive, and all objects associated therewith in any way obtained by him shall be the property of the Company. The Executive shall not, except for the use of the Company or any of its subsidiaries, use or duplicate any such documents or objects, nor remove them from facilities and premises of the Company or any subsidiary, at any time. The Executive will deliver to the Company all of the aforementioned documents and objects, if any, that may be in his possession at any time at the request of the Company during the Executive's employment and in any event upon termination of employment. The Executive agrees to attend an exit interview upon such termination for purposes, among others, of determining the Executive's compliance with this Section 13(d).

14. Expenses and Interest. If, after the Effective Date, (i) a dispute arises with respect to the enforcement of the Executive's rights under this Agreement or (ii) any legal or arbitration proceeding shall be brought to enforce or interpret any provision contained herein or to recover damages for breach hereof, in either case so long as the Executive is not acting in bad faith, then the Company shall reimburse the Executive for any reasonable attorneys' fees and necessary costs and disbursements incurred as a result of such dispute, legal or arbitration proceeding or tax audit or proceeding ("Expenses"), and prejudgment interest on any money judgment or arbitration award obtained by the Executive calculated at Prime from the date that payments to the Executive should have been made under this Agreement. Within ten days after the Executive's written request therefor (but in no event later than the end of the calendar year following the calendar year in which such Expense is incurred), the Company shall reimburse the Executive, or such other person or entity as the Executive may designate in writing to the Company, the Executive's reasonable Expenses accompanied by an interest payment at Prime, compounded quarterly.

15. Payment Obligations Absolute. The Company's obligation during and after the Employment Period to pay the Executive the amounts and to make the benefit and other arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any setoff, counterclaim, recoupment, defense or other right that the Company may have against the Executive or anyone else. Except as provided in Section 8(b) and Section 14, all amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company shall 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 reason whatsoever.

16. Successors.

(a) If the Company sells, assigns or transfers all or substantially all of its business and assets to any Person or if the Company merges into or consolidates or otherwise combines (where the Company does not survive such combination) with any Person (any such event, a "Sale of Business"), then the Company shall assign all of its right, title and interest in this Agreement as of the date of such event to such Person, and the Company shall cause such Person, by written agreement in form and substance reasonably satisfactory to the Executive, to expressly assume and agree to perform from and after the date of such assignment all of the terms, conditions and provisions imposed by this Agreement upon the Company. Failure of the

Company to obtain such agreement prior to the effective date of such Sale of Business shall be a breach of this Agreement constituting "Good Reason" hereunder, except that for purposes of implementing the foregoing, the date upon which such Sale of Business becomes effective shall be deemed the Termination Date. In case of such assignment by the Company and of assumption and agreement by such Person, as used in this Agreement, "Company" shall thereafter mean such Person that executes and delivers the agreement provided for in this Section 16 or that otherwise becomes bound by all the terms and provisions of this Agreement by operation of law, and this Agreement shall inure to the benefit of, and be enforceable by, such Person. The Executive shall, in the Executive's discretion, be entitled to proceed against any or all of such Persons, any Person that theretofore was such a successor to the Company (as defined in the first paragraph of this Agreement) and the Company (as so defined) in any action to enforce any rights of the Executive hereunder. Except as provided in this Section 16(a), this Agreement shall not be assignable by the Company. This Agreement shall not be terminated by the voluntary or involuntary dissolution of the Company.

(b) This Agreement and all rights of the Executive shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, heirs and beneficiaries. All amounts payable to the Executive under Sections 7, 8, 9, 10, 11 and 14 if the Executive had lived shall be paid, in the event of the Executive's death, to the Executive's estate, heirs and representatives; provided, however, that the foregoing shall not be construed to modify any terms of any benefit plan of the Company, as such terms are in effect on the Effective Date, that expressly govern benefits under such plan in the event of the Executive's death.

17. Severability. The provisions of this Agreement shall be regarded as divisible, and if any of said provisions or any part hereof are declared invalid or unenforceable by a court of competent jurisdiction, then the validity and enforceability of the remainder of such provisions or parts hereof and the applicability thereof shall not be affected thereby.

18. Amendment. This Agreement may not be amended or modified at any time except by written instrument executed by the Company and the Executive. However, at the request of the Company, the Executive will execute a revised form of this Agreement that reflects changes that the Company determines are appropriate to comply with regulations under Code Section 409A.

19. Withholding. The Company shall be entitled to withhold from amounts to be paid to the Executive hereunder any federal, state or local withholding or other taxes or charges which it is from time to time required to withhold; provided, that the amount so withheld shall not exceed the minimum amount required to be withheld by law. In addition, if prior to the date of payment of the Termination Payment hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due with respect to any payment or benefit to be provided hereunder, then the Company shall provide for an immediate payment of the amount needed to pay the Executive's portion of such tax (plus an amount equal to the taxes that will be due on such amount) and the Executive's Termination Payment shall be reduced accordingly. The Company shall be entitled to rely on an opinion of the National Tax Counsel if any question as to the amount or requirement of any such withholding shall arise.

20. Additional Section 409A Provisions.

(a) If any payment amount or the value of any benefit under this Agreement is required to be included in the Executive's income prior to the date such amount is actually paid or the benefit provided as a result of the failure of this Agreement (or any other arrangement that is required to be aggregated with this Agreement under Code Section 409A) to comply with Code Section 409A, then the Company shall make a payment to the Executive, in a lump sum, within 90 days after the date it is finally determined that the Agreement (or such other arrangement that is required to be aggregated with this Agreement) fails to meet the requirements of Section 409A of the Code; such payment shall equal the amount required to be included in the Executive's income as a result of such failure and shall reduce the amount of payments or benefits otherwise due hereunder (other than additional payments to be made by the Company pursuant to Section 8(b)).

(b) The Company and the Executive intend the terms of this Agreement to be in compliance with Section 409A of the Code. To the maximum extent permissible, any ambiguous terms of this Agreement shall be interpreted in a manner which avoids a violation of Section 409A of the Code.

(c) The Executive acknowledges that to avoid an additional tax on payments that may be payable or benefits that may be provided under this Agreement and that constitute deferred compensation that is not exempt from Section 409A of the Code, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which the Executive believes the Executive is entitled hereunder no later than 90 days after the latest date upon which the payment could have been made or benefit provided under this Agreement, and if the payment or benefit is not paid or provided, then the Executive must take further enforcement measures within 180 days after such latest date.

21. Certain Rules of Construction. No party shall be considered as being responsible for the drafting of this Agreement for the purpose of applying any rule construing ambiguities against the drafter or otherwise. No draft of this Agreement shall be taken into account in construing this Agreement. Any provision of this Agreement that requires an agreement in writing shall be deemed to require that the writing in question be signed by the Executive and an authorized representative of the Company. This Agreement supersedes any prior Key Executive Employment and Severance Agreement between the Executive and the Company.

22. Governing Law; Resolution of Disputes.

(a) This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Wisconsin (excluding any choice of law rules that may direct the application of the laws of another jurisdiction) except that Section 22(b) shall be construed in accordance with the Federal Arbitration Act if arbitration is chosen by the Executive as the method of dispute resolution.

(b) Any dispute arising out of this Agreement shall, at the Executive's election, be determined by arbitration under the rules of the American Arbitration Association then in effect (but subject to any evidentiary standards set forth in this Agreement), in which case both parties shall be bound by the arbitration award, or by litigation. Whether the dispute is to be

settled by arbitration or litigation, the venue for the arbitration or litigation shall be Oshkosh, Wisconsin or, at the Executive's election, if the Executive is no longer residing or working in the Oshkosh, Wisconsin, in the judicial district encompassing the city in which the Executive resides; provided, that, if the Executive is not then residing in the United States, then the election of the Executive with respect to such venue shall be either Oshkosh, Wisconsin or in the judicial district encompassing that city in the United States among the thirty cities having the largest population (as determined by the most recent United States Census data available at the Termination Date) that is closest to the Executive's residence. The parties consent to personal jurisdiction in each trial court in the selected venue having subject matter jurisdiction notwithstanding their residence or situs, and each party irrevocably consents to service of process in the manner provided hereunder for the giving of notices.

23. Notice. Notices given pursuant to this Agreement shall be in writing and, except as otherwise provided by Section 12(a)(iii), shall be deemed given when actually received by the Executive or actually received by the Company's Secretary or any officer of the Company other than the Executive. If mailed, such notices shall be mailed by United States registered or certified mail, return receipt requested, addressee only, postage prepaid, if to the Company, to Oshkosh Corporation, Attention: Secretary (or, if the Executive is then Secretary, to the Chief Executive Officer), 2307 Oregon Street, P.O. Box 2566, Oshkosh, WI 54903-2566, or if to the Executive, at the address set forth below the Executive's signature to this Agreement, or to such other address as the party to be notified shall have theretofore given to the other party in writing.

24. No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

25. Headings. The headings herein contained are for reference only and shall not affect the meaning or interpretation of any provision of this Agreement.

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

OSHKOSH CORPORATION

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

EXECUTIVE

_____(SEAL)
[NAME]
Address: _____

CERTAIN DEFINED TERMS

For purposes of this Agreement,

- (a) 409A Affiliate. The term “409A Affiliate” means each entity that is required to be included in the Company’s controlled group of corporations within the meaning of Section 414(b) of the Code, or that is under common control with the Company within the meaning of Section 414(c) of the Code; provided, however, that the phrase “at least 50 percent” shall be used in place of the phrase “at least 80 percent” each place it appears therein or in the regulations thereunder.
- (b) Act. The term “Act” means the Securities Exchange Act of 1934, as amended.
- (c) Accrued Benefits. The term “Accrued Benefits” shall include the following amounts, payable as described herein: (i) all base salary for the time period ending with the Termination Date; (ii) reimbursement for any and all monies advanced in connection with the Executive’s employment for reasonable and necessary expenses incurred by the Executive on behalf of the Company for the time period ending with the Termination Date; (iii) any and all other cash earned through the Termination Date and deferred at the election of the Executive or pursuant to any deferred compensation plan then in effect; (iv) notwithstanding any provision of any bonus or incentive compensation plan applicable to the Executive, but subject to any deferral election then in effect, a lump sum amount, in cash, equal to the sum of (A) any bonus or incentive compensation that has been allocated or awarded to the Executive for a fiscal year or other measuring period under the plan that ends prior to the Termination Date but has not yet been paid (pursuant to Section 5(f) or otherwise) and (B) a pro rata portion to the Termination Date of the aggregate value of all contingent bonus or incentive compensation awards to the Executive for all uncompleted periods under the plan calculated as to each such award as if the target or expected performance Goals with respect to such bonus or incentive compensation award had been attained (reduced, but not below zero, by amounts paid under all such contingent bonuses or incentive compensation awards upon a Change in Control to the extent such amounts relate to the same period of time); and (v) all other payments and benefits to which the Executive (or in the event of the Executive’s death, the Executive’s surviving spouse or other beneficiary) may be entitled as compensatory perquisites or under the terms of any benefit plan of the Company, including (subject to Section 8(a)(i)) severance payments under the Company’s severance policies and practices in the form most favorable to the Executive that were in effect at any time during the 180-day period prior to the Effective Date. Payment of Accrued Benefits shall be made promptly in accordance with the Company’s prevailing practice with respect to clauses (i) and (ii) or, with respect to clauses (iii), (iv) and (v), pursuant to the terms of the benefit plan or practice establishing such benefits; provided, however, that payments pursuant to clause (iv)(B) shall be paid on the first day of the seventh month following the month in which the Separation from Service occurs, unless the Separation from Service is due to death, in which event such payment shall be made within 90 days of the date of the Executive’s death.

(d) Affiliate and Associate. The terms “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations of the Act.

(e) Annual Cash Compensation. The term “Annual Cash Compensation” shall mean the sum of (A) the Executive’s Annual Base Salary, plus (B) the higher of (1) the highest annual bonus or incentive compensation award earned by the Executive under any cash bonus or incentive compensation plan of the Company or any of its Affiliates during the three complete fiscal years of the Company immediately preceding the Termination Date or, if more favorable to the Executive, during the three complete fiscal years of the Company immediately preceding the Effective Date; or (2) the highest average annual bonus and/or incentive compensation earned during the three complete fiscal years of the Company immediately preceding the Termination Date (or, if more favorable to the Executive, during the three complete fiscal years of the Company immediately preceding the Effective Date) under any cash bonus or incentive compensation plan of the Company or any of its Affiliates by the group of executives of the Company and its Affiliates participating under such plan during such fiscal years at a status or position comparable to that at which the Executive participated or would have participated pursuant to the Executive’s most senior position at any time during the 180 days preceding the Effective Date or thereafter until the Termination Date, plus (C) the greater of the Perquisite Amount based on perquisites received for the fiscal year of the Company in which the Termination Date occurs or the Perquisite Amount based on the perquisites the Executive received for the complete fiscal year of the Company prior to the Change in Control.

(f) Cause. The Company may terminate the Executive’s employment after the Effective Date for “Cause” only if the conditions set forth in paragraphs (i) and (ii) have been met and the Company otherwise complies with this Agreement:

(i) (A) the Executive has committed any act of fraud, embezzlement or theft in connection with the Executive’s duties as an executive or in the course of employment with the Company and/or its subsidiaries; (B) the Executive has willfully and continually failed to perform substantially the Executive’s duties with the Company or any of its Affiliates (other than any such failure resulting from incapacity due to physical or mental illness or injury, regardless of whether such illness or injury is job-related) for an appropriate period, which shall not be less than 30 days, after the Chief Executive Officer of the Company (or, if the Executive is then Chief Executive Officer, the Board) has delivered a written demand for performance to the Executive that specifically identifies the manner in which the Chief Executive Officer (or the Board, as the case may be) believes the Executive has not substantially performed the Executive’s duties; (C) the Executive has willfully engaged in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; (D) the Executive has willfully and wrongfully disclosed any Trade Secrets or Confidential Information of the Company or any of its Affiliates; or (E) the Executive has engaged in any Competitive Activity; and in any such case the act or omission shall have been determined by the Board to have been materially harmful to the Company and its subsidiaries taken as a whole.

For purposes of this provision, (1) no act or failure to act on the part of the Executive shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company and (2) any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) (A) The Company terminates the Executive’s employment by delivering a Notice of Termination to the Executive, (B) prior to the time the Company has terminated the Executive’s employment pursuant to a Notice of Termination, the Board, by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board, has adopted a resolution finding that the Executive was guilty of conduct set forth in this definition of Cause, and specifying the particulars thereof in detail, at a meeting of the Board called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive’s counsel, to be heard before the Board) and (C) the Company delivers a copy of such resolution to the Executive with the Notice of Termination at the time the Executive’s employment is terminated.

In the event of a dispute regarding whether the Executive’s employment has been terminated for Cause, no claim by the Company that the Company has terminated the Executive’s employment for Cause in accordance with this Agreement shall be given effect unless the Company establishes by clear and convincing evidence that the Company has complied with the requirements of this Agreement to terminate the Executive’s employment for Cause.

(g) Change in Control. The term “Change in Control” shall mean the occurrence of any one of the following events:

(i) any Person (other than (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company (individually, an “Excluded Person” and collectively, “Excluded Persons”)) is or becomes the “Beneficial Owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 14, 2008, pursuant to express authorization by the Board that refers to this exception) representing 25 percent or more of (1) the combined voting power of the Company’s then outstanding voting securities or (2) the then outstanding shares of common stock of the Company; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on July 14, 2008,

constituted the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on July 14, 2008, or whose appointment, election or nomination for election was previously so approved; or

(iii) consummation of a merger, consolidation or share exchange of the Company with any other corporation or issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company), other than (A) a merger, consolidation or share exchange that would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50 percent of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 14, 2008, pursuant to express authorization by the Board that refers to this exception) representing 25 percent or more of (1) the combined voting power of the Company's then outstanding voting securities or (2) the then outstanding shares of common stock of the Company; or

(iv) (A) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or (B) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75 percent of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, (x) no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity that owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (y) solely for purposes of Section 12(b) and the second sentence of the definition of "Effective Date" in this Exhibit A, a "Change in Control" shall be deemed to have occurred only if the applicable event also constitutes a change in control within the meaning of Section 409A of the Code.

(h) Code. The term “Code” means the Internal Revenue Code of 1986, including any amendments thereto or successor tax codes thereof.

(i) Competitive Activity. The Executive shall engage in a “Competitive Activity” if the Executive engages in, is employed by, or in any way advises or acts for, in any capacity where Confidential Information would reasonably be considered to be useful, or has any material financial interest (excluding trade debt) in, any business that, as of the Effective Date, is engaged directly or indirectly in the Geographic Area (as defined below) in the business of designing, manufacturing or marketing fire apparatus (including, without limitation, aircraft rescue and firefighting vehicles), refuse truck bodies or vehicles, concrete mixers, snow removal vehicles, defense trucks or trailers or their related components, or any other business in which the Company or any of its subsidiaries is engaged as of the Effective Date. However, “Competitive Activity” shall not include any business if neither the Company nor any of its subsidiaries is engaged in such business as of the Termination Date and the Board of Directors of the Company has approved the exit of the Company and/or its subsidiaries from such business. Further, the ownership of minority and noncontrolling shares of any corporation whose shares are listed on a recognized stock exchange or traded in an over-the-counter market, even though such corporation may be a competitor of the Company or any subsidiary specified above, shall not be deemed as constituting a financial interest in such competitor. “Geographic Area” shall mean an area that extends to all of the United States and to any other country if the Company has directly or indirectly (i) sold product for delivery to a customer in that country during the 18 months preceding the Effective Date, (ii) actively sought to sell product for delivery to any customer in that country during such period or (iii) made plans, in which the Executive participated, to sell product for delivery to any customer in that country during such period unless the Company abandoned such plans prior to the Effective Date.

(j) Confidential Information. The term “Confidential Information” shall mean ideas, information, knowledge and discoveries of the Company and/or a subsidiary of the Company, whether or not patentable, that are not generally known in the trade or industry, including without limitation defense product engineering information, marketing, sales, distribution, pricing and bid process information, product specifications, manufacturing procedures, methods, business plans, marketing plans, internal memoranda, formulae, know-how, research and development and other confidential technical or business information and data. “Confidential Information” shall not include any information that the Executive can demonstrate is in the public domain by means other than disclosure by the Executive. “Confidential Information” shall also not include Trade Secrets.

(k) Covered Termination. Subject to Section 12(b), the term “Covered Termination” means any Termination of Employment during the Employment Period where the Termination Date, or the date Notice of Termination is delivered, is any date on or prior to the end of the Employment Period.

(l) Effective Date. The term “Effective Date” shall mean the first date on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if (i) a Change in Control occurs, (ii) the Executive’s employment with the Employer terminates (whether by the Company, the Executive or otherwise) within 180 days prior to the Change in Control and (iii) it is reasonably demonstrated by the Executive that either (A) any such termination of employment by the Employer (1) was at the request of a third party who has taken

steps reasonably calculated to effect a Change in Control or (2) otherwise arose in connection with or in anticipation of a Change in Control, or (B) any such Termination of Employment by the Executive took place subsequent to the occurrence of an event described in clause (ii), (iii), (iv) or (v) of the definition of “Good Reason,” which event (1) occurred at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (2) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement the term “Effective Date” shall mean the day immediately prior to the date of such termination of employment.

(m) Employer. The term “Employer” means the Company and/or any subsidiary of the Company that employed the Executive immediately prior to the Effective Date.

(n) Good Reason. The Executive shall have a “Good Reason” for termination of employment on or after the Effective Date if the Executive determines in good faith that any of the following events has occurred:

(i) any breach of this Agreement by the Company, including specifically any breach by the Company of its agreements contained in Section 4, Section 5 or Section 6, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Executive;

(ii) any reduction in the Executive’s base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits, in each case relative to those most favorable to the Executive in effect at any time during the 180-day period prior to the Effective Date or, to the extent more favorable to the Executive, those in effect after the Effective Date;

(iii) a material adverse change, without the Executive’s prior written consent, in the Executive’s working conditions or status with the Company or the Employer from such working conditions or status in effect during the 180-day period prior to the Effective Date or, to the extent more favorable to the Executive, those in effect after the Effective Date, including but not limited to (A) a material change in the nature or scope of the Executive’s titles, authority, powers, functions, duties, reporting requirements or responsibilities, or (B) a material reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Executive;

(iv) the relocation of the Executive’s principal place of employment to a location more than 50 miles from the Executive’s principal place of employment on the date 180 days prior to the Effective Date;

(v) the Employer requires the Executive to travel on Employer business to a materially greater extent than was required during the 180-day period prior to the Effective Date;

(vi) failure by the Company to obtain the agreement referred to in Section 16(a) as provided therein; or

(vii) the Company or the Employer terminates the Executive's employment after a Change in Control without delivering a Notice of Termination in accordance with Section 12;

provided that (A) any such event occurs following the Effective Date or (B) in the case of any event described in clauses (ii), (iii), (iv) or (v) above, such event occurs on or prior to the Effective Date under circumstances described in clause (iii)(B)(1) or (iii)(B)(2) of the definition of "Effective Date." In the event of a dispute regarding whether the Executive terminated the Executive's employment for "Good Reason" in accordance with this Agreement, no claim by the Company that such termination does not constitute a Covered Termination shall be given effect unless the Company establishes by clear and convincing evidence that such termination does not constitute a Covered Termination. Any election by the Executive to terminate the Executive's employment for Good Reason shall not be deemed a voluntary termination of employment by the Executive for purposes of any other employee benefit or other plan.

(o) Indemnified Section 409A Violation. The term "Indemnified Section 409A Violation" means a violation of Section 409A of the Code that occurs in connection with any payment or benefit (or any acceleration of any payment or benefit) in connection with this Agreement (including any Gross-Up Payment under Section 8(b)(i)-(iv)) or, on or after the Effective Date, the Executive's employment or the termination thereof as a result of (i) the Company's clerical error, (ii) the Company's failure to administer this Agreement or any benefit plan or program in accordance with its written terms, or (iii) the fact that a provision of any benefit plan or program of the Company fails to comply with Code Section 409A, and the Executive incurs additional tax under Section 409A of the Code as a result of such violation.

(p) Normal Retirement Date. The term "Normal Retirement Date" means the date the Executive reaches "Normal Retirement Age" as defined in the Oshkosh Corporation Salaried and Clerical Employees Retirement Plan as in effect on the date hereof, or the corresponding date under any successor plan of the Employer as in effect on the Effective Date.

(q) Notice of Termination. The term "Notice of Termination" means a written notice as contemplated by Section 12.

(r) Perquisite Amount. The term "Perquisite Amount" means the fair market value of the perquisites provided to the Executive by the Employer (determined as of the time of the Change in Control or, if higher, immediately prior to the date the Notice of Termination is given). For these purposes, the Perquisite Amount includes, but is not limited to the fair market value of the personal use of a Company car, tax preparation, Executive physical, country club membership, spousal travel, and health care reimbursement, and does not include the value of welfare benefits, such as medical coverage (including prescription drug coverage), dental coverage, life insurance, disability insurance and accidental death and dismemberment benefits.

(s) Person. The term "Person" shall have the meaning given in Section 3(a)(9) of the Act, as modified and used in Sections 13(d) and 14(d) thereof.

(t) Prime. “Prime” means the rate of interest announced by U.S. Bank, National Association, Milwaukee, Wisconsin, from time to time as its prime or base lending rate.

(u) Section 409A Indemnification. The term “Section 409A Indemnification” means a payment to be made by the Company to the Executive, in the event of an Indemnified Section 409A Violation, such that the net amount of such payment that the Executive retains, after the Executive pays any federal, state, or local income tax or FICA tax on the amount of the Section 409A Indemnification, shall be equal to the Section 409A Tax attributable to the Indemnified Section 409A Violation. For purposes of determining the Section 409A Indemnification amount, the Executive shall be deemed to pay federal income tax and employment taxes at the highest marginal rate of federal income and employment taxation in the calendar year in which the Section 409A Indemnification is to be paid to the Executive and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive’s domicile for income tax purposes on the date the Section 409A Indemnification is to be paid to the Executive, net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes.

(v) Section 409A Tax. The term “Section 409A Tax” means the sum of (i) the 20 percent additional income tax described in Code Section 409A(a)(1)(B)(I)(ii) to the extent such additional tax is incurred by the Executive as a result of an Indemnified Section 409A Violation, (ii) the interest determined to be due under Code Section 409A(a)(1)(B)(I)(i) in connection with the same Indemnified Section 409A Violation, and (iii) any penalties incurred by the Executive in connection with the same Indemnified Section 409A Violation, provided that the Executive pays such additional income tax and related interest and penalties promptly upon being notified that such amount is due. Section 409A Tax does not include any interest or penalties assessed by the Internal Revenue Service on the Executive that are attributable to Executive’s willful misconduct or negligence.

(w) Separation from Service. The term “Separation from Service” means the Termination of Employment with the Company and all 409A Affiliates or, if the Executive continues to provide services following his or her Termination of Employment, such later date as is considered a separation from service from the Company and its 409A Affiliates within the meaning of Code Section 409A. Specifically, if the Executive continues to provide services to the Company or a 409A Affiliate in a capacity other than as an employee, such shift in status is not automatically a Separation from Service.

(x) Termination Date. Except as otherwise provided in Section 9(b), Section 12(b) and Section 16(a), the term “Termination Date” means (i) if the Termination of Employment is by the Executive’s death, the date of death; (ii) if the Termination of Employment is by reason of voluntary early retirement, as agreed in writing by the Company and the Executive, the date of such early retirement that is set forth in such written agreement; (iii) if the Termination of Employment for purposes of this Agreement is by reason of disability pursuant to Section 11, 30 days after the Notice of Termination is given; (iv) if the Termination of Employment is by the Executive voluntarily (other than for Good Reason), the date the Notice of Termination is given; and (v) if the Termination of Employment is by the Employer (other than by reason of disability pursuant to Section 11) or by the Executive for Good Reason, 30 days after the Notice of Termination is given.

- (A) If termination is for Cause pursuant to Section 7(b) and if the Executive has cured the conduct constituting such Cause as described by the Employer in its Notice of Termination within such 30-day or shorter period, then the Executive's employment hereunder shall continue as if the Employer had not delivered its Notice of Termination.
- (B) If the Executive shall in good faith give a Notice of Termination for Good Reason and the Company notifies the Executive that a dispute exists concerning the termination within the fifteen day period following receipt thereof, then the Executive may elect to continue the Executive's employment during such dispute and the Termination Date shall be determined under this paragraph. If the Executive so elects and it is thereafter determined that the Executive terminated the Executive's employment for Good Reason in accordance with this Agreement, then the Termination Date shall be the earlier of (1) the date on which the dispute is finally determined, either (x) by mutual written agreement of the parties or (y) in accordance with Section 22 or (2) the date of the Executive's death. If the Executive so elects and it is thereafter determined that the Executive did not terminate the Executive's employment for Good Reason in accordance with this Agreement, then the employment of the Executive hereunder shall continue after such determination as if the Executive had not delivered the Notice of Termination asserting Good Reason and there shall be no Termination Date arising out of such Notice. In either case, this Agreement continues, until the Termination Date, if any, as if the Executive had not delivered the Notice of Termination except that, if it is finally determined that the Executive terminated the Executive's employment for Good Reason in accordance with this Agreement, then the Executive shall in no case be denied the benefits described in Section 8 (including a Termination Payment) based on events occurring after the Executive delivered the Notice of Termination.
- (C) Except as provided in paragraph (A) above, if the party receiving the Notice of Termination notifies the other party that a dispute exists concerning the termination within the fifteen day period following receipt thereof and it is finally determined that termination of the Executive's employment for the reason asserted in such Notice of Termination was not in accordance with this Agreement, then (1) if such Notice was delivered by the Executive, then the Executive will be deemed to have voluntarily terminated the Executive's employment other than for Good Reason by means of such Notice and (2) if delivered by the Company, then the Company will be deemed to have terminated the Executive's employment other than by reason of death, disability or Cause by means of such Notice.
- (y) Termination of Employment. The term "Termination of Employment" means a termination of employment of the Executive (A) when the Company and the Executive reasonably anticipate that no further services will be performed by the Executive for the

Company and its 409A Affiliates or that the level of bona fide services the Executive will perform as an employee of the Company and its 409A Affiliates will permanently decrease to no more than 20 percent of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company and its 409A Affiliates over the immediately preceding 36-month period (or such lesser period of services) or (B) when the Company determines in good faith based on the facts and circumstances in accordance with Code Section 409A, upon a decrease in services by the Executive that is to more than 20 percent of such average level of bona fide services but less than 50 percent, that a Termination of Employment has occurred. The Executive's termination of employment shall be presumed not to occur where the level of bona fide services performed by the Executive for the Company and its 409A Affiliates continues at a level that is 50 percent or more of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company and its 409A Affiliates over the immediately preceding 36-month period (or such lesser period of service). No presumption applies to a decrease in services that is to more than 20 percent of such average level of bona fide services but less than 50 percent, and in such event, whether the Executive has had a Termination of Employment will be determined in good faith by the Company based on the facts and circumstances in accordance with Code Section 409A. Notwithstanding the foregoing, if the Executive takes a leave of absence for purposes of military leave, sick leave or other bona fide leave of absence, then the Executive will not be deemed to have incurred a Separation from Service for the first six months of the leave of absence or, if longer, for so long as the Executive's right to reemployment is provided either by statute or by contract, including this Agreement; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six months, where such impairment causes the Executive to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to 29 months without causing a Termination of Employment.

(z) Trade Secrets. "Trade Secrets" means "trade secrets" as defined in Wis. Stats. Section 134.90(1)(c), as such definition may be amended from time to time, of the Company and/or a subsidiary of the Company, as well as other information as to which the Company and/or a subsidiary of the Company has an obligation of confidentiality or secrecy to any third party.

KEY EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT

THIS AGREEMENT, made and entered into as of the [] day of [], 20[], by and between Oshkosh Corporation, a Wisconsin corporation (hereinafter referred to as the "Company"), and [] (hereinafter referred to as the "Executive").

WITNESSETH:

WHEREAS, the Executive is employed by the Company and/or a subsidiary of the Company in a key executive capacity, and the Executive's services are valuable to the conduct of the business of the Company;

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that circumstances may arise in which a change in control of the Company occurs, through acquisition or otherwise, thereby causing uncertainty about the Executive's future employment with the Company and/or any such subsidiary without regard to the Executive's competence or past contributions, which uncertainty may result in the loss of valuable services of the Executive to the detriment of the Company and its shareholders, and the Company and the Executive wish to provide reasonable security to the Executive against changes in the Executive's relationship with the Company in the event of any such change in control;

WHEREAS, the Company and the Executive are desirous that any proposal for a change in control or acquisition of the Company will be considered by the Executive objectively and with reference only to the best interests of the Company and its shareholders;

WHEREAS, the Executive will be in a better position to consider the Company's best interests if the Executive is afforded reasonable security, as provided in this Agreement, against altered conditions of employment that could result from any such change in control or acquisition; and

WHEREAS, as a further basis for the Company to enter into this Agreement, the Executive has entered into a Confidentiality and Loyalty Agreement in favor of the Company (the "Confidentiality Agreement").

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually covenant and agree as follows:

1. Definitions. The following terms are used in this Agreement as defined in Exhibit A:

409A Affiliate	Covered Termination	Prime
Act	Effective Date	Section 409A Indemnification
Accrued Benefits	Employer	Section 409A Tax
Affiliate and Associate	Good Reason	Separation from Service
Annual Cash Compensation	Indemnified Section 409A Violation	Termination Date
Cause	Normal Retirement Date	Termination of Employment
Change in Control	Notice of Termination	
Code	Person	

2. Termination or Cancellation Prior to the Effective Date. The Company and the Executive shall each retain the right to terminate the employment of the Executive at any time prior to the Effective Date. If the Executive's employment is terminated prior to the Effective Date, then this Agreement shall be terminated and cancelled and of no further force or effect, and any and all rights and obligations of the parties hereunder shall cease. In addition, this Agreement shall terminate upon the Executive ceasing to be an officer of the Company and its Affiliates prior to a Change in Control unless the Executive can reasonably demonstrate that such change in status occurred under circumstances described in clause (iii)(B)(1) or (iii)(B)(2) of the definition of "Effective Date" in Exhibit A.

3. Employment Period. If the Executive is employed by the Employer on the Effective Date, then the Company will, or will cause the Employer to, continue thereafter to employ the Executive during the Employment Period (as hereinafter defined), and the Executive will remain in the employ of the Employer, in accordance with and subject to the terms and provisions of this Agreement. For purposes of this Agreement, the term "Employment Period" means a period (i) commencing on the Effective Date, and (ii) ending at 11:59 p.m. Oshkosh Time on the earlier of the second anniversary of such date or the Executive's Normal Retirement Date.

4. Duties. During the Employment Period, the Executive shall, in the most significant capacities and positions held by the Executive at any time during the 180-day period preceding the Effective Date or in such other capacities and positions as may be agreed to by the Company and the Executive in writing, devote the Executive's best efforts and all of the Executive's business time, attention and skill to the business and affairs of the Employer, as such business and affairs now exist and as they may hereafter be conducted.

5. Compensation. During the Employment Period, the Executive shall be compensated as follows:

(a) The Executive shall receive, at reasonable intervals (but not less often than monthly) and in accordance with such standard policies as may be in effect immediately prior to the Effective Date, an annual base salary in cash equivalent of not less than twelve times the Executive's highest monthly base salary for the twelve-month period immediately preceding the month in which the Effective Date occurs or, if higher, an annual base salary at the rate in effect immediately prior to the Effective Date (determined prior to any reduction for amounts deferred

under Section 401(k) of the Code or otherwise, or deducted pursuant to a cafeteria plan or qualified transportation fringe benefit under Sections 125 and 132(f) of the Code), subject to upward adjustment as hereinafter provided in Section 6 (such salary amount as adjusted upward from time to time is hereafter referred to as the "Annual Base Salary").

(b) The Executive shall receive perquisites at least equal in value to those provided for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to any executives of the Company and its Affiliates of comparable status and position to the Executive. The Executive shall be reimbursed, at such intervals and in accordance with such standard policies that are most favorable to the Executive that were in effect at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to any executives of the Company and its Affiliates of comparable status and position to the Executive, for any and all monies advanced in connection with the Executive's employment for reasonable and necessary expenses incurred by the Executive on behalf of the Company, including travel expenses.

(c) The Executive and/or the Executive's family, as the case may be, shall be included, to the extent eligible thereunder (which eligibility shall not be conditioned on the Executive's salary grade or on any other requirement that excludes executives of the Company and its Affiliates of comparable status and position to the Executive unless such exclusion was in effect for such plan or an equivalent plan on the date 180 days prior to the Effective Date), in any and all welfare benefit plans, practices, policies and programs providing benefits for the Company's salaried employees in general or, if more favorable to the Executive, to any executives of the Company and its Affiliates of comparable status and position to the Executive, including but not limited to group life insurance, hospitalization, medical and dental plans; provided, that, (i) in no event shall the aggregate level of benefits under such plans, practices, policies and programs in which the Executive is included be less than the aggregate level of benefits under plans, practices, policies and programs of the type referred to in this Section 5(c) in which the Executive was participating at any time during the 180-day period immediately preceding the Effective Date and (ii) in no event shall the aggregate level of benefits under such plans, practices, policies and programs be less than the aggregate level of benefits under plans, practices, policies and programs of the type referred to in this Section 5(c) provided at any time after the Effective Date to any executive of the Company and its Affiliates of comparable status and position to the Executive.

(d) The Executive shall annually be entitled to not less than the amount of paid vacation and not fewer than the number of paid holidays to which the Executive was entitled annually at any time during the 180-day period immediately preceding the Effective Date or such greater amount of paid vacation and number of paid holidays as may be made available annually to the Executive or any other executive of the Company and its Affiliates of comparable status and position to the Executive at any time after the Effective Date.

(e) The Executive shall be included in all plans providing additional benefits to any executives of the Company and its Affiliates of comparable status and position to the

Executive, including but not limited to deferred compensation, retirement, stock option, stock appreciation, stock bonus and similar or comparable plans; provided, that, (i) in no event shall the aggregate level of benefits under such plans be less than the aggregate level of benefits under plans of the type referred to in this Section 5(e) in which the Executive was participating at any time during the 180-day period immediately preceding the Effective Date; (ii) in no event shall the aggregate level of benefits under such plans be less than the aggregate level of benefits under plans of the type referred to in this Section 5(e) provided at any time after the Effective Date to the Executive or any executive of the Company and its Affiliates of comparable status and position to the Executive; and (iii) the Company's obligation to include the Executive in bonus or incentive compensation plans shall be determined by Section 5(f).

(f) To assure that the Executive will have an opportunity to earn incentive compensation after the Effective Date, the Executive shall be included in a bonus plan of the Company that shall satisfy the standards described below (the "Bonus Plan"). Bonuses under the Bonus Plan shall be payable with respect to achieving such financial or other goals reasonably related to the business of the Company, including the Employer, as the Company shall establish (the "Goals"), all of which Goals shall be attainable, prior to the end of the Employment Period, with approximately the same degree of probability as the goals under the Company's bonus plan or plans in the form most favorable to the Executive that was in effect at any time during the 180-day period prior to the Effective Date (the "Existing Plan") and in view of the Company's existing and projected financial and business circumstances applicable at the time. The amount of the bonus (the "Bonus Amount") that the Executive is eligible to earn under the Bonus Plan shall be no less than the amount of the Executive's highest maximum potential award under the Existing Plan at any time during the 180-day period prior to the Effective Date or, if higher, any maximum potential award under the Bonus Plan or any other bonus or incentive compensation plan in effect after the Effective Date for the Executive or for any executive of the Company and its Affiliates of comparable status and position to the Executive (such bonus amount herein referred to as the "Maximum Bonus"), and if the Goals are not achieved (and, therefore, the entire Maximum Bonus is not payable), then the Bonus Plan shall provide for a payment of a Bonus Amount not less than a portion of the Maximum Bonus reasonably related to that portion of the Goals that were achieved. Payment of the Bonus Amount (i) shall be in cash, unless otherwise agreed by the Executive, and (ii) shall not be affected by any circumstance occurring subsequent to the end of the Employment Period, including termination of the Executive's employment.

6. Annual Compensation Adjustments. During the Employment Period, the Chief Executive of the Company will consider and appraise, at least annually, the contributions of the Executive to the Company, and in accordance with the Company's practice prior to the Effective Date, due consideration shall be given, at least annually, to the upward adjustment of the Executive's Annual Base Salary (i) commensurate with increases generally given to other executives of the Company and its Affiliates of comparable status and position to the Executive, and (ii) as the scope of the Company's operations or the Executive's duties expand.

7. Termination During Employment Period.

(a) Right to Terminate. During the Employment Period, (i) the Company shall be entitled to terminate the Executive's employment (A) for Cause, (B) by reason of the Executive's disability pursuant to Section 11, or (C) for any other reason, and (ii) the Executive shall be entitled to terminate the Executive's employment for any reason. Any such termination shall be subject to the procedures set forth in Section 12 and shall be subject to any consequences of such termination set forth in this Agreement. Any termination of the Executive's employment during the Employment Period by the Employer shall be deemed a termination by the Company for purposes of this Agreement.

(b) Termination for Cause or Without Good Reason. If there is a Covered Termination for Cause or due to the Executive's voluntarily terminating the Executive's employment other than for Good Reason, then the Executive shall be entitled to receive only Accrued Benefits.

(c) Termination Giving Rise to a Termination Payment. If there is a Covered Termination by the Executive for Good Reason, or by the Company other than by reason of (i) death, (ii) disability pursuant to Section 11, or (iii) Cause, and provided that the Executive timely signs, in accordance with Section 8(a)(ii), a full release of claims in form and substance reasonably acceptable to the Company, then the Executive shall be entitled to receive, and the Company shall promptly pay, Accrued Benefits and, in lieu of further base salary for periods following the Termination Date, as liquidated damages and severance pay and in consideration of the covenants of the Executive set forth in the Confidentiality Agreement, the Termination Payment pursuant to Section 8(a).

8. Payments Upon Termination.

(a) Termination Payment.

(i) The "Termination Payment" shall be an amount equal to the Annual Cash Compensation multiplied by the number of years or fractional portion thereof remaining in the Employment Period determined as of the Termination Date, except that the Termination Payment shall not be less than the amount of the Annual Cash Compensation. Subject to Section 8(a)(ii), the Termination Payment shall be paid to the Executive in cash equivalent on the first day of the seventh month following the month in which the Executive's Separation from Service occurs (the "Termination Payment Date") and shall be accompanied by an interest payment calculated at Prime, such rate to be determined on the Termination Date, compounded quarterly. Such lump sum payment shall not be reduced by any present value or similar factor, and the Executive shall not be required to mitigate the amount of the Termination Payment by securing other employment or otherwise, nor will such Termination Payment be reduced by reason of the Executive securing other employment or for any other reason. The Termination Payment shall be in lieu of any other severance payments to which the Executive is entitled under the severance policies and practices of the Company and/or any subsidiary of the Company.

(ii) It is a condition of payment of the Termination Payment that the Executive deliver a full release to the Company no earlier than thirty (30) days and no later than eight (8) days prior to the Termination Payment Date. If the Executive does not timely deliver a full release to the Company, or if the Executive delivers such a release but revokes it prior to the Termination Payment Date (to the extent he is able to do so), then the Executive shall not be entitled to the Termination Payment.

(b) Certain Code Consequences.

(i) Notwithstanding any other provision of this Agreement, if any portion of the Termination Payment or any other payment under this Agreement (including any Section 409A Indemnification under Section 8(b)(v)), or under any other agreement with or plan of the Company or the Employer, including, without limitation, the Oshkosh Corporation 1990 Incentive Stock Plan, the Oshkosh Corporation 2004 Incentive Stock and Awards Plan, and any subsequently adopted equity incentive plan (the "Incentive Stock Plans") or any stock option agreement (the "Stock Option Agreements") between the Company and the Executive entered into pursuant to an Incentive Stock Plan (in the aggregate "Total Payments"), would constitute an "excess parachute payment," then the Total Payments to be made to the Executive shall be reduced such that the value of the aggregate Total Payments that the Executive is entitled to receive shall be One Dollar (\$1.00) less than the maximum amount that the Executive may receive without becoming subject to the tax imposed by Section 4999 of the Code (or any successor provision) or that the Company may pay without loss of deduction under Section 280G of the Code (or any successor provision). If the provisions of Sections 280G and 4999 (or any successor provisions) are repealed without succession, then this Section 8(b)(i) shall be of no further force and effect.

(ii) For purposes of this Agreement, the terms "excess parachute payment" and "parachute payments" shall have the meanings assigned to them in Section 280G of the Code (or any successor provision) and such "parachute payments" shall be valued as provided therein. Present value for purposes of this Agreement shall be calculated in accordance with Section 1274(b)(2) of the Code (or any successor provision). Within 40 days following a Covered Termination or notice by one party to the other of its belief that there is a payment or benefit due the Executive that will result in an "excess parachute payment" as defined in Section 280G of the Code (or any successor provision), the Executive and the Company, at the Company's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel (the "National Tax Counsel") selected by the Company's independent auditors and acceptable to the Executive in the Executive's sole discretion (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments, and (C) the amount and present value of any excess parachute payments. As used in this Section 8(b)(ii), the term "Base Period Income" means an amount equal to the Executive's "annualized includible compensation for the base period" as defined in Section 280G(d)(1) of the Code (or any successor provision). For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the

Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code (or any successor provisions), which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Executive. The opinion of the National Tax Counsel shall be dated as of the Termination Date and addressed to the Company and the Executive and shall be binding upon the Company and the Executive. If such opinion determines that there would be an excess parachute payment, then the Termination Payment hereunder or any other payment or benefit determined by such counsel to be includable in Total Payments shall be reduced or eliminated as specified by the Executive in writing delivered to the Company within 30 days of the Executive's receipt of such opinion so that under the bases of calculations set forth in such opinion there will be no excess parachute payment; provided that if Executive's exercise of the right to specify the payments or benefits to be reduced or eliminated would result in additional tax being due under Section 409A of the Code or, if the Executive fails to so notify the Company, then the payments or benefits included in the Total Payments shall be reduced or eliminated so that under the bases of calculations set forth in such opinion there will be no excess parachute payment by applying the following principles, in order: (x) the payment or benefit with the higher ratio of the parachute payment value to present economic value (determined using reasonable actuarial assumptions) shall be reduced or eliminated before a payment or benefit with a lower ratio; (y) the payment or benefit with the later possible payment date shall be reduced or eliminated before a payment or benefit with an earlier payment date; and (z) cash payments shall be reduced prior to non-cash benefits; provided further that if the foregoing order of reduction or elimination would result in additional tax being due under Section 409A of the Code, then the reduction shall be made pro rata among the payments or benefits included in the Total Payments (on the basis of the relative present value of the parachute payments). If the National Tax Counsel so requests in connection with the opinion required by this Section 8(b), the Executive and the Company shall obtain, at the Company's expense, and the National Tax Counsel may rely on, in providing the opinion, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Executive solely with respect to its status under Section 280G of the Code (or any successor provision) and the regulations thereunder. Notwithstanding the foregoing, the provisions of this Section 8(b), including the calculations, notices and opinions provided for herein, shall be based upon the conclusive presumption that the following are reasonable: (1) the compensation and benefits provided for in Section 5 and (2) any other compensation, including but not limited to the Accrued Benefits, earned prior to the Termination Date by the Executive pursuant to the Company's compensation programs if such payments would have been made in the future in any event, even though the timing of such payment is triggered by the Change in Control or the Termination Date.

(iii) In the event that, upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments, a change is finally determined to be required in the amount of taxes paid by the Executive, appropriate adjustments shall be made under this Agreement such that the net amount that is payable to the Executive after taking into account the provisions of Section 4999 of the Code shall

reflect the intent of the parties as expressed in this Section 8(b), in the manner determined by the National Tax Counsel. If the Company is required to make a payment to the Executive, then such payment shall be paid following the date of the final determination by a court or the Internal Revenue Service and within 30 days after the date the Executive provides the Company a written request for reimbursement thereof (accompanied by proof of taxes paid), but in no event shall the reimbursement be made later than the end of the calendar year following the year in which the Executive remits the excise tax to the Internal Revenue Service.

(iv) The Company will bear all costs associated with the National Tax Counsel and will indemnify and hold harmless the National Tax Counsel of and from any and all claims, damages, and expenses resulting from or relating to the National Tax Counsel's determinations pursuant to this Section 8(b), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of such firm.

(v) The Company shall pay the Executive any Section 409A Indemnification within 30 days after the later of the date on which the Executive provides the Company with a written request for reimbursement thereof (accompanied by proof of payment of the Section 409A Tax upon which such request is based) or the date that is the first day of the seventh month following the month in which the Separation from Service occurs, but in no event later than the end of the calendar year following the year in which the Executive remits the Section 409A Tax to the Internal Revenue Service. The Company and the Executive shall reasonably cooperate with each other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Section 409A Tax, and the Executive shall, if reasonably requested by the Company, contest any obligation to pay a Section 409A Tax. If, as a result thereof, the Executive receives a tax refund or credit for any Section 409A Tax previously paid, the Executive shall return to the Company an amount equal to such refund or credit. Notwithstanding the above, no Section 409A Indemnification will be made if the Executive fails to timely consent to any amendment of this Agreement reasonably proposed by the Company for the purpose of avoiding the need to pay the Section 409A Tax.

(c) Additional Benefits. If there is a Covered Termination and the Executive is entitled to Accrued Benefits and the Termination Payment, then the Executive shall be entitled to the following additional benefits:

(i) Until the earlier of the end of the Employment Period or such time as the Executive has obtained new employment and is covered by benefits that in the aggregate are at least equal in value to the following benefits, the Executive shall continue to be covered, at the expense of the Company, by the most favorable life insurance, hospitalization, medical and dental coverage and other welfare benefits provided to the Executive and the Executive's family during the 180-day period immediately preceding the Effective Date or at any time thereafter or, if more favorable to the Executive, coverage as was required hereunder with respect to the Executive immediately prior to the date Notice of Termination is given, subject to the following:

- (A) If applicable, following the end of the COBRA continuation period, if such hospitalization, medical or dental coverage is provided under a health plan that is subject to Section 105(h) of the Code, benefits payable under such health plan shall comply with the requirements of Treasury regulation section 1.409A-3(i)(1)(iv)(A) and (B) and, if necessary, the Company shall amend such health plan to comply therewith.
- (B) During the first six months following the Executive's Separation from Service, the Executive shall pay the Company the cost of any life insurance coverage for the Executive that provides a benefit in excess of \$50,000 under a group term life insurance policy. After the end of such six month period, the Company shall make a cash payment to the Executive (with interest at Prime, compounded quarterly) equal to the aggregate premiums paid by the Executive for such coverage, and thereafter such coverage shall be provided at the expense of the Company for the remainder of the period.

If the Executive is entitled to the Termination Payment pursuant to Section 12(b), then on the first anniversary of the Change in Control, the Company shall reimburse the Executive for any COBRA premiums the Executive paid for his or her hospitalization, medical and dental coverage under COBRA from the Executive's Termination Date through such first anniversary of the Change in Control.

(ii) The Executive shall receive, until the end of the second calendar year following the calendar year in which the Separation from Service occurs, at the expense of the Company, outplacement services, on an individualized basis at a level of service commensurate with the Executive's most senior status with the Company during the 180-day period prior to the Effective Date (or, if higher, at any time after the Effective Date), provided by a nationally recognized executive placement firm selected by the Company with the consent of the Executive, which consent will not be unreasonably withheld; provided that the cost to the Company of such services shall not exceed 15 percent of the Annual Base Salary.

(iii) The Company shall bear up to \$5,000 in the aggregate of fees and expenses of consultants and/or legal or accounting advisors (other than the National Tax Counsel) engaged by the Executive to advise the Executive as to matters relating to the computation of benefits due and payable under this Section 8.

(d) Rabbi Trust. Prior to or simultaneously with a Change in Control over which the Company has control or within three business days of any other Change in Control, the Company shall establish an irrevocable grantor trust (also known as a "rabbi trust") for the benefit of the Executive and other executives of the Company who are parties to agreements with the Company similar to this Agreement for the sole purpose of (i) holding assets equal in value to the present value at any time after a Change in Control of the maximum amount of benefits to which the Executive may be entitled under Section 8(a) and Section 8(b) and to which such other executives may be entitled under similar provisions of their respective agreements and (ii)

distributing such assets as their payment becomes due. Prior to or simultaneously with a Change in Control over which the Company has control or within three business days of any other Change in Control, the Company shall fund such trust with cash or marketable securities having the value described in clause (i); provided that the Company shall not be obligated to fund such trust at such time if the funding would result in additional tax being owed under Section 409A of the Code, and in such event, the Company shall fund such trust on the first date it may fund such trust without causing any such additional tax to be owed. The Company shall reasonably calculate the value described in clause (i) assuming that the date on which such calculation is made is the Termination Date applicable to the Executive and the corresponding date applicable to such other executives.

9. Death.

(a) Except as provided in Section 9(b), in the event of a Covered Termination due to the Executive's death, the Executive's estate, heirs and beneficiaries shall receive all the Executive's Accrued Benefits through the Termination Date.

(b) If the Executive dies after a Notice of Termination is given (i) by the Company or (ii) by the Executive for Good Reason, then the Executive's estate, heirs and beneficiaries shall be entitled to the benefits described in Section 9(a) and, subject to the provisions of this Agreement (including Section 9(c)), to such Termination Payment to which the Executive would have been entitled had the Executive lived, except that the Termination Payment shall be paid on the 120th day following the date of the Executive's death (the "Death Benefit Payment Date"), without interest thereon. For purposes of this Section 9(b), the Termination Date shall be the earlier of 30 days following the giving of the Notice of Termination, subject to extension pursuant to the definition of Termination of Employment, or one day prior to the end of the Employment Period.

(c) It is a condition of payment of the Termination Payment under Section 9(b) that the Executive's estate deliver a full release of claims in form and substance reasonably acceptable to the Company no earlier than sixty (60) days and no later than eight (8) days prior to the Death Benefit Payment Date. If the Executive's estate does not timely deliver a full release to the Company, or if the Executive's estate delivers such a release but revokes it prior to the Termination Payment Date (to the extent the Executive's estate is able to do so), then the Executive's estate shall not be entitled to the Termination Payment.

10. Retirement. If, during the Employment Period, the Executive and the Company shall execute an agreement providing for the early retirement of the Executive from the Company, or the Executive shall otherwise give notice that the Executive is voluntarily choosing to retire early from the Company, then the Executive shall receive Accrued Benefits through the Termination Date; provided, that if the Executive's employment is terminated by the Executive for Good Reason or by the Company other than by reason of death, disability or Cause and the Executive also, in connection with such termination, elects voluntary early retirement, then the Executive shall also be entitled to receive a Termination Payment pursuant to Section 8(a).

11. Termination for Disability. If, during the Employment Period, as a result of the Executive's disability due to physical or mental illness or injury (regardless of whether such illness or injury is job-related), the Executive shall have been absent from the Executive's duties hereunder on a full-time basis for a period of six consecutive months and, within thirty days after the Company notifies the Executive in writing that it intends to terminate the Executive's employment (which notice shall not constitute the Notice of Termination contemplated below), the Executive shall not have returned to the performance of the Executive's duties hereunder on a full-time basis, then the Company may terminate the Executive's employment for purposes of this Agreement pursuant to a Notice of Termination. If the Executive's employment is terminated on account of the Executive's disability in accordance with this Section 11, then the Executive shall receive Accrued Benefits and shall remain eligible for all benefits provided by any long term disability programs of the Company in effect at the time the Company sends notice to the Executive of its intent to terminate pursuant to this Section.

12. Termination Notice and Procedure.

(a) Any termination of the Executive's employment during the Employment Period by the Company or the Executive (other than a termination of the Executive's employment referenced in the second sentence of the definition of "Effective Date" in Exhibit A) shall be communicated by written Notice of Termination to the Executive, if such Notice is given by the Company, and to the Company, if such Notice is given by the Executive, all in accordance with the following procedures and those set forth in Section 23:

(i) If such termination is for disability, Cause or Good Reason, then the Notice of Termination shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such termination.

(ii) Any Notice of Termination by the Company shall have been approved, prior to the giving thereof to the Executive, by the Chief Executive Officer of the Company as evidenced by a document the Chief Executive Officer has executed, a copy of which shall accompany the Notice.

(iii) If the Notice is given by the Executive for Good Reason, then the Executive may cease performing the Executive's duties hereunder on or after the date 15 days after the delivery of Notice of Termination (unless the Notice of Termination is based upon clause (vii) of the definition of "Good Reason" in Exhibit A, in which case the Executive may cease performing his duties at the time the Executive's employment is terminated) and shall in any event cease employment on the Termination Date, if any, arising from the delivery of such Notice. If the Notice is given by the Company, then the Executive may cease performing the Executive's duties hereunder on the date of receipt of the Notice of Termination, subject to the Executive's rights hereunder.

(iv) The recipient of any Notice of Termination shall personally deliver or mail in accordance with Section 23 written notice of any dispute relating to such Notice of Termination to the party giving such Notice within fifteen days after receipt

thereof. After the expiration of such fifteen days, the contents of the Notice of Termination shall become final and not subject to dispute.

Notwithstanding the foregoing, (A) if the Executive terminates the Executive's employment after a Change in Control without complying with this Section 12, then the Executive will be deemed to have voluntarily terminated the Executive's employment other than for Good Reason and deemed to have delivered a written Notice of Termination to that effect to the Company as of the date of such termination and (B) if the Company or the Employer terminates the Executive's employment after a Change in Control without complying with this Section 12, then the Company will be deemed to have terminated the Executive's employment other than by reason of death, disability or Cause and the Company will be deemed to have delivered a written Notice of Termination to that effect to the Executive as of the date of such termination. Under circumstances described in clause (B) above, the Executive may, but shall not be obligated to, also deliver a Notice of Termination based upon clause (vii) of the definition of "Good Reason" in Exhibit A for the purpose of subjecting such Notice to Section 12(a)(iv).

(b) If a Change in Control occurs and the Executive's employment with the Employer terminates (whether by the Company, the Executive or otherwise) within 180 days prior to the Change in Control, then the Executive may assert that such termination is a Covered Termination by sending a written Notice of Termination to the Company at any time prior to the day 180 days following the Change in Control in accordance with the procedures set forth in this Section 12(b) and those set forth in Section 23. If the Executive asserts that the Executive terminated the Executive's employment for Good Reason or that the Company terminated the Executive's employment other than for disability or Cause, then the Notice of Termination shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such assertions. The Company shall personally deliver or mail in accordance with Section 23 written notice of any dispute relating to such Notice of Termination to the Executive within 15 days after receipt thereof. After the expiration of such 15 days, the contents of the Notice of Termination shall become final and not subject to dispute. If the Executive's termination constitutes a Covered Termination under this Section 12(b) such that the Executive is entitled to receive the Termination Payment, then such Termination Payment shall be paid to the Executive in cash equivalent on the first anniversary of the Change in Control and shall be accompanied by an interest payment calculated at Prime, such rate to be determined on the date of the Change in Control, compounded quarterly, from the date of the Change in Control. In addition, for purposes of applying the provisions of Section 8(a)(ii), the first anniversary of the Change in Control shall be considered the Termination Payment Date.

13. Confidentiality Agreement. The obligations of the Executive under the Confidentiality Agreement shall remain in force after the Effective Date.

14. Expenses and Interest. If, after the Effective Date, (i) a dispute arises with respect to the enforcement of the Executive's rights under this Agreement or (ii) any legal or arbitration proceeding shall be brought to enforce or interpret any provision contained herein or in the Confidentiality Agreement or to recover damages for breach hereof or of the Confidentiality Agreement, in either case so long as the Executive is not acting in bad faith, then the Company shall reimburse the Executive for any reasonable attorneys' fees and necessary costs and

disbursements incurred as a result of such dispute, legal or arbitration proceeding or tax audit or proceeding ("Expenses"), and prejudgment interest on any money judgment or arbitration award obtained by the Executive calculated at Prime from the date that payments to the Executive should have been made under this Agreement. Within ten days after the Executive's written request therefor (but in no event later than the end of the calendar year following the calendar year in which such Expense is incurred), the Company shall reimburse the Executive, or such other person or entity as the Executive may designate in writing to the Company, the Executive's reasonable Expenses accompanied by an interest payment at Prime, compounded quarterly.

15. Payment Obligations Absolute. The Company's obligation during and after the Employment Period to pay the Executive the amounts and to make the benefit and other arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any setoff, counterclaim, recoupment, defense or other right that the Company may have against the Executive or anyone else. Except as provided in Section 8(b) and Section 14, all amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company shall 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 reason whatsoever.

16. Successors.

(a) If the Company sells, assigns or transfers all or substantially all of its business and assets to any Person or if the Company merges into or consolidates or otherwise combines (where the Company does not survive such combination) with any Person (any such event, a "Sale of Business"), then the Company shall assign all of its right, title and interest in this Agreement as of the date of such event to such Person, and the Company shall cause such Person, by written agreement in form and substance reasonably satisfactory to the Executive, to expressly assume and agree to perform from and after the date of such assignment all of the terms, conditions and provisions imposed by this Agreement upon the Company. Failure of the Company to obtain such agreement prior to the effective date of such Sale of Business shall be a breach of this Agreement constituting "Good Reason" hereunder, except that for purposes of implementing the foregoing, the date upon which such Sale of Business becomes effective shall be deemed the Termination Date. In case of such assignment by the Company and of assumption and agreement by such Person, as used in this Agreement, "Company" shall thereafter mean such Person that executes and delivers the agreement provided for in this Section 16 or that otherwise becomes bound by all the terms and provisions of this Agreement by operation of law, and this Agreement shall inure to the benefit of, and be enforceable by, such Person. The Executive shall, in the Executive's discretion, be entitled to proceed against any or all of such Persons, any Person that theretofore was such a successor to the Company (as defined in the first paragraph of this Agreement) and the Company (as so defined) in any action to enforce any rights of the Executive hereunder. Except as provided in this Section 16(a), this Agreement shall not be assignable by the Company. This Agreement shall not be terminated by the voluntary or involuntary dissolution of the Company.

(b) This Agreement and all rights of the Executive shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors,

administrators, heirs and beneficiaries. All amounts payable to the Executive under Sections 7, 8, 9, 10, 11 and 14 if the Executive had lived shall be paid, in the event of the Executive's death, to the Executive's estate, heirs and representatives; provided, however, that the foregoing shall not be construed to modify any terms of any benefit plan of the Company, as such terms are in effect on the Effective Date, that expressly govern benefits under such plan in the event of the Executive's death.

17. Severability. The provisions of this Agreement shall be regarded as divisible, and if any of said provisions or any part hereof are declared invalid or unenforceable by a court of competent jurisdiction, then the validity and enforceability of the remainder of such provisions or parts hereof and the applicability thereof shall not be affected thereby.

18. Amendment. This Agreement may not be amended or modified at any time except by written instrument executed by the Company and the Executive. However, at the request of the Company, the Executive will execute a revised form of this Agreement that reflects changes that the Company determines are appropriate to comply with regulations under Code Section 409A.

19. Withholding. The Company shall be entitled to withhold from amounts to be paid to the Executive hereunder any federal, state or local withholding or other taxes or charges which it is from time to time required to withhold; provided, that the amount so withheld shall not exceed the minimum amount required to be withheld by law. In addition, if prior to the date of payment of the Termination Payment hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due with respect to any payment or benefit to be provided hereunder, then the Company shall provide for an immediate payment of the amount needed to pay the Executive's portion of such tax (plus an amount equal to the taxes that will be due on such amount) and the Executive's Termination Payment shall be reduced accordingly. The Company shall be entitled to rely on an opinion of the National Tax Counsel if any question as to the amount or requirement of any such withholding shall arise.

20. Additional Section 409A Provisions.

(a) If any payment amount or the value of any benefit under this Agreement is required to be included in the Executive's income prior to the date such amount is actually paid or the benefit provided as a result of the failure of this Agreement (or any other arrangement that is required to be aggregated with this Agreement under Code Section 409A) to comply with Code Section 409A, then the Company shall make a payment to the Executive, in a lump sum, within 90 days after the date it is finally determined that the Agreement (or such other arrangement that is required to be aggregated with this Agreement) fails to meet the requirements of Section 409A of the Code; such payment shall equal the amount required to be included in the Executive's income as a result of such failure and shall reduce the amount of payments or benefits otherwise due hereunder (other than additional payments to be made by the Company pursuant to Section 8(b)).

(b) The Company and the Executive intend the terms of this Agreement to be in compliance with Section 409A of the Code. To the maximum extent permissible, any ambiguous terms of this Agreement shall be interpreted in a manner which avoids a violation of Section 409A of the Code.

(c) The Executive acknowledges that to avoid an additional tax on payments that may be payable or benefits that may be provided under this Agreement and that constitute deferred compensation that is not exempt from Section 409A of the Code, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which the Executive believes the Executive is entitled hereunder no later than 90 days after the latest date upon which the payment could have been made or benefit provided under this Agreement, and if the payment or benefit is not paid or provided, then the Executive must take further enforcement measures within 180 days after such latest date.

21. Certain Rules of Construction. No party shall be considered as being responsible for the drafting of this Agreement for the purpose of applying any rule construing ambiguities against the drafter or otherwise. No draft of this Agreement shall be taken into account in construing this Agreement. Any provision of this Agreement that requires an agreement in writing shall be deemed to require that the writing in question be signed by the Executive and an authorized representative of the Company. This Agreement supersedes any prior Key Executive Employment and Severance Agreement between the Executive and the Company.

22. Governing Law; Resolution of Disputes.

(a) This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Wisconsin (excluding any choice of law rules that may direct the application of the laws of another jurisdiction) except that Section 22(b) shall be construed in accordance with the Federal Arbitration Act if arbitration is chosen by the Executive as the method of dispute resolution.

(b) Any dispute arising out of this Agreement or, after the Effective Date, the Confidentiality Agreement, shall, at the Executive's election, be determined by arbitration under the rules of the American Arbitration Association then in effect (but subject to any evidentiary standards set forth in this Agreement), in which case both parties shall be bound by the arbitration award, or by litigation. Whether the dispute is to be settled by arbitration or litigation, the venue for the arbitration or litigation shall be Oshkosh, Wisconsin or, at the Executive's election, if the Executive is no longer residing or working in the Oshkosh, Wisconsin, in the judicial district encompassing the city in which the Executive resides; provided, that, if the Executive is not then residing in the United States, then the election of the Executive with respect to such venue shall be either Oshkosh, Wisconsin or in the judicial district encompassing that city in the United States among the thirty cities having the largest population (as determined by the most recent United States Census data available at the Termination Date) that is closest to the Executive's residence. The parties consent to personal jurisdiction in each trial court in the selected venue having subject matter jurisdiction notwithstanding their residence or situs, and each party irrevocably consents to service of process in the manner provided hereunder for the giving of notices.

23. Notice. Notices given pursuant to this Agreement shall be in writing and, except as otherwise provided by Section 12(a)(iii), shall be deemed given when actually received by the Executive or actually received by the Company's Secretary or any officer of the Company other than the Executive. If mailed, such notices shall be mailed by United States registered or certified mail, return receipt requested, addressee only, postage prepaid, if to the Company, to Oshkosh Corporation, Attention: Secretary (or, if the Executive is then Secretary, to the Chief Executive Officer), 2307 Oregon Street, P.O. Box 2566, Oshkosh, WI 54903-2566, or if to the Executive, at the address set forth below the Executive's signature to this Agreement, or to such other address as the party to be notified shall have theretofore given to the other party in writing.

24. No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

25. Headings. The headings herein contained are for reference only and shall not affect the meaning or interpretation of any provision of this Agreement.

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

OSHKOSH CORPORATION

By:

Name: _____

Title: _____

Attest:

Name: _____

Title: _____

EXECUTIVE

_____(SEAL)

[NAME]

Address:

CERTAIN DEFINED TERMS

For purposes of this Agreement,

- (a) 409A Affiliate. The term “409A Affiliate” means each entity that is required to be included in the Company’s controlled group of corporations within the meaning of Section 414(b) of the Code, or that is under common control with the Company within the meaning of Section 414(c) of the Code; provided, however, that the phrase “at least 50 percent” shall be used in place of the phrase “at least 80 percent” each place it appears therein or in the regulations thereunder.
- (b) Act. The term “Act” means the Securities Exchange Act of 1934, as amended.
- (c) Accrued Benefits. The term “Accrued Benefits” shall include the following amounts, payable as described herein: (i) all base salary for the time period ending with the Termination Date; (ii) reimbursement for any and all monies advanced in connection with the Executive’s employment for reasonable and necessary expenses incurred by the Executive on behalf of the Company for the time period ending with the Termination Date; (iii) any and all other cash earned through the Termination Date and deferred at the election of the Executive or pursuant to any deferred compensation plan then in effect; (iv) notwithstanding any provision of any bonus or incentive compensation plan applicable to the Executive, but subject to any deferral election then in effect, a lump sum amount, in cash, equal to the sum of (A) any bonus or incentive compensation that has been allocated or awarded to the Executive for a fiscal year or other measuring period under the plan that ends prior to the Termination Date but has not yet been paid (pursuant to Section 5(f) or otherwise) and (B) a pro rata portion to the Termination Date of the aggregate value of all contingent bonus or incentive compensation awards to the Executive for all uncompleted periods under the plan calculated as to each such award as if the target or expected performance Goals with respect to such bonus or incentive compensation award had been attained (reduced, but not below zero, by amounts paid under all such contingent bonuses or incentive compensation awards upon a Change in Control to the extent such amounts relate to the same period of time); and (v) all other payments and benefits to which the Executive (or in the event of the Executive’s death, the Executive’s surviving spouse or other beneficiary) may be entitled as compensatory perquisites or under the terms of any benefit plan of the Company, including (subject to Section 8(a)(i)) severance payments under the Company’s severance policies and practices in the form most favorable to the Executive that were in effect at any time during the 180-day period prior to the Effective Date. Payment of Accrued Benefits shall be made promptly in accordance with the Company’s prevailing practice with respect to clauses (i) and (ii) or, with respect to clauses (iii), (iv) and (v), pursuant to the terms of the benefit plan or practice establishing such benefits; provided, however, that payments pursuant to clause (iv)(B) shall be paid on the first day of the seventh month following the month in which the Separation from Service occurs, unless the Separation from Service is due to death, in which event such payment shall be made within 90 days of the date of the Executive’s death.

(d) Affiliate and Associate. The terms “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations of the Act.

(e) Annual Cash Compensation. The term “Annual Cash Compensation” shall mean the sum of (A) the Executive’s Annual Base Salary, plus (B) the higher of (1) the highest annual bonus or incentive compensation award earned by the Executive under any cash bonus or incentive compensation plan of the Company or any of its Affiliates during the three complete fiscal years of the Company immediately preceding the Termination Date or, if more favorable to the Executive, during the three complete fiscal years of the Company immediately preceding the Effective Date; or (2) the highest average annual bonus and/or incentive compensation earned during the three complete fiscal years of the Company immediately preceding the Termination Date (or, if more favorable to the Executive, during the three complete fiscal years of the Company immediately preceding the Effective Date) under any cash bonus or incentive compensation plan of the Company or any of its Affiliates by the group of executives of the Company and its Affiliates participating under such plan during such fiscal years at a status or position comparable to that at which the Executive participated or would have participated pursuant to the Executive’s most senior position at any time during the 180 days preceding the Effective Date or thereafter until the Termination Date.

(f) Cause. The Company may terminate the Executive’s employment after the Effective Date for “Cause” only if the conditions set forth in paragraphs (i) and (ii) have been met and the Company otherwise complies with this Agreement:

(i) (A) the Executive has committed any act of fraud, embezzlement or theft in connection with the Executive’s duties as an executive or in the course of employment with the Company and/or its subsidiaries; (B) the Executive has willfully and continually failed to perform substantially the Executive’s duties with the Company or any of its Affiliates (other than any such failure resulting from incapacity due to physical or mental illness or injury, regardless of whether such illness or injury is job-related) for an appropriate period, which shall not be less than 30 days, after the Chief Executive Officer of the Company has delivered a written demand for performance to the Executive that specifically identifies the manner in which the Chief Executive Officer believes the Executive has not substantially performed the Executive’s duties; (C) the Executive has willfully engaged in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; (D) the Executive has breached the terms of the Confidentiality Agreement concerning restrictions relating to a Competing Business (as such term is defined in the Confidentiality Agreement); or (E) the Executive has willfully and wrongfully disclosed any Trade Secrets or Confidential Information of the Company or any of its Affiliates (as such terms are defined in the Confidentiality Agreement) or the Executive has otherwise willfully breached the Confidentiality Agreement; and in any such case the act or omission shall have been determined by the Chief Executive Officer of the Company to have been materially harmful to the Company and its subsidiaries taken as a whole.

For purposes of this provision, (1) no act or failure to act on the part of the Executive shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company and (2) any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) (A) The Company terminates the Executive’s employment by delivering a Notice of Termination to the Executive, (B) prior to the time the Company has terminated the Executive’s employment pursuant to a Notice of Termination, the Chief Executive Officer of the Company has executed a document confirming the finding of the Chief Executive Officer that the Executive was guilty of conduct set forth in this definition of Cause, and specifying the particulars thereof in detail, (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive’s counsel, to be heard before the Chief Executive of the Company) and (C) the Company delivers a copy of such document to the Executive with the Notice of Termination at the time the Executive’s employment is terminated.

In the event of a dispute regarding whether the Executive’s employment has been terminated for Cause, no claim by the Company that the Company has terminated the Executive’s employment for Cause in accordance with this Agreement shall be given effect unless the Company establishes by clear and convincing evidence that the Company has complied with the requirements of this Agreement to terminate the Executive’s employment for Cause.

(g) Change in Control. The term “Change in Control” shall mean the occurrence of any one of the following events:

(i) any Person (other than (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company (individually, an “Excluded Person” and collectively, “Excluded Persons”)) is or becomes the “Beneficial Owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 14, 2008, pursuant to express authorization by the Board that refers to this exception) representing 25 percent or more of (1) the combined voting power of the Company’s then outstanding voting securities or (2) the then outstanding shares of common stock of the Company; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on July 14, 2008, constituted the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on July 14, 2008, or whose appointment, election or nomination for election was previously so approved; or

(iii) consummation of a merger, consolidation or share exchange of the Company with any other corporation or issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company), other than (A) a merger, consolidation or share exchange that would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50 percent of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after July 14, 2008, pursuant to express authorization by the Board that refers to this exception) representing 25 percent or more of (1) the combined voting power of the Company's then outstanding voting securities or (2) the then outstanding shares of common stock of the Company; or

(iv) (A) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or (B) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75 percent of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, (x) no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity that owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (y) solely for purposes of Section 12(b) and the second sentence of the definition of "Effective Date" in this Exhibit A, a "Change in Control" shall be deemed to have occurred only if the applicable event also constitutes a change in control within the meaning of Section 409A of the Code.

(h) Code. The term “Code” means the Internal Revenue Code of 1986, including any amendments thereto or successor tax codes thereof.

(i) Covered Termination. Subject to Section 12(b), the term “Covered Termination” means any Termination of Employment during the Employment Period where the Termination Date, or the date Notice of Termination is delivered, is any date on or prior to the end of the Employment Period.

(j) Effective Date. The term “Effective Date” shall mean the first date on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if (i) a Change in Control occurs, (ii) the Executive’s employment with the Employer terminates (whether by the Company, the Executive or otherwise) within 180 days prior to the Change in Control and (iii) it is reasonably demonstrated by the Executive that either (A) any such termination of employment by the Employer (1) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (2) otherwise arose in connection with or in anticipation of a Change in Control, or (B) any such Termination of Employment by the Executive took place subsequent to the occurrence of an event described in clause (ii), (iii), (iv) or (v) of the definition of “Good Reason,” which event (1) occurred at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (2) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement the term “Effective Date” shall mean the day immediately prior to the date of such termination of employment.

(k) Employer. The term “Employer” means the Company and/or any subsidiary of the Company that employed the Executive immediately prior to the Effective Date.

(l) Good Reason. The Executive shall have a “Good Reason” for termination of employment on or after the Effective Date if the Executive determines in good faith that any of the following events has occurred:

(i) any breach of this Agreement by the Company, including specifically any breach by the Company of its agreements contained in Section 4, Section 5 or Section 6, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Executive;

(ii) any reduction in the Executive’s base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits, in each case relative to those most favorable to the Executive in effect at any time during the 180-day period prior to the Effective Date or, to the extent more favorable to the Executive, those in effect after the Effective Date;

(iii) a material adverse change, without the Executive’s prior written consent, in the Executive’s working conditions or status with the Company or the Employer from such working conditions or status in effect during the 180-day period prior to the Effective Date or, to the extent more favorable to the Executive, those in effect after the Effective Date, including but not limited to (A) a material change in the

nature or scope of the Executive's titles, authority, powers, functions, duties, reporting requirements or responsibilities, or (B) a material reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Executive;

(iv) the relocation of the Executive's principal place of employment to a location more than 50 miles from the Executive's principal place of employment on the date 180 days prior to the Effective Date;

(v) the Employer requires the Executive to travel on Employer business to a materially greater extent than was required during the 180-day period prior to the Effective Date;

(vi) failure by the Company to obtain the agreement referred to in Section 16(a) as provided therein; or

(vii) the Company or the Employer terminates the Executive's employment after a Change in Control without delivering a Notice of Termination in accordance with Section 12;

provided that (A) any such event occurs following the Effective Date or (B) in the case of any event described in clauses (ii), (iii), (iv) or (v) above, such event occurs on or prior to the Effective Date under circumstances described in clause (iii)(B)(1) or (iii)(B)(2) of the definition of "Effective Date." In the event of a dispute regarding whether the Executive terminated the Executive's employment for "Good Reason" in accordance with this Agreement, no claim by the Company that such termination does not constitute a Covered Termination shall be given effect unless the Company establishes by clear and convincing evidence that such termination does not constitute a Covered Termination. Any election by the Executive to terminate the Executive's employment for Good Reason shall not be deemed a voluntary termination of employment by the Executive for purposes of any other employee benefit or other plan.

(m) Indemnified Section 409A Violation. The term "Indemnified Section 409A Violation" means a violation of Section 409A of the Code that occurs in connection with any payment or benefit (or any acceleration of any payment or benefit) in connection with this Agreement or, on or after the Effective Date, the Executive's employment or the termination thereof as a result of (i) the Company's clerical error, (ii) the Company's failure to administer this Agreement or any benefit plan or program in accordance with its written terms, or (iii) the fact that a provision of any benefit plan or program of the Company fails to comply with Code Section 409A, and the Executive incurs additional tax under Section 409A of the Code as a result of such violation.

(n) Normal Retirement Date. The term "Normal Retirement Date" means the date the Executive reaches "Normal Retirement Age" as defined in the Oshkosh Corporation Salaried and Clerical Employees Retirement Plan as in effect on the date hereof, or the corresponding date under any successor plan of the Employer as in effect on the Effective Date.

- (o) Notice of Termination. The term “Notice of Termination” means a written notice as contemplated by Section 12.
- (p) Person. The term “Person” shall have the meaning given in Section 3(a)(9) of the Act, as modified and used in Sections 13(d) and 14(d) thereof.
- (q) Prime. “Prime” means the rate of interest announced by U. S. Bank, National Association, Milwaukee, Wisconsin, from time to time as its prime or base lending rate.
- (r) Section 409A Indemnification. The term “Section 409A Indemnification” means a payment to be made by the Company to the Executive, in the event of an Indemnified Section 409A Violation, such that the net amount of such payment that the Executive retains, after the Executive pays any federal, state, or local income tax or FICA tax on the amount of the Section 409A Indemnification, shall be equal to the Section 409A Tax attributable to the Indemnified Section 409A Violation. For purposes of determining the Section 409A Indemnification amount, the Executive shall be deemed to pay federal income tax and employment taxes at the highest marginal rate of federal income and employment taxation in the calendar year in which the Section 409A Indemnification is to be paid to the Executive and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive’s domicile for income tax purposes on the date the Section 409A Indemnification is to be paid to the Executive, net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes.
- (s) Section 409A Tax. The term “Section 409A Tax” means the sum of (i) the 20 percent additional income tax described in Code Section 409A(a)(1)(B)(I)(ii) to the extent such additional tax is incurred by the Executive as a result of an Indemnified Section 409A Violation, (ii) the interest determined to be due under Code Section 409A(a)(1)(B)(I)(i) in connection with the same Indemnified Section 409A Violation, and (iii) any penalties incurred by the Executive in connection with the same Indemnified Section 409A Violation, provided that the Executive pays such additional income tax and related interest and penalties promptly upon being notified that such amount is due. Section 409A Tax does not include any interest or penalties assessed by the Internal Revenue Service on the Executive that are attributable to Executive’s willful misconduct or negligence.
- (t) Separation from Service. The term “Separation from Service” means the Executive’s Termination of Employment with the Company and all 409A Affiliates or, if the Executive continues to provide services following his or her Termination of Employment, such later date as is considered a separation from service from the Company and its 409A Affiliates within the meaning of Code Section 409A. Specifically, if the Executive continues to provide services to the Company or a 409A Affiliate in a capacity other than as an employee, such shift in status is not automatically a Separation from Service.
- (u) Termination Date. Except as otherwise provided in Section 9(b), Section 12(b) and Section 16(a), the term “Termination Date” means (i) if the Termination of Employment is by the Executive’s death, the date of death; (ii) if the Termination of Employment is by reason of voluntary early retirement, as agreed in writing by the Company and the Executive, the date of such early retirement that is set forth in such written agreement; (iii) if the

Termination of Employment for purposes of this Agreement is by reason of disability pursuant to Section 11, 30 days after the Notice of Termination is given; (iv) if the Termination of Employment is by the Executive voluntarily (other than for Good Reason), the date the Notice of Termination is given; and (v) if the Termination of Employment is by the Employer (other than by reason of disability pursuant to Section 11) or by the Executive for Good Reason, 30 days after the Notice of Termination is given.

- (A) If termination is for Cause pursuant to Section 7(b) and if the Executive has cured the conduct constituting such Cause as described by the Employer in its Notice of Termination within such 30-day or shorter period, then the Executive's employment hereunder shall continue as if the Employer had not delivered its Notice of Termination.
- (B) If the Executive shall in good faith give a Notice of Termination for Good Reason and the Company notifies the Executive that a dispute exists concerning the termination within the fifteen day period following receipt thereof, then the Executive may elect to continue the Executive's employment during such dispute and the Termination Date shall be determined under this paragraph. If the Executive so elects and it is thereafter determined that the Executive terminated the Executive's employment for Good Reason in accordance with this Agreement, then the Termination Date shall be the earlier of (1) the date on which the dispute is finally determined, either (x) by mutual written agreement of the parties or (y) in accordance with Section 22 or (2) the date of the Executive's death. If the Executive so elects and it is thereafter determined that the Executive did not terminate the Executive's employment for Good Reason in accordance with this Agreement, then the employment of the Executive hereunder shall continue after such determination as if the Executive had not delivered the Notice of Termination asserting Good Reason and there shall be no Termination Date arising out of such Notice. In either case, this Agreement continues, until the Termination Date, if any, as if the Executive had not delivered the Notice of Termination except that, if it is finally determined that the Executive terminated the Executive's employment for Good Reason in accordance with this Agreement, then the Executive shall in no case be denied the benefits described in Section 8 (including a Termination Payment) based on events occurring after the Executive delivered the Notice of Termination.
- (C) Except as provided in paragraph (A) above, if the party receiving the Notice of Termination notifies the other party that a dispute exists concerning the termination within the fifteen day period following receipt thereof and it is finally determined that termination of the Executive's employment for the reason asserted in such Notice of Termination was not in accordance with this Agreement, then (1) if such Notice was delivered by the Executive, then the Executive will be deemed to have voluntarily terminated the Executive's employment other than for Good Reason by means of such Notice and (2) if delivered by the Company, then the

Company will be deemed to have terminated the Executive's employment other than by reason of death, disability or Cause by means of such Notice.

(v) **Termination of Employment** . The term "Termination of Employment" means a termination of employment of the Executive (A) when the Company and the Executive reasonably anticipate that no further services will be performed by the Executive for the Company and its 409A Affiliates or that the level of bona fide services the Executive will perform as an employee of the Company and its 409A Affiliates will permanently decrease to no more than 20 percent of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company and its 409A Affiliates over the immediately preceding 36-month period (or such lesser period of services) or (B) when the Company determines in good faith based on the facts and circumstances in accordance with Code Section 409A, upon a decrease in services by the Executive that is to more than 20 percent of such average level of bona fide services but less than 50 percent, that a Termination of Employment has occurred. The Executive's termination of employment shall be presumed not to occur where the level of bona fide services performed by the Executive for the Company and its 409A Affiliates continues at a level that is 50 percent or more of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company and its 409A Affiliates over the immediately preceding 36-month period (or such lesser period of service). No presumption applies to a decrease in services that is to more than 20 percent of such average level of bona fide services but less than 50 percent, and in such event, whether the Executive has had a Termination of Employment will be determined in good faith by the Company based on the facts and circumstances in accordance with Code Section 409A. Notwithstanding the foregoing, if the Executive takes a leave of absence for purposes of military leave, sick leave or other bona fide leave of absence, then the Executive will not be deemed to have incurred a Separation from Service for the first six months of the leave of absence or, if longer, for so long as the Executive's right to reemployment is provided either by statute or by contract, including this Agreement; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six months, where such impairment causes the Executive to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to 29 months without causing a Termination of Employment.

CERTIFICATIONS

I, Charles L. Szews, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oshkosh Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 28, 2011

/s/ Charles L. Szews

Charles L. Szews

President and Chief Executive Officer

CERTIFICATIONS

I, David M. Sagehorn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oshkosh Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 28, 2011

/S/ David M. Sagehorn

David M. Sagehorn

Executive Vice President and Chief Financial Officer

**Written Statement of the President and Chief Executive Officer
Pursuant to 18 U.S.C. § 1350**

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned President and Chief Executive Officer of Oshkosh Corporation (the “Company”), hereby certify, to the best of my knowledge, that the quarterly report on Form 10-Q of the Company for the quarter ended March 31, 2011 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Charles L. Szews

Charles L. Szews

April 28, 2011

**Written Statement of the Executive Vice President and Chief Financial Officer
Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Executive Vice President and Chief Financial Officer of Oshkosh Corporation (the “Company”), hereby certify, to the best of my knowledge, that the quarterly report on Form 10-Q of the Company for the quarter ended March 31, 2011 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ David M. Sagehorn

David M. Sagehorn

April 28, 2011
