

IDEX CORP /DE/  
Form DEF 14A  
March 07, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

**IDEX CORPORATION**

**(Name of registrant as specified in its charter)**

**(Name of person(s) filing proxy statement, if other than the registrant)**

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Title of each class of securities to which transaction applies:

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- (2) Aggregate number of securities to which transaction applies:
  
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- (4) Proposed maximum aggregate value of transaction:
  
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- (1) Amount Previously Paid:
  
- (2) Form, Schedule or Registration Statement No.:
  
- (3) Filing Party:
  
- (4) Date Filed:

1925 West Field Court, Suite 200

Lake Forest, IL 60045

March 7, 2012

**Dear Stockholder:**

You are cordially invited to attend the Annual Meeting of Stockholders of IDEX Corporation which will be held on Tuesday, April 10, 2012, at 9:00 a.m. Central Time, at the Lake Forest Graduate School of Business, 1905 West Field Court, Lake Forest, Illinois 60045.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting and Proxy Statement. Included with the Proxy Statement is a copy of the Company's 2011 Annual Report. We encourage you to read the Annual Report. It includes information on the Company's operations, markets, products and services, as well as the Company's audited financial statements.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted. Therefore, we urge you to sign, date, and promptly return the accompanying proxy card in the enclosed envelope. Alternatively, you can vote over the telephone or the Internet as described on the proxy card. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy card, or voted by telephone or over the Internet.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of the Company. We look forward to seeing you at the Annual Meeting.

Sincerely,

ANDREW K. SILVERNAIL

*Chairman of the Board, President and*

*Chief Executive Officer*

**IDEX CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**APRIL 10, 2012**

**To the Stockholders:**

The Annual Meeting of Stockholders of IDEX Corporation (the Company) will be held on Tuesday, April 10, 2012, at 9:00 a.m. Central Time, at the Lake Forest Graduate School of Business, 1905 West Field Court, Lake Forest, Illinois 60045, for the following purposes:

1. To elect two directors for a term of three years.
2. To vote on a non-binding resolution to approve the compensation of the Company's named executive officers.
3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2012.
4. To transact such other business as may properly come before the meeting.

The Board of Directors fixed the close of business on February 17, 2012, as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting.

You may obtain directions to the location of the Annual Meeting by visiting our website at [www.idexcorp.com](http://www.idexcorp.com).

By Order of the Board of Directors

FRANK J. NOTARO

*Vice President - General Counsel and Secretary*

March 7, 2012

Lake Forest, Illinois

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 10, 2012**

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The Proxy Statement and 2011 Annual Report of IDEX Corporation are available at:

**<http://phx.corporate-ir.net/phoenix.zhtml?c=83305&p=irol-reportsAnnual>**

## PROXY STATEMENT

IDEX Corporation (the Company or IDEX) has prepared this Proxy Statement in connection with the solicitation by the Company's Board of Directors of proxies for the Annual Meeting of Stockholders to be held on Tuesday, April 10, 2012, at 9:00 a.m. Central Time, at the Lake Forest Graduate School of Business, 1905 West Field Court, Lake Forest, Illinois 60045. The Company commenced distribution of this Proxy Statement and the accompanying materials on March 7, 2012.

The Company will bear the costs of preparing and mailing this Proxy Statement and other costs of the proxy solicitation made by the Company's Board of Directors. Certain of the Company's officers and employees may solicit the submission of proxies authorizing the voting of shares in accordance with the Board of Directors' recommendations, but no additional remuneration will be paid by the Company for the solicitation of those proxies. These solicitations may be made by personal interview, telephone, email or facsimile transmission. The Company has made arrangements with brokerage firms and other record holders of the Company's Common Stock for the forwarding of proxy solicitation materials to the beneficial owners of that stock. The Company will reimburse those brokerage firms and others for their reasonable out-of-pocket expenses in connection with this work. In addition, the Company has engaged Morrow & Co., LLC, 470 West Ave., Stamford, Connecticut to assist in proxy solicitation and collection at a cost of \$6,000, plus out-of-pocket expenses.

### VOTING AT THE MEETING

The record of stockholders entitled to notice of, and to vote at, the Annual Meeting was taken as of the close of business on February 17, 2012, and each stockholder will be entitled to vote at the meeting any shares of the Company's Common Stock held of record on that date. 83,804,606 shares of the Company's Common Stock were outstanding at the close of business on February 17, 2012. Each share entitles its holder of record to one vote on each matter upon which votes are taken at the Annual Meeting. No other securities are entitled to be voted at the Annual Meeting.

A quorum of stockholders is necessary to take action at the Annual Meeting. A majority of outstanding shares of the Company's Common Stock present in person or represented by proxy will constitute a quorum. The Company will appoint election inspectors for the meeting to determine whether or not a quorum is present, and to tabulate votes cast by proxy or in person at the Annual Meeting. Under certain circumstances, a broker or other nominee may have discretionary authority to vote certain shares of Common Stock if instructions have not been received from the beneficial owner or other person entitled to vote. The election inspectors will treat directions to withhold authority, abstentions and broker non-votes (which occur when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because such broker or other nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner) as present and entitled to vote for purposes of determining the presence of a quorum for the transaction of business at the Annual Meeting. The following sets forth the voting procedures for each proposal at the Annual Meeting:

**Proposal 1 – Election of Directors.** Directors are elected by a plurality of the votes cast at the Annual Meeting. Directions to withhold authority, abstentions and broker non-votes will have no effect on the election of directors.

**Proposal 2 – Advisory Vote on Executive Compensation.** Approval of the compensation of the Company's named executive officers will require the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the matter. Abstentions will have the effect of a vote against approval and broker non-votes will have no effect on the vote.

**Proposal 3 – Ratification of Auditors.** Approval of ratification of the auditors will require the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the matter. Abstentions will have the effect of a vote against approval and broker non-votes will have no effect on the vote.

The Company requests that you mark the accompanying proxy card to indicate your votes, sign and date it, and return it to the Company in the enclosed envelope, or vote by telephone or over the Internet as described on the proxy card. If you vote by telephone or over the Internet, you should not mail your proxy card. If your completed proxy card or telephone or Internet voting instructions are received prior to the meeting, your shares will be voted in accordance with your voting instructions. If you sign and return your proxy card but do not give voting instructions, your shares will be voted FOR the election of the Company's nominees as directors, FOR approval of the compensation of the Company's named executive officers, FOR approval of the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2012, and in the discretion of the proxy holders as to any other business which may properly come before the meeting. Any proxy solicited hereby may be revoked by the person or persons giving it at any time before it has been exercised at the Annual Meeting by giving notice of revocation to the Company in writing prior to the meeting. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy card, or voted by telephone or over the Internet. The Company requests that all such written notices of revocation to the Company be addressed to Frank J. Notaro, Vice President - General Counsel and Secretary, IDEX Corporation, 1925 West Field Court, Suite 200, Lake Forest, IL 60045.

**PROPOSAL 1 ELECTION OF DIRECTORS**

The Company's Restated Certificate of Incorporation, as amended, provides for a three-class Board, with one class being elected each year for a term of three years. The Board of Directors currently consists of nine members, three of whom are Class II directors whose terms will expire at this year's Annual Meeting, three of whom are Class III directors whose terms will expire at the Annual Meeting to be held in 2013, and three of whom are Class I directors whose terms will expire at the Annual Meeting to be held in 2014. Mr. Hermance who is currently serving as a Class II director will not stand for election this year. As a result, the Board of Directors will be reduced to eight members at this year's Annual Meeting.

The Company's Board of Directors has nominated two individuals for election as Class II directors to serve for a three-year term expiring at the Annual Meeting to be held in 2015, or upon the election and qualification of their successors. The nominees of the Board of Directors are William M. Cook and Michael T. Tokarz. Messrs. Cook and Tokarz are currently serving as directors of the Company. The nominees and the directors serving in Class III and Class I whose terms expire in future years and who will serve or continue to serve after the Annual Meeting are listed below with brief statements setting forth their present principal occupations and other information, including any directorships in other public companies, and their particular experiences, qualifications, attributes and skills that lead to the conclusion they should serve as a director.

If for any reason any of the nominees for a Class II directorship are unavailable to serve, proxies solicited hereby may be voted for a substitute. The Board, however, expects the nominees to be available.



**The Company's Board of Directors Recommends a Vote FOR**

**the Nominees in Class II Identified Below.**

**Nominees for Election**

**Class II: Nominees for Three-Year Term**

**WILLIAM M. COOK** Director since April 2008  
*Chairman, President and Chief Executive Officer* Age 58  
Donaldson Company, Incorporated  
Mr. Cook has been Chairman, President and Chief Executive Officer of Donaldson Company, Incorporated since prior to 2007. Mr. Cook is a director of Donaldson Company, Incorporated and Valspar Corporation.

Mr. Cook's strong business and organizational leadership skills and his relevant experience in technological industries led to the conclusion that he should serve on IDEX's Board of Directors. Mr. Cook is a 31-year veteran of Donaldson, a technology-driven global company that manufactures filtration systems designed to remove contaminants from air and liquids. Throughout his career at Donaldson, Mr. Cook has served in several senior executive positions, and was elected as a director in 2004. Mr. Cook received a bachelor of science degree in business administration and a master of business administration degree from Virginia Polytechnic Institute and State University.

Mr. Cook is the Chairman of the Audit Committee of the Board of Directors.

**MICHAEL T. TOKARZ** Director since September 1987  
*Member* Age 62  
The Tokarz Group L.L.C.  
Mr. Tokarz has been a member of The Tokarz Group L.L.C. since prior to 2007. Mr. Tokarz is a director of CNO Financial Group, MVC Capital, Inc., Walter Investment Management Corp., Walter Energy, Inc., and Mueller Water Products, Inc.

Mr. Tokarz's knowledge and experience in banking and finance, his entrepreneurial and business leadership skills, his extensive board experience, his corporate governance training and his prominent position in the business community led to the conclusion that he should serve on IDEX's Board of Directors. Mr. Tokarz is a senior investment professional with over 30 years of lending and investment experience. He has extensive experience in leveraged buyouts, financings, restructurings and dispositions. He is currently the Chairman of The Tokarz Group L.L.C., a private, New York-based merchant bank founded by Mr. Tokarz in 2002, and Chairman and Portfolio Manager of MVC Capital, Inc., a registered investment company advised by The Tokarz Group. Mr. Tokarz has served on the boards of publicly traded companies for over 20 years. Through his executive experience and board memberships, Mr. Tokarz has acquired substantial experience in corporate governance. Mr. Tokarz chairs the board of directors of the Illinois Emerging Technologies Fund and is a member of the Illinois VENTURES board of managers. Mr. Tokarz received a bachelor of arts degree in economics, with high distinction, and a master of business administration degree from the University of Illinois at Urbana-Champaign. Mr. Tokarz is a certified public accountant.

Mr. Tokarz is Chairman of the Compensation Committee of the Board of Directors and a member of the Nominating and Corporate Governance Committee of the Board of Directors. Mr. Tokarz was appointed Lead Director of the Board of Directors effective January 1, 2012.

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**Other Incumbent Directors**

**Class III: Three-Year Term Expires in 2013**

RUBY R. CHANDY Director since April 2006  
*Managing Director, Vice President* Age 50  
Dow Plastics Additives

Ms. Chandy has been Managing Director, Vice President of Dow Plastics Additives, a unit of The Dow Chemical Company, since 2011. From 2010 to 2011, Ms. Chandy served as Chief Marketing Officer of The Dow Chemical Company. Ms. Chandy served as Chief Marketing Officer for Rohm and Hass Company from 2007 to 2009.

Ms. Chandy's marketing skills, her executive management experience, her relevant experience in life science and technological industries and her extensive engineering and management education led to the conclusion that she should serve on IDEX's Board of Directors. Ms. Chandy has been working for scientific and engineering organizations since 1992, including Thermo Fisher Scientific, Boston Scientific Corporation, Millipore Corporation and Rohm and Haas Company. Throughout her career, Ms. Chandy has held general management and marketing leadership roles. Ms. Chandy received a bachelor of science degree in material science and engineering from Massachusetts Institute of Technology (MIT), a master of science degree in materials science and engineering from Northwestern University, and a master of business administration degree from Sloan School of Management at MIT.

Ms. Chandy is a member of the Audit Committee and Nominating and Corporate Governance Committee of the Board of Directors.

ERNEST J. MROZEK Director since July 2010  
*Retired Vice Chairman and Chief Financial Officer* Age 58  
The ServiceMaster Company

Mr. Mrozek served as Vice Chairman and Chief Financial Officer of The ServiceMaster Company from November 2006 to his retirement in March 2008. Mr. Mrozek is a director of G&K Services, Inc.

Mr. Mrozek's strategic and operating leadership skills, his extensive experience and expertise in the business services industry and his financial reporting expertise led to the conclusion that he should serve on IDEX's Board of Directors. Through over 20 years of executive experience in various senior positions in general management, operations and finance at ServiceMaster, a residential and commercial service company, Mr. Mrozek developed extensive knowledge of the business services industry and gained valuable financial expertise and experience in mergers and acquisitions. Prior to joining ServiceMaster in 1987, Mr. Mrozek spent 12 years in public accounting with Arthur Andersen & Co. Mr. Mrozek has also acquired substantial experience in corporate governance as a director on the boards of several public and private companies. Mr. Mrozek received a bachelor of science degree in accountancy with honors from the University of Illinois and is a certified public accountant. Mr. Mrozek also serves on the boards of various not-for-profit organizations and charitable causes.

Mr. Mrozek is a member of the Audit Committee of the Board of Directors.

LIVINGSTON L. SATTERTHWAITTE Director since April 2011  
*President* Age 51  
Cummins Power Generation Division

Mr. Satterthwaite has been President of Cummins Power Generation, a unit of Cummins, Inc., since June 2008. From prior to 2007 to 2008, Mr. Satterthwaite held the position of Vice President, Generator Set Business at Cummins Power Generation.

Mr. Satterthwaite's business leadership and sales skills, international experience and extensive experience in industrial manufacturing led to the conclusion that he should serve on IDEX's Board of Directors. Since joining Cummins Inc. in 1988, Mr. Satterthwaite has held various positions at Cummins Power Generation and other divisions of Cummins Inc., including 14 years in managerial and

sales positions in the United Kingdom and Singapore. Prior to joining Cummins Inc., Mr. Satterthwaite spent four years at Schlumberger Limited, an oilfield services provider, as a General Field Engineer. Mr. Satterthwaite received a bachelor of science degree in civil engineering from Cornell University and a masters in business administration degree from Stanford University.

Mr. Satterthwaite is a member of the Audit Committee of the Board of Directors.

**Class I: Three-Year Term Expires in 2014**

BRADLEY J. BELL

Director since June 2001

*Retired Executive Vice President and Chief Financial Officer*

Age 59

Nalco Company

Mr. Bell served as Executive Vice President and Chief Financial Officer of Nalco Company from prior to 2007 until his retirement in 2010.

Mr. Bell is a director of Compass Minerals International, Inc.

Mr. Bell's business leadership skills, his knowledge of technology and manufacturing industries, his financial reporting expertise and his corporate governance and executive compensation experience led to the conclusion that he should serve on IDEX's Board of Directors. For over seven years, Mr. Bell served as executive vice president and chief financial officer of Nalco Company. In addition, Mr. Bell has over 30 years combined experience as an executive in the technology and manufacturing industries, including positions at Rohm and Haas Company, Whirlpool Corporation and Bundy Corporation. Through his experience, Mr. Bell has developed valuable financial expertise and experience in mergers and acquisitions, private equity and capital markets transactions. Mr. Bell has a long career in corporate finance, including more than 12 years of experience as chief financial officer of a publicly traded company, during which he obtained significant financial management and reporting expertise. He has held directorships at publicly traded companies for over 20 years, including positions as chairs of audit and compensation committees. Through his executive experience and board memberships, Mr. Bell has acquired substantial training and experience in corporate governance and executive compensation. Mr. Bell received a bachelor of science degree in finance with high honors from the University of Illinois and a master of business administration degree with distinction from Harvard University.

Mr. Bell is the Chairman of the Nominating and Corporate Governance Committee and a member of the Compensation Committee of the Board of Directors.

ANDREW K. SILVERNAIL

Director since August 2011

*Chairman of the Board, President and Chief Executive Officer*

Age 41

IDEX Corporation

Mr. Silvernail was appointed Chairman of the Board by the Board of Directors effective January 1, 2012. Mr. Silvernail has been President and Chief Executive Officer and a director of the Company since August 10, 2011. Prior to his appointment as President and Chief Executive Officer, Mr. Silvernail served since January 2011 as Vice President Group Executive of Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products. From February 2010 to December 2010, Mr. Silvernail was IDEX's Vice President Group Executive of Health & Sciences Technologies and Global Dispensing. Mr. Silvernail joined IDEX in January 2009 as Vice President Group Executive of Health & Science Technologies. Prior to joining IDEX, Mr. Silvernail served as Group President at Rexnord Industries, Inc. from April 2007 to August 2008, and Division President at Rexnord from April 2005 to April 2007.

Mr. Silvernail's relevant experience with engineering and technology industries in general, together with his extensive management experience led to the conclusion that he should serve on IDEX's Board of Directors. Mr. Silvernail received his bachelor of science degree from Dartmouth College and his masters of business administration degree from Harvard University.

GREGORY F. MILZCIK  
*President and Chief Executive Officer*  
Barnes Group Inc.

Director since April 2008  
Age 52

Mr. Milzcik has been President and Chief Executive Officer of Barnes Group Inc. since prior to 2007. Mr. Milzcik is a director of Barnes Group Inc.

Mr. Milzcik's business leadership skills, his relevant experience in industrial manufacturing, his corporate governance and executive compensation training and his extensive technical and management education led to the conclusion that he should serve on IDEX's Board of Directors. Through his executive experience at Barnes Group Inc., Mr. Milzcik obtained a unique understanding of the industrial manufacturing business environment and gained exposure to and familiarity with IDEX's customer base. In addition, Mr. Milzcik gained experience with international commerce, government contracting, complex project management, intellectual property management and industry cyclicality, which enrich his perspective as a director of the Company. Mr. Milzcik has acquired substantial training in corporate governance and executive compensation through his executive experience, board memberships and attendance at the Harvard Directors College, Stanford Directors College and ODX/Columbia Director Education Program and has been named a Board Leadership Fellow by the National Association of Corporate Directors. Mr. Milzcik received a bachelor of science degree in applied science and technology from Thomas Edison State College, a master's degree in management and administration from Cambridge College, a certificate of graduate studies in administration and management from Harvard University and a doctorate from Case Western Reserve University, with research focusing on management systems in cyclical markets. Mr. Milzcik is a Certified Manufacturing Engineer through the Society of Manufacturing Engineers, and has a FAA Airframe and Power Plant License.

Mr. Milzcik is a member of the Compensation Committee of the Board of Directors.

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## CORPORATE GOVERNANCE

### Information Regarding the Board of Directors and Committees

The Board of Directors has the ultimate authority for the management of the Company's business. In February 2012, the Board affirmed the Company's Corporate Governance Guidelines which, along with the charters of the Board committees, the Company's Code of Business Conduct and Ethics, and Standards for Director Independence, provide the framework for the governance of the Company. The Company's Corporate Governance Guidelines address matters such as composition, size and retirement age of the Board, Board membership criteria, the role and responsibilities of the Board, director compensation, share ownership guidelines, and the frequency of Board meetings (including meetings to be held without the presence of management). The Company's Code of Business Conduct and Ethics sets forth the guiding principles of business ethics and certain legal requirements applicable to all of the Company's employees and directors. Copies of the current Corporate Governance Guidelines, the charters of the Board committees, the Code of Business Conduct and Ethics, and Standards for Director Independence are available under the Investor Relations links on the Company's website at [www.idexcorp.com](http://www.idexcorp.com).

The Board selects the Company's executive officers, delegates responsibilities for the conduct of the Company's operations to those officers, and monitors their performance. Without limiting the generality of the foregoing, the Board of Directors oversees an annual assessment of enterprise risk exposure, and the management of such risk, conducted by the Company's executives. When assessing enterprise risk, the Board focuses on the achievement of organizational objectives, including strategic objectives, to improve long-term performance and enhance stockholder value. Direct oversight allows the Board to assess management's inclination for risk, to determine what constitutes an appropriate level of risk for the Company and to discuss with management the means by which to control risk. In addition, while the Board of Directors has the ultimate oversight responsibility for the risk management process, the Audit Committee focuses on financial risk management and exposure. The Audit Committee receives an annual risk assessment report from the Company's internal auditors and reviews and discusses the Company's financial risk exposures and the steps management has taken to monitor, control and report those exposures.

The Company's By-laws permit the Board to select its Chairman in the manner it determines to be most appropriate for the Company. The Company's Corporate Governance Guidelines provide that, if the Chairman of the Board is not the Chief Executive Officer, and is an independent director, there shall be no Lead Director. If the Chairman of the Board is the Chief Executive Officer or is not an independent director, the independent directors shall elect an independent Lead Director. In connection with Mr. Silvernail's appointment as Chairman effective January 1, 2012, the Board appointed Michael T. Tokarz as Lead Director. The responsibilities of the Lead Director include:

Coordinating the activities of the independent directors;

Reviewing the Board meeting agendas and providing the Chairman with input on the agendas;

Preparing the agendas for executive session of the independent directors and chairing those sessions;

Facilitating communications between the Chairman and other members of the Board; and

Coordinating the performance evaluation of the Chief Executive Officer.

The independent non-management directors of the Board meet separately as a group at every regularly scheduled Board meeting. The Chairman (if independent) or Lead Director (if the Chairman is not independent) generally presides at these non-management executive sessions. During 2011, the Board held seven meetings.

The Board believes that its current leadership structure provides independent board leadership and engagement while deriving the benefit of having the CEO also serve as Chairman of the Board.

Our Chief Executive Officer, as the individual with primary responsibility for managing the Company's day-to-day operations, is best positioned to chair regular Board meetings and to oversee discussion on business and strategic issues. Coupled with the existence of a Lead Director and regular executive sessions of the non-management directors, this structure provides independent oversight, including risk oversight, while facilitating the exercise of the Board's responsibilities.

The Board has adopted standards for determining whether a director is independent. These standards are based upon the listing standards of the New York Stock Exchange and applicable laws and regulations, and are available on the Company's website as described above. The Board has affirmatively determined, based on these standards, that the following directors, two of whom are standing for election to the Board, are independent: Mr. Bell, Ms. Chandy, and Messrs. Cook, Hermance, Milzick, Mrozek, Satterthwaite and Tokarz. Mr. Hermance who is currently serving as a Class II director is not standing for election this year. The Board has determined that Mr. Silvernail is not independent. Mr. Silvernail is the President and Chief Executive Officer of the Company. The Board has also determined that all Board standing committees are composed entirely of independent directors.

Important functions of the Board are performed by committees comprised of members of the Board. Subject to applicable provisions of the Company's By-laws and based on the recommendations of the Nominating and Corporate Governance Committee, the Board as a whole appoints the members of each committee each year at its first meeting. The Board may, at any time, appoint or remove committee members or change the authority or responsibility delegated to any committee, subject to applicable law and listing standards. There are three standing committees of the Board: the Nominating and Corporate Governance Committee, the Audit Committee, and the Compensation Committee. Each committee has a written charter that is available on the Company's website as described above.

The Nominating and Corporate Governance Committee's primary purpose and responsibilities are to: develop and recommend to the Board corporate governance principles and a code of business conduct and ethics; develop and recommend criteria for selecting new directors; identify individuals qualified to become directors consistent with criteria approved by the Board, and recommend to the Board such individuals as nominees to the Board for its approval; screen and recommend to the Board individuals qualified to become Chief Executive Officer and any other senior officer whom the committee may wish to approve; and oversee evaluations of the Board, individual Board members and Board committees. The members of the Nominating and Corporate Governance Committee are Mr. Bell, Ms. Chandy and Mr. Tokarz. During 2011, the Nominating and Corporate Governance Committee held two meetings.

It is the policy of the Nominating and Corporate Governance Committee to consider nominees for the Board recommended by the Company's stockholders in accordance with the procedures described under STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR 2013 ANNUAL MEETING. Stockholder nominees who are nominated in accordance with these procedures will be given the same consideration as nominees for director from other sources.

The Nominating and Corporate Governance Committee selects nominees for the Board who demonstrate the following qualities:

*Experience* (in one or more of the following):

high-level leadership experience in business or administrative activities;

specialized expertise in the industries in which the Company competes;

financial expertise;

breadth of knowledge about issues affecting the Company; and

ability and willingness to contribute special competencies to Board activities.

*Personal attributes:*

personal integrity;

loyalty to the Company and concern for its success and welfare, and willingness to apply sound independent business judgment;

awareness of a director's vital part in the Company's good corporate citizenship and corporate image;

time available for meetings and consultation on Company matters; and

willingness to assume fiduciary responsibilities.

Qualified candidates for membership on the Board are identified and considered based on the qualities described above, without regard to race, color, religion, sex, ancestry, national origin or disability. In the past, the Company has engaged executive search firms to help identify and facilitate the screening and interviewing of director candidates. After conducting an initial evaluation of a candidate, the Nominating and Corporate Governance Committee will interview that candidate if it believes the candidate suitable to be a director. The Committee may also ask the candidate to meet with other members of the Board. If the Committee believes a candidate would be a valuable addition to the Board of Directors, it will recommend to the full Board appointment or election of that candidate. Annually, the Nominating and Corporate Governance Committee reviews the qualifications and backgrounds of the directors, as well as the overall composition of the Board, and recommends to the full Board the slate of directors for nomination for election at the annual meeting of stockholders.

The Audit Committee's primary duties and responsibilities are to: monitor the integrity of the Company's financial reporting process and systems of internal control regarding finance, accounting and legal compliance; monitor the independence and performance of the Company's independent registered public accounting firm and monitor the performance of the Company's internal audit function; hire and fire the Company's independent registered public accounting firm and approve any audit and non-audit work performed by the independent registered public accounting firm; provide an avenue of communication among the independent registered public accounting firm, management and the Board of Directors; prepare the report that the rules of the Securities and Exchange Commission require to be included in the Company's annual proxy statement; and administer the Company's Related Person Transactions Policy (see Transactions With Related Persons). The members of the Audit Committee are Ms. Chandy and Messrs. Cook, Mrozek and Satterthwaite. The Board of Directors has determined that each of Messrs. Cook and Mrozek is an audit committee financial expert, as defined by the rules of the Securities and Exchange Commission. During 2011, the Audit Committee held 10 meetings.

The Compensation Committee's primary duties and responsibilities are to: establish the Company's compensation philosophy and structure the Company's compensation programs to be consistent with that philosophy; establish the compensation of the Chief Executive Officer and other senior officers of the Company; develop and recommend to the Board of Directors compensation for the Board; and prepare the compensation committee report the rules of the Securities and Exchange Commission require to be included in the Company's annual proxy statement. The members of the Compensation Committee are Messrs. Bell, Hermance, Milzcik and Tokarz. Mr. Hermance who is currently serving as a Class II director is not standing for election this year. During 2011, the Compensation Committee held six meetings.

During 2011, each member of the Board of Directors attended more than 75% of the aggregate number of meetings of the Board of Directors and of committees of the Board of which he or she was a member. The Company encourages its directors to attend the Annual Meeting of Stockholders but has no formal policy with respect to that attendance. All of the directors attended the 2011 Annual Meeting of Stockholders.

### Compensation Committee Interlocks and Insider Participation

During 2011, Messrs. Bell, Hermance, Milzcik and Tokarz served as the members of the Compensation Committee. Neither Mr. Bell, Mr. Hermance, Mr. Milzcik nor Mr. Tokarz (i) was an officer or employee of the Company or any of its subsidiaries during 2011, (ii) was formerly an officer of the Company or any of its subsidiaries, or (iii) had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K under the Securities Act of 1933, as amended. There were no relationships between the Company's executive officers and the members of the Compensation Committee that require disclosure under Item 407(e)(4) of Regulation S-K.

### Transactions with Related Persons

The Board of Directors has adopted a written Related Person Transactions Policy regarding the review, approval and ratification of transactions with related persons. All related person transactions are approved by the Audit Committee. If the transaction involves a related person who is a director or immediate family member of a director, that director will not be included in the deliberations. In approving the transaction, the Audit Committee must determine that the transaction is fair and reasonable to the Company.

### Compensation of Directors

The objectives for our non-management director compensation program are to attract highly-qualified individuals to serve on our board of directors and align our directors' interests with the interests of our stockholders. The Compensation Committee reviews the program at least annually to ensure that it continues to meet these objectives.

The Company believes that to attract and retain qualified directors, pay levels should be targeted at the 50th percentile (or median) of pay levels for directors at comparable companies. From time to time, the Compensation Committee, with the assistance of TowersWatson, evaluates the competitiveness of director compensation. The primary reference point for the determination of market pay is the peer group of companies used to benchmark executive compensation. See Market Benchmarking under EXECUTIVE COMPENSATION. Market composite data derived from pay surveys available to Towers Watson and directly to the Company is also used.

Our non-management director compensation for 2011 was based on the following:

<b>Annual Retainer and Meeting Fees</b>	\$ 60,000
<b>Committee Chair Retainer</b>	
Audit Committee	10,000
Compensation Committee	7,000
Nominating and Corporate Governance Committee	7,000
<b>Value of Equity Grants Upon Initial Election to the Board</b>	112,500
Stock Options	50% of Value
Restricted Stock	50% of Value
<b>Value of Annual Equity Grants</b>	75,000
Stock Options	50% of Value
Restricted Stock	50% of Value

For 2012, annual retainer and meeting fees were increased to \$65,000. Equity compensation was increased to \$127,500 upon initial election to the Board, and \$85,000 annually. Committee Chair retainers were increased as follows: Audit Committee \$15,000; Compensation Committee \$10,000; and Nominating and Governance Committee \$8,000. Additionally, Lead Director annual compensation was set at \$30,000, to be paid 50% in cash and 50% in equity.

Equity grants upon initial election to the Board of Directors are made on the date of appointment. Annual equity grants are made on the first regularly scheduled meeting of the Board of Directors held



each year. All grants are structured to provide approximately 50% of the expected value in the form of stock options and 50% of the expected value in the form of restricted stock awards, and are made under the IDEX Corporation Incentive Award Plan (Incentive Award Plan). The exercise price of each option is equal to the closing price of the Company's Common Stock on the trading day the option is granted. The options become exercisable one year following their date of grant. The restricted stock vests in full on the earlier of the third anniversary of the grant, failure of the director to be re-elected to the Board, or a change in control. The restricted stock is non-transferable until the recipient is no longer serving as a director, and is subject to forfeiture if the director terminates service as a director for reasons other than death, disability or retirement prior to vesting.

Under the Directors Deferred Compensation Plan, directors are permitted to defer their cash compensation, as of the date their compensation would otherwise be payable. In general, directors must make elections to defer fees payable during a calendar year by the end of the preceding calendar year. Newly elected directors have up to 30 days to elect to defer future fees. All amounts deferred are recorded in a memorandum account for each director and are credited or debited with earnings or losses as if such amounts had been invested in either an interest-bearing account or receive an investment return as if the funds were invested in certain mutual funds, as selected by the director. The deferred compensation credited to the interest-bearing account is adjusted on at least a quarterly basis with hypothetical earnings equal to the lesser of the Barclays Capital Long Term Bond AAA Corporate Bond Index as of first business day in November of the calendar year preceding the year for which the earnings are to be credited or 120% of the long-term applicable Federal rate (AFR) as of the first business day of November. In accordance with SEC rules, no earnings on deferred compensation are shown in the Director Compensation table below because no above market rates were earned on deferred amounts in 2011. Directors must elect irrevocably to receive the deferred funds either in a lump sum or in equal annual installments of up to 10 years, and to begin receiving distributions either at termination of Board service or at a future specified date. If a director should die before all amounts credited under the Directors Deferred Compensation Plan have been paid, the unpaid balance in the participating director's account will be paid to the director's beneficiary. The memorandum accounts are not funded, and the right to receive future payments of amounts recorded in these accounts is an unsecured claim against the Company's general assets. Messrs. Satterthwaite and Tokarz currently defer all of their director fees into the Directors Deferred Compensation Plan.

Outside directors are subject to stock ownership guidelines. Outside directors must comply with the guidelines within five years of their initial election to the Board. The guidelines dictate that all outside directors must purchase or acquire the Company's Common Stock having an aggregate value at the time of purchase or acquisition equal to three times the annual retainer in effect upon their election to the Board. As of December 31, 2011, all directors either complied with the ownership guidelines or were proceeding towards meeting the ownership guidelines within the applicable five-year period.

The following table summarizes the total compensation earned in 2011 for the Company's non-management directors. Neil Springer served as a director from January 1, 2011 until his retirement on April 5, 2011. He received \$15,000 for his services as a director. Lawrence Kingsley served as a non-management director from October 3, 2011 until December 31, 2011. He received a lump-sum payment of \$75,000 on December 31, 2011 for such services. Mr. Kingsley's compensation for 2011, for both his service as the Chief Executive Officer and as a director, is reported in the Summary Compensation Table below. Mr. Silvernail receives no additional compensation for his service as a director.

#### 2011 Director Compensation

Name	Fees Earned or Paid in	Stock	Option	Total
	Cash	Awards(1)(2)	Awards(1)(2)	
Bradley J. Bell	\$ 67,000	\$ 37,618	\$ 33,995	\$ 138,613
Ruby R. Chandy	60,000	37,618	33,995	131,613
William M. Cook	70,000	37,618	33,995	141,613
Frank S. Hermance	60,000	37,618	33,995	131,613
Gregory F. Milzcik	60,000	37,618	33,995	131,613
Ernest J. Mrozek	60,000	37,618	33,995	131,613
Livingston Satterthwaite	45,000	56,450	56,238	157,688
Michael T. Tokarz	67,000	37,618	33,995	138,613

(1) Reflects the aggregate grant date fair value in accordance with FASB ASC Topic 718 using the assumptions set forth in the footnotes to financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, assuming no forfeitures.

(2) The following table provides information on the restricted stock and stock option awards held by the Company's non-management directors and the value of those awards as of December 30, 2011. All outstanding awards are in or exercisable for shares of the Company's Common Stock.

Name	Option Awards				Stock Awards		
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested(b)	Market Value of Shares or Units of Stock that Have Not Vested(c)	
	Exercisable(a)	Unexercisable(a)					
Bradley J. Bell	6,750	0	\$ 25.70	02/02/2015	2,815	\$	104,465
	3,375	0	30.67	02/02/2016			
	3,375	0	33.99	02/12/2017			
	2,250	0	30.85	02/20/2018			
	2,250	0	19.98	02/24/2019			
	4,080	0	30.32	02/23/2020			
	0	3,190	40.89				