

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☒ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>BALDOR ELECTRIC COMPANY PENSION PLAN FOR COLUMBUS UNION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>005</u>	
	1c Effective date of plan <u>02/01/2007</u>		
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>BALDOR ELECTRIC COMPANY</u> <u>PO BOX 2400</u> <u>FORT SMITH, AR 72903-2400</u>	2b Employer Identification Number (EIN) <u>43-0168840</u>	2c Sponsor's telephone number <u>479-646-4711</u>	
	2d Business code (see instructions) <u>333200</u>		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/17/2011</u>	<u>DONALD OSMAN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BALDOR ELECTRIC COMPANY PO BOX 2400 FORT SMITH, AR 72903-2400	3b Administrator's EIN 43-0168840 3c Administrator's telephone number 479-646-4711
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	103
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	
b Retired or separated participants receiving benefits.....	6b	13
c Other retired or separated participants entitled to future benefits.....	6c	17
d Subtotal. Add lines 6a , 6b , and 6c	6d	30
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	31
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1B

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>BALDOR ELECTRIC COMPANY PENSION PLAN FOR COLUMBUS UNION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BALDOR ELECTRIC COMPANY</u>	D Employer Identification Number (EIN) <u>43-0168840</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>661556</u>
b Actuarial value	2b <u>661556</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>13</u> <u>226957</u>
b For terminated vested participants	3b <u>54</u> <u>277001</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>13328</u>
(2) Vested benefits	3c(2) <u>306396</u>
(3) Total active	3c(3) <u>36</u> <u>319724</u>
d Total	3d <u>103</u> <u>823682</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.59</u> %
6 Target normal cost	6 <u>19817</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/29/2011</u>
Signature of actuary	Date
<u>BRYAN K. POULOS</u>	<u>11-04227</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>214-530-4200</u>
Firm name	Telephone number (including area code)
<u>500 N AKARD STREET, SUITE 4100</u> <u>DALLAS, TX 75201</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of _____ %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		12280
b Interest on (a) using prior year's effective rate of <u>6.52</u> %		801
c Total available at beginning of current plan year to add to prefunding balance		13081
d Portion of (c) to be added to prefunding balance.....		
12 Reduction in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III	Funding percentages	
14 Funding target attainment percentage.....	14	80.31 %
15 Adjusted funding target attainment percentage.....	15	80.31 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.20 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
03/31/2010	15000					
07/13/2010	15000					
09/13/2010	36381					
12/30/2010	220000					
			Totals ►	18(b)	286381	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 270908
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	19817
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	162126	44226
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	64043
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
36 Additional cash requirement (item 34 minus item 35).....	36	64043
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	270908
38 Interest-adjusted excess contributions for current year (see instructions).....	38	206865
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	
40 Unpaid minimum required contribution for all years	40	

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan BALDOR ELECTRIC COMPANY PENSION PLAN FOR COLUMBUS UNION PLAN	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 BALDOR ELECTRIC COMPANY	D Employer Identification Number (EIN) 43-0168840	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	631310	332820
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	282474	38935
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	913784	371755

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	913784	371755
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	193056	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		193056
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		193056

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	735085	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		735085
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		735085

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-542029
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BKD, LLP

(2) EIN: 44-0160260

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☒ Yes ☐ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>BALDOR ELECTRIC COMPANY PENSION PLAN FOR COLUMBUS UNION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BALDOR ELECTRIC COMPANY</u>	D Employer Identification Number (EIN) <u>43-0168840</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>43-0168840</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>74</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Baldor Electric Company Pension Plan for Columbus Union Employees

EIN 43-0168840 PN 005

Accountants' Report and Financial Statements

December 31, 2010 and 2009



Baldor Electric Company Pension Plan for Columbus Union Employees

December 31, 2010 and 2009

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Independent Accountants' Report

Ron Tucker, Trustee
Baldor Electric Company Pension Plan for
Columbus Union Employees
Fort Smith, Arkansas

We have audited the accompanying statements of net assets available for benefits of Baldor Electric Company Pension Plan for Columbus Union Employees as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Baldor Electric Company Pension Plan for Columbus Union Employees as of December 31, 2010 and 2009, and changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As further discussed in *Note 1* and *2* to the financial statements, the Plan Sponsor amended the Plan on June 21, 2010 to terminate the Plan. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing plan basis used in presenting the 2009 financial statements to the liquidation basis used in presenting the 2010 financial statements. The change had no effect on net assets available for benefits.

BKD, LLP

Fort Smith, Arkansas
October 14, 2011

Federal Employer Identification Number: 44-0160260

Baldor Electric Company Pension Plan for Columbus Union Employees

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

Assets

	2010	2009
Receivables		
Employer's contribution	\$ 38,935	\$ 282,474
Cash	<u>332,820</u>	<u>631,310</u>
Net Assets Available for Benefits	<u><u>\$ 371,755</u></u>	<u><u>\$ 913,784</u></u>

**Baldor Electric Company Pension Plan for
Columbus Union Employees**
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2010 and 2009

	2010	2009
Contributions		
Employer	\$ 193,056	\$ 431,805
Total additions	<u>193,056</u>	<u>431,805</u>
Deductions		
Benefits paid to participants	<u>735,085</u>	<u>361,232</u>
Total deductions	<u>735,085</u>	<u>361,232</u>
Net (Decrease) Increase	(542,029)	70,573
Net Assets Available for Benefits, Beginning of Year	<u>913,784</u>	<u>843,211</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 371,755</u></u>	<u><u>\$ 913,784</u></u>

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

Note 1: Description of the Plan

The following description of Baldor Electric Company Pension Plan for Columbus Union Employees (Plan) provides only general information. Additional information about the vesting and benefit provisions and the Pension Benefit Guarantee Corporation's (PBGC) benefit guarantee is contained in the Plan document and *Summary Plan Description*, which are available from the plan administrator.

General

The Plan is a noncontributory defined benefit plan that covers substantially all employees of Baldor Electric Company (Company) working in the Columbus, IN facility and provides for retirement, death and disability benefits. The Plan began in 2008 with benefits retroactive to February 1, 2007. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Ron Tucker, President of Baldor Electric Company, is the trustee of the Plan.

Contributions

The Company funds the amount that is necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The first Company contribution to the Plan was in July 2008. The Company's present intention is to make contributions in amounts sufficient to annually fund the Plan's current service cost and the initial past-service costs plus interest on them over a period of 30 years. The Plan has met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan are based on employees' years of service. Normal retirement age for Plan benefits is 62. Participants may elect to receive reduced benefits upon early retirement at age 55, provided that they have at least ten years of service with the Company. Accrued benefits are payable as an annuity over the participant's lifetime, as a qualified joint and one half-survivor annuity, or as a qualified joint and seventy-five percent annuity. Beginning in 2009, participants may elect to receive the portion of the accrued benefits attributable to the participant's benefits in the form of a lump-sum payment or to directly rollover a portion of the eligible benefit to an eligible retirement plan.

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

Death Benefits

If the participant is not receiving benefits at the time of his or her death, the spouse of a participant will receive a 50% survivor annuity, as defined in the Plan, upon the death of the participant. The payments to the surviving spouse may commence as of the earliest date the participant would have received benefits. If the participant is receiving a joint and survivor annuity at the time of his or her death, the surviving spouse will receive an benefit equal to 50% or 75% of the participant's monthly benefit depending on the annuity selected. This benefit is immediately payable to the spouse.

Vesting

Upon completion of three years of vesting service but prior to becoming eligible for a normal retirement benefit, a participant is entitled to a deferred vested termination benefit equal to a percentage of their accrued retirement benefit. Eligible employees are fully vested upon completion of five years of vesting service.

Plan Termination

On June 21, 2010, the Plan Sponsor amended the Plan to terminate effective September 1, 2010. From September 1, 2010 to December 31, 2010, activity in the Plan included closing out participant accounts.

The net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
- c. Other vested benefits insured by the PBGC up to the applicable limitations discussed below.
- d. Vested benefits not insured by the PBGC.
- e. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

As discussed above, the Plan was terminated effective September 1, 2010. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing basis used in presenting the 2009 financial statements to the liquidation basis used in presenting the 2010 financial statements. The change has no effect on net assets available for benefits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets available for benefits, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

Accumulated Plan Benefits

Accumulated plan benefits (see *Note 3*) are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Present employees or their beneficiaries

Benefits under the Plan are based on employees' compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years preceding the valuation date. Benefits payable under all circumstances — retirement, death, disability and termination of employment — are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

Benefit payments to participants are reported upon distribution.

Plan Tax Status

The Plan has not obtained a determination letter, in which the Internal Revenue Service would state that the Plan and related trust were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan is not subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2008.

Note 3: Accumulated Plan Benefits

An actuary from Watson Wyatt Worldwide determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

The accumulated plan benefit information as of the beginning of the plan year was as follows:

	2010	2009
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participating employees	\$ 249,849	\$ 614,588
Participants with deferred benefits	216,236	53,911
Participants receiving benefits	191,710	39,624
Total vested accumulated benefits	<u>657,795</u>	<u>708,123</u>
Non-vested accumulated benefits	<u>11,720</u>	<u>29,218</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 669,515</u></u>	<u><u>\$ 737,341</u></u>

Changes in the actuarial present value of accumulated plan benefits were as follows:

	2010	2009
Actuarial present value of accumulated plan benefits, January 1 of prior year	<u>\$ 737,341</u>	<u>\$ 436,649</u>
Increase during the year attributable to		
Actuarial losses	75,704	53,852
Benefits accumulated	160,338	196,211
Increase for interest due to the decrease in the discount period	57,364	50,629
Benefits paid	<u>(361,232)</u>	<u>-</u>
Net (decrease) increase	<u>(67,826)</u>	<u>300,692</u>
Actuarial present value of accumulated plan benefits, January 1 of current year	<u><u>\$ 669,515</u></u>	<u><u>\$ 737,341</u></u>

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

Significant assumptions underlying the actuarial computations are:

- Assumed rate of return on investments: 8.000%, with the normal cost eliminated so the return on plan assets is assumed to be net of expenses.
- Mortality basis: RP2000 Mortality Table.
- Retirement: At normal retirement age 65.
- Asset valuation: Market

As discussed in *Note 1 and 2*, a decision was made in 2010 to terminate the Plan effective September 1, 2010. The foregoing actuarial information is as of a date prior to the termination date and is based on the assumption of an ongoing plan. Different actuarial assumptions and other factors will be applicable in determining the actuarial present value of accumulated plan benefits in subsequent valuations.

Note 4: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association, or relatives of such persons.

The Company pays PBGC insurance premiums and actuarial costs and provides certain administrative services at no cost to the Plan.

Note 5: Risks and Uncertainties

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 6: Subsequent Events

Subsequent events have been evaluated through the date of the independent accountants' report, which is the date the financial statements were available to be issued.

Baldor Electric Company Pension Plan for Columbus Union Employees

Notes to Financial Statements

December 31, 2010 and 2009

Acquisition of Plan Sponsor

In January, 2011, pursuant to a purchase agreement between ABB, LTD (ABB) and the Company dated November 29, 2010, the Company was acquired by ABB. Baldor is currently operating as a wholly owned subsidiary of ABB, LTD. The Plan continues in its present form and continues to be sponsored by Baldor Electric Company. No decision has been made as of the independent accountants' report date to terminate the Plan.

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

OMB No. 1210-0110

2010

**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning

01/01/2010

and ending

12/31/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

The Baldor Electric Company Pension Plan for Columbus Union Employees

B Three-digit
plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Baldor Electric Company

D Employer Identification Number (EIN)

43-0168840

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B

F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2010

2 Assets:

a Market value.....	2a	661,556
b Actuarial value.....	2b	661,556

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	13
b For terminated vested participants	3b	54
c For active participants:		
(1) Non-vested benefits.....	3c(1)	13,328
(2) Vested benefits.....	3c(2)	306,396
(3) Total active.....	3c(3)	319,724
d Total.....	3d	823,682

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5 Effective interest rate.....	5	6.59 %
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6 Target normal cost.....	6	19,817
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Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Bryan K. Poulos

Signature of actuary

Bryan K. Poulos

Type or print name of actuary

Date
11-04-2010

Towers Watson Delaware Inc.

Most recent enrollment number
(214) 530-4200

500 N. Akard Street, Suite 4100

Telephone number (including area code)

Dallas

Address of the firm

TX 75201

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Part II

Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>0.00</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		12,280
b Interest on (a) using prior year's effective rate of <u>6.52</u> %		801
c Total available at beginning of current plan year to add to prefunding balance		13,081
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III	Funding percentages
----------	---------------------

14	Funding target attainment percentage	14	80.31 %
----	--------------------------------------	----	---------

15	Adjusted funding target attainment percentage.....	15	80.31 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.20 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls

[illegible]

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year.

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	270,908

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:

a Segment rates: 1st segment: 4.60 % 2nd segment: 6.65 % 3rd segment: 6.76 % ☐ N/A, full yield curve used

b Applicable month (enter code).....**21b****22** Weighted average retirement age.....**22**

6.1

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment..... **27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years..... **28**

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... **29** 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)..... **30** 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)..... **31** 19,817

32 Amortization installments:

a Net shortfall amortization installment..... Outstanding Balance **32** 162,126 Installment 44,226

b Waiver amortization installment.....

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month ____ Day ____ Year ____) and the waived amount..... **33**

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)..... **34** 64,043

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	0		0
36 Additional cash requirement (item 34 minus item 35).....			64,043

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)..... **37** 270,908

38 Interest-adjusted excess contributions for current year (see instructions)..... **38** 206,865

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)..... **39** 0

40 Unpaid minimum required contribution for all years..... **40** 0

SCHEDULE SB ATTACHMENTS

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	Baldor Electric Company
EIN/PN	43-0168840/005
Plan Name	The Baldor Electric Company Pension Plan for Columbus Union Employees
Valuation Date	January 1, 2010
Enrolled Actuary	Bryan Poulos
Enrollment Number	11-04227

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2010

See Schedule SB, Part V - Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data for Frozen Plans as of January 1, 2010

	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
Attained Age	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 – 29	0		0		0		0		0		0		0		0		0		0	
30 – 34	0		0		0		0		0		0		0		0		0		0	
35 - 39	0		0		0		0		0		0		0		0		0		0	
40 - 44	0		0		0		0		1		0		0		0		0		0	
45 - 49	0		0		0		0		1		2		0		0		0		0	
50 - 54	0		0		0		1		0		0		0		4		0		0	
55 - 59	0		0		0		0		0		0		0		8		14		1	
60 - 64	0		0		0		0		0		0		0		1		2		1	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
 EIN / PN: 43-0168840 / 005
 Plan Sponsor: Baldor Electric Company
 Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2010

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2010	11,845	7	11,845	1,980
2	Shortfall	01/01/2009	(353,733)	6	(315,927)	(59,565)
3	Shortfall	01/01/2008	609,612	5	466,208	101,811
Total					162,126	44,226

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Discount Rates

Current plan year PPA effective interest rate: 6.59%

Prior plan year PPA effective interest rate: 6.52%

3-Segment Rates

Applicable month: January

Transition election: No

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is \$0.

Mortality

For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Retirement

The rates (per 100 employees) at which participants are assumed to retire by age and gender are shown below:

Age	Males	Females
55	6	6
56	7	7
57	8	8
58	9	9
59	10	10
60	12	12
61	20	20
62	40	40
63	35	35
64	35	35
65	40	40
66	33	33
67	33	33
68	33	33
69	33	33
70	100	100

Disability Rates

The rates (per 100 employees) at which participants are assumed to become disabled by age and gender are shown below:

Age	Males	Females
20	0.040	0.040
25	0.040	0.040
30	0.040	0.060
35	0.050	0.100
40	0.110	0.180
45	0.220	0.340
50	0.460	0.560
55	0.960	0.890
60	1.610	1.270

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Compensation Increases

Not applicable.

Future Increases in Social Security

Not Applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates not Due to Disability, Retirement or Mortality

The rates (per 100 employees) at which participants are assumed to leave the company by age for both males and females are shown below:

Age	Select Rate Year 1	Ultimate Rate
20	20	11
25	14	9
30	11	7
35	10	6
40	9	5
45	9	4
50	7	4
55	5	3
60	3	0

Form of Payment

For valuation purposes, participants are assumed to elect the normal form of payment.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 75% of eligible male participants are assumed to be married and 65% of eligible female participants are assumed to be married. Male participants are assumed to be three years older than their spouses and female participants are assumed to be three years younger than their spouses.

Plan Name:
EIN / PN:
Plan Sponsor:
Valuation Date:

The Baldor Electric Company Pension Plan for Columbus Union Employees
43-0168840 / 005
Baldor Electric Company
January 1, 2010

SCHEDULE SB ATTACHMENTS

Employees

It was assumed that there will be no new or retired employees.

Plan Compensation

Not applicable.

Asset Method

Valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date at the prior plan year effective PPA interest rate.

Participant Data

Employee data was supplied by the employer as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2010 is used to determine the maximum deductible contribution for the tax year ending December 31, 2010.

Benefits Not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

The assumptions selected for this valuation, including in particular the expected investment return assumption, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Based on historical experience and financial theory, assets invested in instruments subject to risk are expected to achieve higher returns in the long-run than assets invested in risk-free investments (such as government bonds), but these returns may and do fluctuate significantly from year to year. The deterministic actuarial models used in this valuation do not take into consideration the higher volatility that is expected from investments in such assets.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

**Schedule SB, Line 25
Change in Method**

In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Baldor Electric Company

Plan

Baldor Electric Company, Pension Plan for Columbus Union Employees.

Effective Date and Most Recent Amendment

The plan was originally effective February 1, 2007.

Plan Year

The twelve-month period ending December 31, 2010.

Coverage and Participation

An employee shall be eligible to begin to participate in the Plan as of the date the employee first performs and hour of service in covered employment or after February 1, 2007. If an employee was a member of the prior Rockwell Plan on January 31, 2007, such employee is eligible to participate in the plan effective February 1, 2007. "Covered Employment" means service compensated based on hourly rates and while covered by a collective bargaining agreement specified in the plan supplements. The Columbus facility was sold, and its active employees were transferred to the buyer. For coverage and participation purposes, all participants are considered inactive and no more individuals will be covered under this plan.

Credited Service

For the period prior to February 1, 2007, a Year of Credited Service means years credited to an Employee under the terms of the Prior Rockwell Plan. After January 31, 2007 any year during which an employee completes at least 1,000 hours of service.

Vesting Service

For the period prior to February 1, 2007, a Year of Vesting Service means years credited to an Employee under the terms of the Prior Rockwell Plan. After January 31, 2007 any year during which an employee completes at least 1,000 hours of service.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

1. Normal Retirement Date: The first of the month coincident with or next following age 65.
2. Monthly Benefit: Monthly Accrued Rate per Year of Credited Service reduced by the monthly amount of any benefit under the Prior Rockwell Plan.

<u>Effective Date</u>	<u>Accrual Rate</u>
08/01/2006	\$27.50
08/01/2007	\$28.00
08/01/2008	\$28.50

3. Normal Form of Retirement Income: life only.

Early Retirement Benefit

1. Eligibility: Age 55 and 10 years of service
2. Monthly Benefit: Accrued benefit as of early retirement date reduced due to earlier commencement of payments:

Reduction of 0.5% for each month benefit commencement age is less than 62 but not less than 60, and 0.4% for each month age is less than 60.

Disability Benefit

1. Eligibility: Termination by reason of total and permanent disability of participant prior to normal retirement date given the participant has attained 10 years of service.
2. Monthly Benefit: The participant's unreduced accrued income commencing immediately.

Vested Benefits Upon Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Termination Benefit: The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at normal retirement date. Optionally, the participant may elect to receive a reduced benefit commencing prior to normal retirement date using same reduction as specified for early retirement.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Death Benefits for Participants in Active Service

Benefit: The participant's beneficiary will receive an income payable for life equal to 50% of the amount that would have been payable to the participant had he retired the day prior to his death and elected the joint and 50% survivor option. The benefit shall commence on the later of the death of the participant or the date the participant would have attained his early retirement age.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Survivor benefit for married employees, on an actuarially equivalent basis. Lump-sum distributions are also allowed.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data for Frozen Plans as of January 1, 2010

	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
Attained Age	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 – 29	0		0		0		0		0		0		0		0		0		0	
30 – 34	0		0		0		0		0		0		0		0		0		0	
35 - 39	0		0		0		0		0		0		0		0		0		0	
40 - 44	0		0		0		0		1		0		0		0		0		0	
45 - 49	0		0		0		0		1		2		0		0		0		0	
50 - 54	0		0		0		1		0		0		0		4		0		0	
55 - 59	0		0		0		0		0		0		0		8		14		1	
60 - 64	0		0		0		0		0		0		0		1		2		1	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
 EIN / PN: 43-0168840 / 005
 Plan Sponsor: Baldor Electric Company
 Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2010

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2010	11,845	7	11,845	1,980
2	Shortfall	01/01/2009	(353,733)	6	(315,927)	(59,565)
3	Shortfall	01/01/2008	609,612	5	466,208	101,811
Total					162,126	44,226

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Baldor Electric Company

Plan

Baldor Electric Company, Pension Plan for Columbus Union Employees.

Effective Date and Most Recent Amendment

The plan was originally effective February 1, 2007.

Plan Year

The twelve-month period ending December 31, 2010.

Coverage and Participation

An employee shall be eligible to begin to participate in the Plan as of the date the employee first performs and hour of service in covered employment or after February 1, 2007. If an employee was a member of the prior Rockwell Plan on January 31, 2007, such employee is eligible to participate in the plan effective February 1, 2007. "Covered Employment" means service compensated based on hourly rates and while covered by a collective bargaining agreement specified in the plan supplements. The Columbus facility was sold, and its active employees were transferred to the buyer. For coverage and participation purposes, all participants are considered inactive and no more individuals will be covered under this plan.

Credited Service

For the period prior to February 1, 2007, a Year of Credited Service means years credited to an Employee under the terms of the Prior Rockwell Plan. After January 31, 2007 any year during which an employee completes at least 1,000 hours of service.

Vesting Service

For the period prior to February 1, 2007, a Year of Vesting Service means years credited to an Employee under the terms of the Prior Rockwell Plan. After January 31, 2007 any year during which an employee completes at least 1,000 hours of service.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

1. Normal Retirement Date: The first of the month coincident with or next following age 65.
2. Monthly Benefit: Monthly Accrued Rate per Year of Credited Service reduced by the monthly amount of any benefit under the Prior Rockwell Plan.

<u>Effective Date</u>	<u>Accrual Rate</u>
08/01/2006	\$27.50
08/01/2007	\$28.00
08/01/2008	\$28.50

3. Normal Form of Retirement Income: life only.

Early Retirement Benefit

1. Eligibility: Age 55 and 10 years of service
2. Monthly Benefit: Accrued benefit as of early retirement date reduced due to earlier commencement of payments:

Reduction of 0.5% for each month benefit commencement age is less than 62 but not less than 60, and 0.4% for each month age is less than 60.

Disability Benefit

1. Eligibility: Termination by reason of total and permanent disability of participant prior to normal retirement date given the participant has attained 10 years of service.
2. Monthly Benefit: The participant's unreduced accrued income commencing immediately.

Vested Benefits Upon Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Termination Benefit: The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at normal retirement date. Optionally, the participant may elect to receive a reduced benefit commencing prior to normal retirement date using same reduction as specified for early retirement.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Death Benefits for Participants in Active Service

Benefit: The participant's beneficiary will receive an income payable for life equal to 50% of the amount that would have been payable to the participant had he retired the day prior to his death and elected the joint and 50% survivor option. The benefit shall commence on the later of the death of the participant or the date the participant would have attained his early retirement age.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Survivor benefit for married employees, on an actuarially equivalent basis. Lump-sum distributions are also allowed.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Discount Rates

Current plan year PPA effective interest rate: 6.59%

Prior plan year PPA effective interest rate: 6.52%

3-Segment Rates

Applicable month: January

Transition election: No

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is \$0.

Mortality

For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Retirement

The rates (per 100 employees) at which participants are assumed to retire by age and gender are shown below:

Age	Males	Females
55	6	6
56	7	7
57	8	8
58	9	9
59	10	10
60	12	12
61	20	20
62	40	40
63	35	35
64	35	35
65	40	40
66	33	33
67	33	33
68	33	33
69	33	33
70	100	100

Disability Rates

The rates (per 100 employees) at which participants are assumed to become disabled by age and gender are shown below:

Age	Males	Females
20	0.040	0.040
25	0.040	0.040
30	0.040	0.060
35	0.050	0.100
40	0.110	0.180
45	0.220	0.340
50	0.460	0.560
55	0.960	0.890
60	1.610	1.270

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Compensation Increases

Not applicable.

Future Increases in Social Security

Not Applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates not Due to Disability, Retirement or Mortality

The rates (per 100 employees) at which participants are assumed to leave the company by age for both males and females are shown below:

Age	Select Rate Year 1	Ultimate Rate
20	20	11
25	14	9
30	11	7
35	10	6
40	9	5
45	9	4
50	7	4
55	5	3
60	3	0

Form of Payment

For valuation purposes, participants are assumed to elect the normal form of payment.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 75% of eligible male participants are assumed to be married and 65% of eligible female participants are assumed to be married. Male participants are assumed to be three years older than their spouses and female participants are assumed to be three years younger than their spouses.

Plan Name:
EIN / PN:
Plan Sponsor:
Valuation Date:

The Baldor Electric Company Pension Plan for Columbus Union Employees
43-0168840 / 005
Baldor Electric Company
January 1, 2010

SCHEDULE SB ATTACHMENTS

Employees

It was assumed that there will be no new or retired employees.

Plan Compensation

Not applicable.

Asset Method

Valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date at the prior plan year effective PPA interest rate.

Participant Data

Employee data was supplied by the employer as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2010 is used to determine the maximum deductible contribution for the tax year ending December 31, 2010.

Benefits Not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

The assumptions selected for this valuation, including in particular the expected investment return assumption, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Based on historical experience and financial theory, assets invested in instruments subject to risk are expected to achieve higher returns in the long-run than assets invested in risk-free investments (such as government bonds), but these returns may and do fluctuate significantly from year to year. The deterministic actuarial models used in this valuation do not take into consideration the higher volatility that is expected from investments in such assets.

Plan Name:	The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN:	43-0168840 / 005
Plan Sponsor:	Baldor Electric Company
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

**Schedule SB, Line 25
Change in Method**

In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Plan Name: The Baldor Electric Company Pension Plan for Columbus Union Employees
EIN / PN: 43-0168840 / 005
Plan Sponsor: Baldor Electric Company
Valuation Date: January 1, 2010