

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarter ended September 30, 1994

OR

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

For the transition period from _____ to _____

Commission file number 1-10235

IDEX Corporation

(Exact name of registrant as specified in its charter)

Delaware

36-3555336

State or other jurisdiction of
incorporation or organization

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

630 Dundee Road, Suite 400
Northbrook Illinois

60062

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (708) 498-7070

Former name, former address and former fiscal year, if changed since last
report.

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

Number of shares of common stock of IDEX Corporation ("IDEX" or the "Company")
outstanding as of November 4, 1994: 12,716,386 shares.

Documents Incorporated by Reference: None.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 1994 ----- (unaudited)	December 31, 1993 -----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,715	\$ 3,513
Receivables - net	59,968	43,318
Inventories	80,117	60,973
Deferred taxes	5,675	6,602
Other current assets	1,638	1,060
	-----	-----
Total Current Assets	151,113	115,466
Property, Plant and Equipment - net	66,434	53,525
Intangible Assets - net	148,134	84,772
Other Noncurrent Assets	4,865	5,204
	-----	-----
Total Assets	\$370,546 =====	\$258,967 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	\$ 30,537	\$ 21,405
Accrued expenses	28,723	21,235
	-----	-----
Total Current Liabilities	59,260	42,640
Long-Term Debt	184,502	117,464
Other Noncurrent Liabilities	17,613	15,177
	-----	-----
Total Liabilities	261,375	175,281
Shareholders' Equity		
Common stock, par value \$.01 per share; Shares authorized: 50,000,000 Shares issued and outstanding:		
1994: 12,715,001		
1993: 12,701,588	127	127
Additional paid-in capital	84,936	84,713
Retained earnings	26,926	2,551
Accumulated translation adjustment	(2,818)	(3,705)
	-----	-----
Total Shareholders' Equity	109,171	83,686
	-----	-----
Total Liabilities and Shareholders' Equity	\$370,546 =====	\$258,967 =====

See Notes to Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
 STATEMENTS OF CONSOLIDATED OPERATIONS
 (In thousands, except per share amounts)

For the Third Quarter Ended September 30,	1994 ----	1993 ----
	(unaudited)	
Net sales	\$106,975	\$77,726
Cost of sales	66,340	48,048
	-----	-----
Gross profit	40,635	29,678
Selling, general and administrative expenses	22,020	16,910
	-----	-----
Income from operations	18,615	12,768
Other expense - net	744	54
Interest expense	3,982	2,675
	-----	-----
Income before income taxes	13,889	10,039
Provision for income taxes	5,039	3,272
	-----	-----
Net income	\$ 8,850	\$ 6,767
	=====	=====
Earnings per common share	\$.68	\$.52
	=====	=====
Weighted average common shares outstanding	13,055	12,981
	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED OPERATIONS
(In thousands, except per share amounts)

For the Nine Months Ended September 30,	1994 ----	1993 ----
		(unaudited)
Net sales	\$286,408	\$229,329
Cost of sales	176,226	141,771
	-----	-----
Gross profit	110,182	87,558
Selling, general and administrative expenses	60,801	51,351
	-----	-----
Income from operations	49,381	36,207
Other expense - net	1,773	431
Interest expense	9,728	8,343
	-----	-----
Income before income taxes	37,880	27,433
Provision for income taxes	13,505	9,327
	-----	-----
Net income	\$ 24,375	\$ 18,106
	=====	=====
Earnings per common share	\$ 1.87	\$ 1.40
	=====	=====
Weighted average common shares outstanding	13,034	12,943
	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY
(In thousands)

	Shareholders' Equity			
	Common Stock -----	Additional Paid-In Capital -----	Retained Earnings -----	Accumulated Translation Adjustment -----
Balance:				
December 31, 1993	\$127	\$84,713	\$ 2,551	\$(3,705)
Stock options exercised		223		
Unrealized trans- lation adjustment				887
Net income	----	-----	24,375	-----
Balance:				
September 30, 1994	\$127	\$84,936	\$26,926	\$(2,818)
(unaudited)	====	=====	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
(In thousands)

For the Nine Months Ended September 30,	1994 ----	1993 ----
	(unaudited)	
Cash Flows From Operating Activities:		
Net income	\$ 24,375	\$18,106
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,390	6,644
Amortization of intangibles	2,830	2,096
Amortization of debt issuance expenses	478	474
Increase in receivables	(8,186)	(1,549)
(Increase) decrease in inventories	(269)	3,620
Increase (decrease) in trade accounts payable	4,123	(789)
Decrease in accrued expenses	(1,710)	(1,009)
Decrease in deferred taxes	1,663	2,418
Other transactions - net	933	2,066
	-----	-----
Net cash flows from operating activities	31,627	32,077
	-----	-----
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(6,910)	(5,358)
Acquisition of businesses (net of cash acquired)	(91,553)	-----
	-----	-----
Net cash flows from investing activities	(98,463)	(5,358)
	-----	-----
Cash Flows From Financing Activities:		
Net borrowings (repayments) of long-term debt	68,000	(22,500)
Decrease in accrued interest	(962)	(638)
Payment of deferred financing costs	-----	(1,645)
	-----	-----
Net cash flows from financing activities	67,038	(24,783)
	-----	-----
Net increase in cash	202	1,936
Cash and cash equivalents at beginning of period	3,513	2,370
	-----	-----
Cash and cash equivalents at end of period	\$ 3,715	\$ 4,306
	=====	=====

Supplemental Disclosure of Cash Flow Information

Cash paid during the period for:		
Interest	\$ 10,022	\$ 9,339
Taxes (including foreign)	10,926	4,329

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Acquisition

Pursuant to the requirements of the Securities and Exchange Commission, the January 22, 1988 Acquisition of the initial six businesses comprising IDEX Corporation ("IDEX" or the "Company") was not accounted for as a purchase transaction. Consequently, the accounting for the acquisition does not reflect any adjustment of the carrying value of the assets and liabilities to their fair values at the time of the acquisition. Accordingly, the shareholders' equity of IDEX at September 30, 1994 and December 31, 1993 includes a charge of \$96.5 million which represents the excess of the purchase price over the book value of the subsidiaries purchased at the date of the acquisition.

2. Acquisition of Hale Products, Inc.

On May 26, 1994, IDEX purchased all of the outstanding shares of common stock of Hale Products, Inc. ("Hale"), a leading manufacturer of fire-fighting pumps and rescue tools. The purchase price for the acquisition including stock purchase, debt assumption and transaction fees was approximately \$91.5 million net of cash acquired. The purchase was financed through borrowings under the Company's bank revolving credit facility which was amended to provide an additional \$50 million of availability (\$150 million of total availability) and improvement to the interest rate structure. The excess of the purchase price over the fair value of the net assets acquired of \$61.5 million is being amortized over 40 years. The acquisition was accounted for by the purchase method of accounting.

Hale's financial performance for the period January 1 to May 25, 1994, prior to acquisition by IDEX, was adversely affected by several factors. Customarily, Hale's shipments are stronger in the second half of a calendar year than the first half due to the purchasing practices of customers in industries that it serves. In 1994, shipments were further reduced by production curtailments at the Conshohocken facilities because of severe winter weather and unexpected facility repairs at its foundry. In addition, Hale was in the process of moving production of certain products between its Conshohocken, Pennsylvania and St. Joseph, Tennessee facilities during this period, which created certain temporary inefficiencies and loss of overhead absorption. Higher than normal selling, general and administrative expenses were incurred during this period due to Hale's participation in a major international fire and rescue trade show which is held every six years in Germany. During the period January 1 through May 25, 1994 order activity remained strong as sales backlogs increased by \$5.5 million.

The unaudited pro forma consolidated results of operations of IDEX for the nine months ended September 30, 1994 and 1993 reflecting the allocation of the purchase price and related financing of the transactions, would have been as follows (in thousands except per share amounts), assuming that the Hale acquisition had occurred at the beginning of each of the respective periods.

	Nine Months Ended September 30,	
	1994	1993
Net sales	\$308,994	\$278,567
Income before extraordinary item and cumulative effect of change in accounting for income taxes	22,060	18,058
Net income	22,060	17,463
Earnings per common share:		
Income before extraordinary item and cumulative effect of change in accounting for income tax	1.69	1.40
Net income	1.69	1.35

3.(a) Significant Accounting Policies

In the opinion of management, the unaudited information presented as of September 30, 1994 and for the nine-month periods ended September 30, 1994 and 1993 reflects all adjustments necessary, which consist only of normal recurring adjustments, for a fair presentation of the interim periods.

(b) Earnings Per Share

Earnings per share is computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Common stock equivalents, in the form of stock options, have been included in the calculation of weighted average shares outstanding under the treasury stock method.

4. Inventory

The components of inventories as of September 30, 1994 and December 31, 1993 were (000's omitted):

	September 30, 1994	December 31, 1993
Inventories		
Raw materials and supplies	\$ 9,254	\$ 8,498
Work in process	11,021	7,018
Finished goods	59,842	45,457
Totals	\$80,117	\$60,973

The inventories on a LIFO basis amounted to \$44,459 and \$25,874 at September 30, 1994 and December 31, 1993, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

5. Preferred Stock

The Company had five million shares of preferred stock authorized but unissued at September 30, 1994 and December 31, 1993.

Company and Business Group Financial Information
(000's omitted)

For the Third Quarter Ended September 30,	1994(1) ----	1993 ----
	(unaudited)	
Fluid Handling Group (2)		
Net sales	\$ 77,433	\$53,912
Income from operations	15,864	11,160
Operating margin	20.5%	20.7%
Depreciation and amortization (4)	\$ 3,149	\$ 2,237
Capital expenditures	1,258	1,404
Industrial Products Group (2)		
Net sales	\$ 29,594	\$23,859
Income from operations	4,709	3,362
Operating margin	15.9%	14.1%
Depreciation and amortization (4)	\$ 784	\$ 627
Capital expenditures	1,447	463
Company (3)		
Net sales	\$106,975	\$77,726
Income from operations	18,615	12,768
Operating margin	17.4%	16.4%
Depreciation and amortization (4)	\$ 3,949	\$ 2,877
Capital expenditures	2,716	1,876

(1) Includes the operations of Signfix from January 1, 1994, which are not material to the Company, and Hale from May 26, 1994.

(2) Income from operations excludes unallocated corporate operating expenses.

(3) Includes the operations of the two business groups in addition to corporate operating expenses and inter-group eliminations.

(4) Excludes amortization of debt issuance expenses.

Company and Business Group Financial Information
(000's omitted)

For the Nine Months Ended September 30,

1994(1) 1993
----- -----
(unaudited)

Fluid Handling Group (2)		
Net sales	\$197,251	\$158,625
Income from operations	41,499	31,379
Operating margin	21.0%	19.8
Depreciation and amortization (4)	\$ 7,902	\$ 6,790
Capital expenditures	4,522	4,076
Industrial Products Group (2)		
Net sales	\$ 89,379	\$ 70,887
Income from operations	13,601	9,772
Operating margin	15.2%	13.8%
Depreciation and amortization (4)	\$ 2,276	\$ 1,914
Capital expenditures	2,327	1,244
Company (3)		
Net sales	\$286,408	\$229,329
Income from operations	49,381	36,207
Operating margin	17.2%	15.8%
Depreciation and amortization (4)	\$ 10,220	\$ 8,740
Capital expenditures	6,910	5,358

(1) Includes the operations of Signfix from January 1, 1994, which are not material to the Company, and Hale from May 26, 1994.

(2) Income from operations excludes unallocated corporate operating expenses.

(3) Includes the operations of the two business groups in addition to corporate operating expenses and inter-group eliminations.

(4) Excludes amortization of debt issuance expenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Historical Overview and Outlook

IDEX sells a broad range of fluid handling and industrial products to a diverse customer base in the United States and internationally. Accordingly, IDEX's businesses are generally affected by levels of industrial activity and economic conditions in the United States and in those foreign countries where its products are sold, and to some extent, by the relationship of the dollar to other currencies. Among the factors that affect the demand for IDEX's products are interest rates, levels of capital spending by industry and overall industrial growth.

New orders exceeded shipments in the third quarter of 1994. While shipments were up 38% from last year's third quarter, new orders were up 42% and represented a new record for orders written in a quarter. Orders in our base businesses improved by 16%, and the Signfix and Hale acquisitions in November 1993 and May 1994 added another 26%. As a result, backlogs are somewhat stronger. However, the Company continues to operate with low order backlogs, typically about 1-1/2 months' sales, in order to provide superior customer service. Therefore, any decline in orders would have an immediate effect on sales and profits.

IDEX achieved record quarterly sales, net income and earnings per common share in the third quarter of 1994. Sales increased 38%, net income was up 31% and earnings per share rose 30% in the third quarter of 1994 compared to the third quarter of 1993. The higher quarterly results stemmed from improved economic conditions which enabled the Company's base businesses to report stronger operating results, and by inclusion of the recent acquisitions of Signfix and Hale.

Both the near-term and long-term prospects for IDEX remain bright. Given the strong incoming order rate, results for the fourth quarter are expected to be in a range near or above the third quarter, and an exceptionally strong, record year in sales and earnings is expected in 1994. With strong market positions, a continuing flow of new and redesigned products, and opportunities for international expansion, the long-range outlook for the Company is excellent.

Results of Operations

For purposes of this discussion and analysis section, reference is made to the tables set forth on pages 8 and 9 and the Company's Statements of Consolidated Operations included in the Financial Statement section. IDEX consists of two business segments: Fluid Handling and Industrial Products.

Performance in the Third Quarter
Ended September 30, 1994 Compared to 1993

Sales, net income and earnings per common share were at record levels in the three months ended September 30, 1994 versus the same period in 1993. Incoming orders, also at record levels, rose 16% in the Company's base businesses and the acquisition of Signfix and Hale added another 26% to the prior year's third quarter order rate.

Third quarter 1994 consolidated net sales of \$107.0 million increased \$29.3 million or 38% from the comparable period in 1993. Fluid Handling Group sales of \$77.4 million increased \$23.5 million or 44% due to stronger volume resulting from improved economic conditions and inclusion of Hale in the 1994 third quarter. Sales in the Industrial Products Group of \$29.6 million increased \$5.7 million or 24% with increased sales in the base businesses in this group, and inclusion of Signfix in the 1994 third quarter.

Gross profit of \$40.6 million in the third quarter of 1994 increased \$11.0 million or 37% from the corresponding 1993 period. Gross profit as a percentage of sales was 38.0% and was approximately equivalent to 1993. Selling, general and administrative expenses increased to \$22.0 million in the third quarter of 1994 from \$16.9 million in the third quarter of 1993, but as a percentage of sales, decreased to 20.6% in 1994 from 21.8% in 1993 due to expense control and inclusion of Hale and Signfix which have lower selling, general and administrative expenses, as a percent of sales, than the core businesses.

Income from operations increased \$5.8 million or 46% to \$18.6 million in the third quarter of 1994 from \$12.8 million in the third quarter of 1993 and operating margin as a percent of sales increased to 17.4% from 16.4% in the prior year. In the Fluid Handling Group, income from operations of \$15.9 million increased \$4.7 million or 42% in the third quarter of 1994 from \$11.2 million in 1993. Operating margin of 20.5% in the third quarter of 1994 decreased slightly from 20.7% in 1993 as volume-related gains at the core businesses were offset by inclusion of results of recently acquired Hale, which has lower margins than the rest of the Group. Income from operations in the Industrial Products Group of \$4.7 million and operating margin of 15.9% in the third quarter of 1994 were higher than the \$3.4 million and 14.1% in the third quarter of 1993 due to volume-related improvements at all the base businesses and inclusion of Signfix in this Group.

Interest expense increased to \$4.0 million in the third quarter of 1994 from \$2.7 million in the comparable 1993 period due to additional borrowings for the acquisitions of Signfix and Hale, and higher interest rates.

The provision for income taxes increased to \$5.0 million in the third quarter of 1994 from \$3.3 million in the third quarter of 1993. The effective tax rate of 36.3% in the third quarter of 1994 increased from the 1993 rate of 32.6%. The 1993 tax rate was impacted by tax code revisions related to the deductibility of goodwill amortization. The 1994 tax rate reflects the non-deductibility of goodwill amortization associated with the purchase of Hale's common stock. Net income was \$8.9 million in the third quarter of 1994 and was 31% higher than the \$6.8 million recorded in the 1993 period. Earnings per common share amounted to \$.68 in the third quarter of 1994 which was 30% higher than the \$.52 recorded in the third quarter of 1993.

Performance in the Nine Months
Ended September 30, 1994 Compared to 1993

Sales, net income and earnings per common share were also at record levels in the nine months ended September 30, 1994. Approximately half of the 27% rise in order activity for this period versus last year was attributable to stronger business conditions in the markets served by the company's base business with the other half resulting from inclusion of Hale and Signfix activity.

Nine-month 1994 net sales of \$286.4 million increased \$57.1 million or 25% from 1993. Fluid Handling Group sales of \$197.3 million increased \$38.6 million or 24% due to stronger volume from improved market conditions and the inclusion of Hale activity from its May 1994 acquisition. Sales in the Industrial Products Group of \$89.4 million increased \$18.5 million or 26% due to improved demand for products of the base business units in this group, and inclusion of Signfix in the first nine months of 1994.

Gross profit of \$110.2 million in the first nine months of 1994 increased \$22.6 million or 26% from the corresponding 1993 period, and gross profit as a percentage of sales of 38.5% in 1994 increased slightly from 38.2% in 1993. Selling, general and administrative expenses increased to \$60.8 million in the first nine months of 1994 from \$51.4 million in the first nine months of 1993, but as a percentage of sales, decreased to 21.2% in 1994 from 22.4% in 1993 due to expense control and inclusion of Hale and Signfix which have lower selling, general and administrative expenses as a percent of sales, than the core businesses.

Income from operations increased \$13.2 million or 36% to \$49.4 million for the nine months ended September 30, 1994 from \$36.2 million in the same period of 1993 and operating margin as a percent of sales increased to 17.2% from 15.8% in the nine-month comparison. In the Fluid Handling Group, income from operations of \$41.5 million and operating margin of 21.0% for the nine months ended September 30, 1994 were higher than income from operations of \$31.4 million and operating margin of 19.8% in the same period of 1993 due to volume-related gains with improving business conditions and inclusion of Hale. Income from operations in the Industrial Products Group of \$13.6 million and operating margin of 15.2% in the first nine months of 1994 were higher than income from operations of \$9.8 million and operating margin of 13.8% in the comparable 1993 period due to volume-related improvements at the core businesses and inclusion of Signfix in this Group.

Interest expense increased to \$9.7 million in the first nine months of 1994 from \$8.3 million in the comparable 1993 period due to additional borrowings for the acquisitions of Signfix and Hale, and higher interest rates.

The provision for income taxes increased to \$13.5 million in the first nine months of 1994 from \$9.3 million in the first nine months of 1993. The 1994 effective tax rate of 35.7% increased from the 1993 rate of 34.0%. The 1993 tax rate was impacted by tax code revisions related to the deductibility of goodwill amortization. The 1994 tax rate reflects the non-deductibility of goodwill amortization associated with the purchase of Hale's common stock. Net income was \$24.4 million in the first nine months of 1994, up 35% from \$18.1 million in the 1993 period. Earnings per common share amounted to \$1.87 in the first nine months of 1994 which was 34% higher than the \$1.40 recorded in the first nine months of 1993.

Liquidity and Capital Resources

On September 30, 1994 IDEX's working capital was \$91.9 million and its current ratio was 2.6 to 1. Internally generated funds were adequate to fund capital expenditures of \$6.9 million and \$5.4 million for the nine months ended September 30, 1994 and 1993, respectively. These expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term. During the nine months ended September 30, 1994 and 1993, depreciation and amortization expense, excluding amortization of debt issuance expenses, was \$10.2 million and \$8.7 million, respectively.

In connection with the acquisition of Hale, the Credit Agreement was amended on May 23, 1994 to provide for an additional \$50 million of availability and improved interest rate structure. IDEX borrowed approximately \$92 million under the Credit Agreement to finance the acquisition of Hale. At September 30, 1994, the maximum amount available under the Credit Agreement was \$150 million, of which \$108 million was being used. The availability under the Credit Agreement declines in stages commencing December 31, 1995 to \$100 million on December 31, 1997. Any amount outstanding at June 30, 1999 becomes due at that date. Interest is payable quarterly on the outstanding balance at the Bank Agent's reference rate plus 25 basis points, or at rates applicable to certain dollar deposits in the interbank Eurodollar market plus 125 basis points.

IDEX believes it will generate sufficient cash flow from operations to meet its operating requirements, scheduled amortization payments under the Credit Agreement, interest and principal payments on the Senior Subordinated Notes and approximately \$11 million of planned capital expenditures in 1994. From commencement of operations in January, 1988 until September 30, 1994, IDEX borrowed \$207 million to complete seven acquisitions and during this same period generated, principally from operation, cash flow of \$189 million to reduce its indebtedness. IDEX intends to consider additional acquisitions in the future. In the event that suitable businesses or assets are available for acquisition by IDEX upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

Part II. Other Information

Item 1.	Legal Proceedings.	None.
Item 2.	Changes in Securities.	Not Applicable.
Item 3.	Defaults upon Senior Securities.	None.
Item 4.	Submission of Matters to a Vote of Security Holders.	None.
Item 5.	Other Information.	None.
Item 6.	Exhibits and Reports on Form 8-K	

(a) Exhibits

The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.

(b) Reports on Form 8-K

On June 6, 1994, the Company filed a current report on Form 8-K (Item 2 and 7) stating that the Company purchased for cash all of the outstanding shares of common stock of Hale Products, Inc., on May 26, 1994.

On August 9, under Item 5, Other Information, of the June 30, 1994 Form 10-Q, the Company provided information in response to items 7(a) and 7(b) to Form 8-K with respect to audited financial statements of Hale Products, Inc. for the years ended December 31, 1993, 1992 and 1991, unaudited interim financial statements of Hale products, Inc. for the period January 1 to May 25, 1994 and for the six months ended June 30, 1993, and unaudited pro forma financial statements of IDEX Corporation for the twelve months ended December 31, 1993 and for the six months ended June 30, 1994, giving effect to the Hale Products, Inc. acquisition as provided therein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized in the capacity and on the date indicated.

IDEX CORPORATION

November 4, 1994

/s/ Wayne P. Sayatovic

Wayne P. Sayatovic
Senior Vice President-
Finance, Chief Financial
Officer and Secretary
(Duly Authorized and Principal
Financial Officer)

EXHIBIT INDEX

Exhibit Number -----	Description -----	Page -----
4.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
4.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (incorporated by reference to Exhibit No. 3.2 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
4.2	Amended and Restated Bylaws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
4.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated Bylaws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on February 12, 1990).	
4.3	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and the Connecticut National Bank, as Trustee, relating to the 9-3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 of the Annual Report of IDEX Corporation on Form 10-K for the fiscal year ended December 31, 1992, Commission File No. 1-10235).	
4.4	Specimen Senior Subordinated Note including specimen guarantee (incorporated by reference to Exhibit No. 4.3 of the Annual Report of IDEX Corporation on Form 10-K for the fiscal year ended December 31, 1992, Commission File No. 1-10235).	
4.5	Specimen certificate of Common Stock (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
10.1	Second Amended and Restated Credit Agreement dated as of January 29, 1993 among IDEX, various banks named therein and Continental Bank N.A., as Agent (incorporated by reference to Exhibit 10.1 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
10.2	Pledge Agreement, dated January 22, 1988, between IDEX and the Bank Agent (incorporated by reference to Exhibit No. 10.3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
10.3	Guaranty Agreement, dated January 22, 1988, between each of the Guarantors named therein and the Bank Agent (incorporated by reference to Exhibit No. 10.4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	

- 10.3(a) Guaranty Agreement, dated May 7, 1991, by CIC Acquisition Corporation in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(a) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).
- 10.3(b) Guaranty Agreement, dated May 4, 1992, by PLF Acquisition Corporation and MCL Acquisition Corporation in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(b) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).
- 10.4 Inter-Guarantor Agreement, dated as of January 22, 1988, among the Subsidiaries named therein and the Bank Agent (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).
- 10.4(a) First Amendment to Inter-Guarantor Agreement, dated as of May 7, 1991, among IDEX Corporation and the Subsidiaries named therein (incorporated by reference to Exhibit No. 10.6(a) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).
- 10.5 Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).
- 10.5(a) First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit 10.5(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).
- 10.6 Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).
- 10.6(a) First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit 10.7(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).
- *10.7 Employment Agreement between IDEX Corporation and Frank J. Hansen dated as of August 1, 1994.
- 10.8 Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).

- 10.9 Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).
- 10.10 Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).
- 10.11 Revised Form of IDEX Corporation Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22(a) to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).
- 10.12 Amendment to the IDEX Corporation Stock Option Plan for Outside Directors, adopted by resolution of the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit 10.21(a) of the Annual Report of IDEX on Form 10-K for the fiscal year ended December 31, 1991, Commission File No. 1-10235).
- 10.13 Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit 10.15 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).
- 10.14 Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit 10.16 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).
- 10.15 IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.17 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).
- 10.16 Stock Purchase Agreement, dated as of May 6, 1994 by and among HPI Acquisition Corp., HFP Partners, L.P., HMTC Partners L.P., the persons listed on Schedule A and Hale Products, Inc. (incorporated by reference to Exhibit 10.17 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1994, Commission File No. 1-10235).
- 10.17 First Amendment dated as of May 23, 1994 to Second Amended and restated Credit Agreement dated as of January 29, 1993 by and among IDEX Corporation, various banks named therein and Continental Bank N.A., as agent (incorporated by reference to Exhibit 10.18 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1994, Commission File No. 1-10235).

*Filed herewith

EMPLOYMENT AGREEMENT

between

IDEX CORPORATION

and

FRANK J. HANSEN

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the 1st day of August, 1994 (the "Effective Date"), between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and FRANK J. HANSEN, 8020 Beaver Hills Lane, Cedar Falls, Iowa 50613-9392 (the "Executive").

IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as President of Viking Pump, Inc., a business unit of IDEX Corporation, and as Vice President - Group Executive of IDEX Corporation ("IDEX"). IDEX desires to secure the full-time services of the Executive as Senior Vice President - Operations until at least the third anniversary of the Effective Date, as defined below, on the terms and conditions as provided in this Agreement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX, or one of its subsidiaries, as the case may be (hereafter in the aggregate, the "Corporation"), as an executive of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the

Chief Executive Officer of the Corporation and subject also at all times to the control of the Board of Directors of the Corporation.

The Executive agrees to relocate his residence within the continental United States upon the request of the Corporation with reimbursement by the Corporation in accordance with its relocation policy in effect from time to time.

3. Executive's obligations; vacations, automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation. With the approval of the Chief Executive Officer of the Corporation, however, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take four weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy of the Corporation be materially less generous than that in effect as of August 1, 1994.

4. Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of \$185,000 per year, in equal monthly installments, during the period of his full-time service hereunder; provided, however, that the Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

5. Period of service and benefits.

5(a). Period of full-time service. The period of full-time service of the Executive under this agreement shall continue to the third anniversary of the Effective Date, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service of the Executive hereunder by delivering written notice of termination to the Executive, or the Executive may resign and terminate his full-time service hereunder at any time after the third anniversary of the Effective Date, by delivering written notice of his intention to resign to the Corporation at least 3 months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month during which he ceases to be actively employed.

In the event of resignation by the Executive as permitted by this Agreement, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period to the effective date of his resignation but not longer than three months. Continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation or the Executive's death or disability, the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination or death occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time. The bonus shall be payable in one lump sum in accordance with and at the time prescribed by the Corporation's policy for payment of annual bonuses to its

executive employees for the year in which the Executive's termination or death occurs or his disability commences. If no policy of the Corporation exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of IDEX in effect as of August 1, 1994.

In addition, in the event of either termination (including, without limitation, because of the Executive's death or disability) of employment or resignation, the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the

Executive by the Corporation as set forth in this Section 5(a). An "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by an person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation, constituting such change of management or control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For

purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b). Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of nine months commencing on the first day of the month immediately following the date of his death.

5(c)(1). Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Sections 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in this Section 5 hereof.

5(c)(2). Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any retirement or pension plan adopted and implemented by the Corporation for its employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation (the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the

limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan; or (v) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation and actual compensation of the Executive taken into account under the applicable Plan provisions. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section

1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee and if the Executive or any of his beneficiaries does not receive a deduction for Federal income tax purposes for such a payment or incurs any penalty tax because of such repayment, the

amount of the reimbursements shall be increased to an amount such that after the application of the Federal income tax to the reimbursements the Executive or the beneficiary shall have received an amount from the Corporation approximately equal to the amount repaid to the Trustee.

5(c)(3). Medical benefits. At all times while the Executive is employed by the Corporation and thereafter for the remainder of his life if the Executive continues in the employ of the Corporation until his 60th year or if the Executive before such 60th year dies or becomes disabled while employed by the Corporation, the Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents. If the Executive continues in the employ of the Corporation until his 60th year or if the Executive becomes disabled before such 60th year while employed by the Corporation, such benefits shall continue for the life of the Executive or the life of his wife, whichever shall be the longer time. If the Executive dies before such 60th year while employed by the Corporation, such benefits shall continue for the life of his wife. The Corporation may, in its discretion, insure such benefits.

Such benefits shall not be affected by the existence or non-existence of any available insurance from any source and shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses.

5(d). Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future

extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto.

8. Additional payments by Corporation.

(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other

person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to any and all equity appreciation rights plans of the Corporation now or hereafter in effect, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise tax", then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor

the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Executive or Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Executive or Corporation and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the term "his 60th year" shall mean immediately following the Executive's 59th birthday. For purposes of this Agreement, disability shall mean a disability which is, or has the potential to be, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as an Executive of the Corporation. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement.

10. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential or actual third party beneficiary shall not be required.

11. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

12. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. Sections 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, and Section (c)(3) is intended to inure to the benefit of the Executive's wife and his dependents; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

13. Choice of law. This agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

14. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if

personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York, 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

15. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

16. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

/s/ Frank J. Hansen

Frank J. Hansen

DATE OF EXECUTION: July 13, 1994

IDEX CORPORATION

By: /s/ Donald N. Boyce

Donald N. Boyce, President

DATE OF EXECUTION: July 12, 1994
