

IDEX CORP /DE/
Form DEF 14A
March 03, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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 Pursuant to §240.14a-12

IDEX Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than The Registrant)

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 - (3) Filing Party:

(4) Date Filed:

1925 West Field Court, Suite 200

Lake Forest, IL 60045

March 5, 2014

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of IDEX Corporation (the Company) which will be held on Tuesday, April 8, 2014, at 9:00 a.m. Central Time, at The Westin Chicago North Shore, 601 North Milwaukee Avenue, Wheeling, Illinois 60090.

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 2013 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 8, 2014

To the Stockholders:

The Annual Meeting of Stockholders of IDEX Corporation (the Company) will be held on Tuesday, April 8, 2014, at 9:00 a.m. Central Time, at The Westin Chicago North Shore, 601 North Milwaukee Avenue, Wheeling, Illinois 60090, for the following purposes:

1. To elect three directors, each 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 2014.
4. To transact such other business as may properly come before the meeting.

The Board of Directors fixed the close of business on February 14, 2014, 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.

By Order of the Board of Directors

FRANK J. NOTARO

Vice President General Counsel

and Secretary

March 5, 2014

Lake Forest, Illinois

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 8, 2014**

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The Proxy Statement and 2013 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 8, 2014, at 9:00 a.m. Central Time, at The Westin Chicago North Shore, 601 North Milwaukee Avenue, Wheeling, Illinois 60090. The Company commenced distribution of this Proxy Statement and the accompanying materials on March 5, 2014.

The Company will bear the costs of preparing and mailing this Proxy Statement and other costs of the proxy solicitation made by the 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 its 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 14, 2014, and each stockholder will be entitled to vote at the meeting any shares of Common Stock held of record on that date. 80,851,529 shares of Common Stock were outstanding at the close of business on February 14, 2014. 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 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. Under certain circumstances, a broker or other nominee may have discretionary authority to vote 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; provided however, that the Company's Corporate Governance Guidelines provide for a plurality plus standard with respect to the election of directors, under which any nominee who receives a greater number of withhold votes than affirmative votes in an uncontested election is required to submit an offer of resignation for consideration by the Nominating and Corporate Governance Committee of the Board of Directors, as more fully described under **Proposal 1 Election of Directors.** 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 2014, 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 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 I directors whose terms will expire at this year's Annual Meeting, three of whom are Class II directors whose terms will expire at the Annual Meeting to be held in 2015, and three of whom are Class III directors whose terms will expire at the Annual Meeting to be held in 2016.

The Board of Directors has nominated three individuals for election as Class I directors to serve for a three-year term expiring at the Annual Meeting to be held in 2017, or upon the election and qualification of their successors. The nominees of the Board of Directors are Bradley J. Bell, Gregory F. Milzick and Andrew K. Silvernail, each of whom is currently serving as a director of the Company. The nominees and the directors serving in Class II and Class III 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 are unavailable to serve, proxies solicited hereby may be voted for a substitute. The Board, however, expects the nominees to be available.

Under the Company's Corporate Governance Guidelines, any director nominee who receives a greater number of withhold votes than affirmative votes in an uncontested election is required to submit an offer of resignation for consideration by the Nominating and Corporate Governance Committee of the Board of Directors within 90 days from the date of election. The Nominating and Corporate Governance Committee must then consider all of the relevant facts and circumstances and recommend to the Board of Directors the action to be taken with respect to the offer of resignation.

The Company's Board of Directors Recommends a Vote FOR

the Nominees in Class I Identified Below.

Nominees for Election

Class I: Nominees for Three-Year Term

BRADLEY J. BELL

Retired Executive Vice President and Chief Financial Officer

Nalco Company

Mr. Bell served as Executive Vice President and Chief Financial Officer of Nalco Company from prior to 2008 until his retirement in 2010.

Mr. Bell is a director of Compass Minerals International, Inc. and Hennessy Capital Acquisition Corp.

Director since June 2001

Age 61

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 the Board of Directors. For over seven years, Mr. Bell served as executive vice president and chief financial officer of Nalco. 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, during which he chaired governance, 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 Chairman of the Nominating and Corporate Governance Committee and a member of the Compensation Committee of the Board of Directors.

GREGORY F. MILZCIK

Retired President and Chief Executive Officer

Barnes Group Inc.

Mr. Milczik served as President and Chief Executive Officer of Barnes Group Inc. from prior to 2008 until his retirement in 2013. Mr. Milczik is a director of Kulicke & Soffa Industries Inc.

Director since April 2008

Age 54

Mr. Milczik'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 the Board of Directors. Through his executive experience at Barnes Group, Mr. Milczik obtained a unique understanding of the industrial manufacturing business environment and gained exposure to and familiarity with IDEX's customer base. In addition, Mr. Milczik 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. Milczik 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. Milczik 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 an FAA Airframe and Power Plant License.

Mr. Milzcik is a member of the Compensation Committee of the Board of Directors. Effective April 8, 2014, Mr. Milzcik will become a member of the Audit Committee, and will cease to be a member of the Compensation Committee, of the Board of Directors.

ANDREW K. SILVERNAIL

Chairman, President and Chief Executive Officer
IDEX Corporation

Director since August 2011
Age 42

Mr. Silvernail was appointed Chairman of the Board effective January 1, 2012. Mr. Silvernail has served as 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 the Company's Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products business segments. From February 2010 to December 2010, Mr. Silvernail was Vice President Group Executive of the Company's Health & Sciences Technologies and Global Dispensing business segments. Mr. Silvernail joined IDEX in January 2009 as Vice President Group Executive of Health & Science Technologies. Mr. Silvernail is a director of Stryker Corporation.

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 the Board of Directors. Mr. Silvernail received his bachelor of science degree in government from Dartmouth College and his masters of business administration degree from Harvard University.

Other Incumbent Directors

Class II: Three-Year Term Expires in 2015

WILLIAM M. COOK

Chairman, President and Chief Executive Officer
Donaldson Company, Inc.

Director since April 2008
Age 60

Mr. Cook has served as Chairman, President and Chief Executive Officer of Donaldson Company, Inc. since prior to 2008. Mr. Cook is a director of Donaldson Company 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 the Board of Directors. Mr. Cook is a 33-year veteran of Donaldson Company, a technology-driven global company that manufactures filtration systems designed to remove contaminants from air and liquids. Throughout his career at Donaldson Company, 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 a member of the Audit Committee of the Board of Directors.

MICHAEL T. TOKARZ

Member
The Tokarz Group L.L.C.

Director since September 1987
Age 64

Mr. Tokarz has been a member of The Tokarz Group L.L.C. since prior to 2008. 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 the 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 Lead Director of the Board of Directors, Chairman of the Compensation Committee and a member of the Nominating and Corporate Governance Committee of the Board of Directors.

CYNTHIA J. WARNER
Chairman and Chief Executive Officer
Sapphire Energy, Inc.

Director since February 2013
Age 55

Ms. Warner has been Chairman and Chief Executive Officer of Sapphire Energy, Inc. since 2012. From 2009 to 2011, Ms. Warner was Chairman and President of Sapphire Energy. From prior to 2008, Ms. Warner was Group Vice President, Global Refining, BP plc.

Ms. Warner's operating leadership skills, international experience and extensive experience in the energy, refining and transportation industries led to the conclusion that she should serve on the Board of Directors. During her 25 years at BP and Amoco, Inc., Ms. Warner gained significant knowledge of the global energy industry and served in numerous leadership roles, including overseeing BP's Global Refining business and its Health Safety Security Environment, with a consistent record of success in coordinating the operations of thousands of employees across BP's global facilities. In her current role as Chief Executive Officer of Sapphire Energy, an alternative energy venture, Ms. Warner has overseen the raising of substantial investment capital and the successful completion of a new demonstration facility for the company. Ms. Warner received a bachelor of engineering degree in chemical engineering from Vanderbilt University and a masters of business administration degree from Illinois Institute of Technology.

Ms. Warner is a member of the Nominating and Corporate Governance Committee of the Board of Directors. Effective April 8, 2014, Ms. Warner will become a member of the Compensation Committee of the Board of Directors.

Class III: Three-Year Term Expires in 2016

ERNEST J. MROZEK
Retired Vice Chairman and Chief Financial Officer
The ServiceMaster Company

Director since July 2010
Age 60

Mr. Mrozek served as Vice Chairman and Chief Financial Officer of The ServiceMaster Company from prior to 2008 until 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 the 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 is Chairman of the Audit Committee of the Board of Directors.

DAVID C. PARRY

Vice Chairman

Illinois Tool Works Inc.

Director since December 2012

Age 60

Mr. Parry has served as Vice Chairman of Illinois Tool Works Inc. (ITW) since 2010. From prior to 2008 until 2010, Mr. Parry was Executive Vice President of ITW with responsibility for the Polymers and Fluids Group.

Mr. Parry's strategic and operating leadership skills and global commercial perspective gained from over 30 years of international business leadership experience, his significant acquisition experience and his extensive expertise in the industrial products manufacturing industry led to the conclusion that he should serve on the Board of Directors. During 18 years of executive and management experience in various senior management positions at ITW, a multinational manufacturer of a diversified range of industrial products and equipment, Mr. Parry has successfully grown the operations and profitability of multiple business units and helped ITW complete numerous acquisitions. Prior to joining ITW in 1994, Mr. Parry spent 17 years in various executive and management positions at Imperial Chemical Industries, which at the time was one of the largest chemical producers in the world. Mr. Parry received a bachelor of science degree in chemistry, a master of science degree in chemistry and a Ph.D. in polymer chemistry from Victoria University of Manchester, Manchester, England.

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

LIVINGSTON L. SATTERTHWAITE

President

Cummins Power Generation Division

Director since April 2011

Age 53

Mr. Satterthwaite has served as President of Cummins Power Generation, a unit of Cummins, Inc., since June 2008. From prior to 2008, Mr. Satterthwaite was 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 the Board of Directors. Since joining Cummins in 1988, Mr. Satterthwaite has held various positions at Cummins Power Generation and other divisions of Cummins, including 14 years in managerial and sales positions in the United Kingdom and Singapore. Prior to joining Cummins, 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. Effective April 8, 2014, Mr. Satterthwaite will become a member of the Compensation Committee, and will cease to be a member of the Audit Committee, of the Board of Directors.

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 November 2013, the Board amended the Company's Corporate Governance Guidelines to add the plurality plus voting standard described in Proposal 1 and otherwise affirmed the Guidelines which, along with the charters of the Board committees, the Code of Business Conduct and Ethics, and the Standards for Director Independence, provide the framework for the governance of the Company. The Corporate Governance Guidelines address matters such as composition, election of directors, size and retirement age for 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 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 the Standards for Director Independence are available under the Investor Relations links on the Company's website at 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, and legal compliance. 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. The 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, 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 Lead Director generally presides at these non-management executive sessions. During 2013, the Board held six 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. The 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: Messrs. Bell, Cook, Milzcik, Mrozek, Parry, Satterthwaite and Tokarz, and Ms. Warner. The Board has also determined that Mr. Silvernail, who is standing for election to the Board, is not independent. Mr. Silvernail is the Chairman of the Board, 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; make recommendations to the Board regarding any director who submits an offer of resignation by reason of the plurality plus voting standard under the Company's Corporate Governance Guidelines; 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 Messrs. Bell and Tokarz, and Ms. Warner. During 2013, the Nominating and Corporate Governance Committee held three 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 2015 ANNUAL MEETING" below. 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, 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 and compliance functions; 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; prepare the report that the rules of the Securities and Exchange Commission (SEC) 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" below). The members of the Audit Committee are Messrs. Cook, Mrozek, Parry and Satterthwaite. Effective April 8, 2014, Mr. Satterthwaite will cease to be a member, and Mr. Milzcik will become a member of the Audit Committee. The Board has determined that each of Messrs. Cook and Mrozek is an audit committee financial expert, as defined by the rules of the SEC. During 2013, 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; develop and recommend to the Board compensation for the directors; and prepare the compensation committee report the rules of the SEC require to be included in the Company's annual proxy statement. The members of the Compensation Committee are Messrs. Bell, Milzcik and Tokarz. Effective April 8, 2014, Mr. Milzcik will cease to be a member, and Mr. Satterthwaite and Ms. Warner will become members of the Compensation Committee. During 2013, the Compensation Committee held three meetings.

To assist the Compensation Committee in discharging its responsibilities, the Compensation Committee retained Towers Watson to act as an outside consultant. Towers Watson is engaged by, and reports directly to, the Compensation Committee. The Compensation Committee has reviewed the nature of the relationship between itself and Towers Watson, including all personal and business relationships between the committee members, Towers Watson and the individual compensation consultants who provide advice to the Compensation Committee. Based on its review the Compensation Committee did not identify any actual or potential conflicts of interest in Towers Watson's engagement as an independent consultant. Towers Watson works with the Compensation Committee and management to structure the Company's compensation programs and evaluate the

competitiveness of its executive compensation levels. Towers Watson's primary areas of assistance to the Compensation Committee are:

Analyzing market compensation data for all executive positions;

Advising on the structure of the Company's compensation programs;

Advising on the terms of equity awards;

Reviewing the risk associated with the Company's compensation programs; and

Reviewing materials to be used in the Company's proxy statement.

Towers Watson periodically provides the Compensation Committee and management market data on a variety of compensation-related topics. The Compensation Committee authorized Towers Watson to interact with the Company's management, as needed, on behalf of the Compensation Committee, to obtain or confirm information.

During 2013, each director attended more than 75% of the aggregate number of meetings of the Board 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 2013 Annual Meeting of Stockholders.

Compensation Committee Interlocks and Insider Participation

During 2013, Messrs. Bell, Milzcik and Tokarz served as the members of the Compensation Committee. Neither Mr. Bell, Mr. Milzcik nor Mr. Tokarz (i) was an officer or employee of the Company or any of its subsidiaries during 2013, (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 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 regarding approval. In approving the transaction, the Audit Committee must determine that the transaction is fair and reasonable to the Company.

Compensation of Directors

The objectives of our 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 Towers Watson, 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 the Company's executive compensation. For further details on this topic, refer to "Market Benchmarking under Compensation Process and Oversight" in the Compensation Discussion and Analysis below. Market composite data derived from pay surveys available to Towers Watson and to the Company is also used.

Our director compensation for 2013 was based on the following:

Annual Retainer and Meeting Fees	\$ 65,000
Committee Chair Retainer	
Audit Committee	\$ 15,000
Compensation Committee	\$ 10,000
Nominating and Corporate Governance Committee	\$ 8,000
Lead Director Fees	
Annual Retainer	\$ 15,000
Annual Equity Grant	\$ 15,000
Stock Options	50% of Value
Restricted Stock	50% of Value
Value of Equity Grants Upon Initial Election to the Board	\$ 127,500
Stock Options	50% of Value
Restricted Stock	50% of Value
Value of Annual Equity Grants	\$ 85,000
Stock Options	50% of Value
Restricted Stock	50% of Value

Equity grants upon initial election to the Board are made on the date of appointment. Annual equity grants are made on the first regularly scheduled meeting of the Board 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 earliest of the third anniversary of the grant, failure of the director to be re-elected to the Board, or a change in control of the Company. 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.

Under the Company's 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 an interest-bearing account or receive an investment return as if the funds were invested in certain mutual funds, at the option of 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 the 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 in 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 2013. 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.

Non-management directors are subject to stock ownership guidelines. Non-management directors must comply with the guidelines within five years of their initial election to the Board. The guidelines dictate that all non-management directors must purchase or acquire shares of 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, 2013, 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 2013 for the Company's directors. Ruby Chandy served as a director from January 1, 2013 until her retirement on April 9, 2013. She earned \$16,250 for her services as a director. Mr. Silvernail receives no additional compensation for his service as a director.

2013 Director Compensation

Name	Fees Earned or Paid in	Stock	Option	Total
	Cash	Awards(1)(2)	Awards(1)(2)	
Bradley J. Bell	\$ 73,000	\$ 42,630	\$ 40,710	\$ 156,340
William M. Cook	68,750	42,630	40,710	152,090
Gregory F. Milzcik	65,000	42,630	40,710	148,340
Ernest J. Mrozek	76,250	42,630	40,710	159,590
David C. Parry	65,000	42,630	40,710	148,340
Livingston L. Satterthwaite	65,000	42,630	40,710	148,340
Michael T. Tokarz	90,000	50,198	47,925	188,123
Cynthia J. Warner	56,875	63,819	61,031	181,725

- (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, 2013, 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 31, 2013. 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		